



Originator Housing and Redevelopment Authority	Item Approval of New Payment Standards for the Section 8 Housing Choice Voucher Program
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Date 12/8/2015

Description

As stated in the Administrative Plan for our Section 8 Rent Assistance Program, the HRA is required to annually, or as necessary, review the Payment Standards used for the program. The Payment Standards determine the amount of subsidy a participant will receive. Several factors affect how the HRA sets Payment Standards, including HUD's Fair Market Rents (FMR) for the Metro Area, vacancy rates, and the funding provided by HUD. Payment standards are required to be set within a range of 90% to 110% of the published FMR.

The federal government recently released the proposed FMRs for 2016 which increased amounts for the all bedroom size units. Staff recommends increasing the Payment Standard for all bedroom sizes to provide adequate subsidy to program participants in a market experiencing much higher rents and very low vacancy rates. The current projection of our HUD funding indicates that the HRA will have sufficient funds available to support the increased Housing Assistance Payments (HAP) resulting from higher Payment Standards.

The chart below details the proposed increase to each Payment Standard by bedroom size. The new Payment Standards will be effective January 1, 2016. Staff will review the Payment Standards again once the federal government (HUD) finalizes the Section 8 FMRs for 2016 and will determine if any adjustments are necessary.

Proposed Payment Standards Effective January 1, 2016

	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
10/1/2015 HUD Fair Market Rent (FMR)	648	804	1,015	1,427	1,673	1,923	2,174
Old Payment Standard	650	820	980	1,290	1,500	1,810	2,040
New Payment Standard	680	860	1,030	1,320	1,530	1,840	2,070
Difference	+ 30	+ 40	+ 50	+ 30	+ 30	+ 30	+ 30

Requested Action

Staff recommends approval of the above Payment Standards schedule for the Section 8 Housing Choice Voucher Program.

Attachments: