

# HRA Agenda Item



Originator Housing and Redevelopment Authority	Item <b>Approval of New Payment Standards for the Section 8 Housing Choice Voucher Program</b>
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Date 10/25/2016
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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 final FMRs for 2017 which increased amounts for the all bedroom size units. However, staff recommends increasing the Payment Standard for only those bedroom sizes that now fall below 90% of the new FMR's: 3BR, 4BR, 5BR and 6BR. 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 for these bedroom sizes. Staff will evaluate increasing Payment Standards for the smaller bedroom sizes when our 2017 budget is provided by HUD later this year.

The chart below details the proposed increase to each Payment Standard by bedroom size. The new Payment Standards will be effective retro-active to October 1, 2016.

## Proposed Payment Standards Effective October 1, 2016

	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
<b>10/1/2016 HUD Fair Market Rent (FMR) &amp; Amount of Increase</b>	699 (+43)	862 (+49)	1,086 (+59)	1,538 (+94)	1,799 (+106)	2,085 (+140)	2,338 (+138)
<b>Old Payment Standard</b>	680	860	1,030	1,320	1,530	1,840	2,070
<b>New Payment Standard</b>	680	860	1,030	1,390	1,620	1,880	2,110
<b>Difference</b>	(No Change)	(No Change)	(No Change)	+ 70	+ 90	+ 40	+ 40

Requested Action

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

Attachments:

