

Date: June 20, 2019

To: Daniel Bauman, Chairman, ARHA Board of Commissioners

From: Keith Pettigrew, Chief Executive Officer

Subject: Vote to approve Resolution No. 675-2019 Small Area Fair Market Rent (SAFMRs)

ISSUE:

HUD published 2019 Small Area Fair Market Rent (SAFMRs) effective May 1, 2019. Pursuant to the Housing Choice Voucher Program Administrative Plan, Alexandria Redevelopment and Housing Authority (ARHA) reviews the Applicable Payment Standard annually to determine whether an affordability adjustment should be made. This year the ARHA was selected as one of the designated Housing Authority to apply the payment standard based on zip code. To maintain the marketability of the program, the staff is recommending an adjustment of the 100% of the HUD published SAFMRs Small Area Fair Market Rents to be at 90% or 105% on certain Zip codes.

DISCUSSION:

The Payment Standard is used to calculate the Housing Assistance Payment (HAP). The range of possible payment standard amount is based on HUD's published Small Area Fair Market Rent (SAFMR) schedule for the PHA jurisdiction. The level at which the payment standard amount is set directly affects the amount of subsidy a family will receive, and the amount of rent paid by program participants. If the family leases a unit with a gross rent at or below the payment standard for the family, the family's share of the rent will be its Total Tenant Payment (TTP). If the rent for the unit is higher than the payment standard, the family's share will be higher than the TTP. When the PHA changes its payment standard or the family situation changes, one of the following occurs:

1. If the PHA's payment standard amount changes during the term of the HAP contract, the date on which the new payment standard is applied depends on whether the standard has increased or decreased.
2. If the payment standard amount has **increased**, the increased payment standard will be applied at the first annual reexamination following the effective date of the increased payment standard.
3. If the payment standard amount has **decreased** the decreased payment standard will be applied at the second annual reexamination following the effective date of the decrease in the payment standard. If the family moves to a new unit, or a new HAP contract is executed due to change in the lease even if the family remains in place the current payment standard applicable to the family will be used when the new HAP Contract is processed.

If the payment standard are set to be too low this is what will happen:

- Families may need to pay more than they can afford; or
- Families may have a hard time finding acceptable units or units in more desirable areas;
- Housing Choices will be narrowed and the PHA's effort to affirmatively further fair housing will be undermined.

RECOMMENDATION:

The ARHA's Board of Commissioners vote to approve Resolution No. 675-2019 to adopt the 2019 Small Area Fair Market Rents (SAFMRs).

HUD APPROVED PAYMENT STANDARD 2019

Zip Code	(0) Bedroom	(1) Bedroom	(2) Bedroom	(3) Bedroom	(4) Bedroom
22301	1,410	1,450	1,660	2,170	2,670
22302	1,710	1,760	2,010	2,630	3,230
22304	1,640	1,690	1,930	2,520	3,100
22305	1,480	1,520	1,740	2,270	2,800
22311	1,630	1,680	1,920	2,510	3,090
22312	1,560	1,610	1,840	2,400	2,960
22313	1,440	1,480	1,700	2,220	2,730
22314	2,120	2,180	2,500	3,270	4,020

PROPOSED % SAFMR 2019:

Zip Code	(0) Bedroom	(1) Bedroom	(2) Bedroom	(3) Bedroom	(4) Bedroom
22301 (105%)	1,480	1,523	1,743	2,279	2,804
22302 (90%)	1,539	1,584	1,809	2,367	2,907
22304 (95%)	1,558	1,606	1,834	2,394	2,955
22305 (100%)	1,480	1,520	1,740	2,270	2,800
22311 (90%)	1,467	1,512	1,728	2,259	2,781
22312 (95%)	1,482	1,530	1,748	2,280	2,812
22313 (90%)	1,296	1,332	1,530	1,998	2,457
22314 (90%)	1,908	1,962	2,250	2,943	3,618

Adopted this June 20, 2019

ATTEST: ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

By: _____
Daniel Bauman, Chairman

By: _____
Keith Pettigrew, Chief Executive Officer