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Keith Pettigrew, *Chief Executive Officer*

Date: **January 27, 2020**

To: **Daniel Bauman, Chairman of the ARHA Board of Commissioners**

From: **Keith Pettigrew, Chief Executive Officer**

Subject: **VOTE TO APPROVE RESOLUTION No. 689-2020 SMALL AREA FAIR MARKET RENT (SAFMRs)**

ISSUE:

HUD published 2020 Small Area Fair Market Rent (SAFMRs) effective May 1, 2020. 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. 689-2020 to adopt the 2020 Small Area Fair Market Rents (SAFMRs).

HUD APPROVED PAYMENT STANDARD 2020

Zip Code	(0) Bedroom	(1) Bedroom	(2) Bedroom	(3) Bedroom	(4) Bedroom
22301	1,530	1,570	1,790	2,320	2,840
22302	1,720	1,770	2,020	2,620	3,200
22304	1,650	1,700	1,930	2,500	3,060
22305	1,530	1,570	1,790	2,320	2,840
22311	1,660	1,700	1,940	2,520	3,080
22312	1,610	1,660	1,890	2,450	3,000
22313	1,490	1,540	1,750	2,270	2,780
22314	2,170	2,230	2,540	3,300	4,030

PROPOSED % SAFMR 2020 for ARHA:

Zip Code	(0) Bedroom	(1) Bedroom	(2) Bedroom	(3) Bedroom	(4) Bedroom
22301 (100%)	1,530	1,570	1,790	2,320	2,840
22302 (90%)	1,548	1,593	1,818	2,358	2,880
22304 (100%)	1,650	1,700	1,930	2,500	3,060
22305 (100%)	1,530	1,570	1,790	2,320	2,840
22311 (95%)	1,577	1,615	1,843	2,394	2,926
22312 (95%)	1,530	1,577	1,796	2,328	2,850
22313 (100%)	1,490	1,540	1,750	2,270	2,780
22314 (100%)	2,170	2,230	2,540	3,300	4,030

