



TACOMA HOUSING AUTHORITY

RESOLUTION 2009-9-23 (1)

Date: September 23, 2009
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: FY10 Payment Standard for Housing Choice Voucher Program

Background

HUD has recently increased the Fair Market Rents (FMR) for the Tacoma area. This would increase the cost of Housing Choice Vouchers. Such an increase would make it harder for THA to keep its voucher costs within the allocation it received. This cost control is important to avoid the need to terminate families. This resolution reduces the payment standard THA uses to values its Housing Choice Vouchers from 100% to 96% of the HUD's Fair Market Rent (FMR). This will offset the increased FMR and keep the value of vouchers unchanged. For example: the fair market rent (FMR) for fiscal year 2009 for a 1 bedroom is rising from \$743 to \$776. By reducing the payment standard from 100% to 96%, the voucher value will remain at \$743.

The rules of the program allow THA to do this. The housing authority may adopt payment standards between 90-110% of FMR.

THA has consulted with the Landlord Advisory Group regarding this proposal. Its members expressed concerns about this proposal. It may mean that tenants will have to pay more out of their own pocket should a landlord seek a rent increase above the payment standard. THA staff shares these concerns. However, staff strongly recommend this change for the following reasons:

1. The increased rent burden is preferable to terminating families from the program.
2. The change will not affect present participants until either their second recertification after this change or when they move.

Recommendation

At this time, I recommend that THA change its payment standard so the value of its vouchers remains the same despite the HUD increase in FMRs. This decision would allow THA to successfully manage its HAP utilization without terminating families.

I also recommend that THA revisit the payment standard amount once THA receives notice of its calendar year 2010 funding. Perhaps additional funding may allow THA to change its payment standard back to 100% of FMR.



TACOMA HOUSING AUTHORITY

RESOLUTION 2009-9-23 (1)

FY10 PAYMENT STANDARD FOR HOUSING CHOICE VOUCHER PROGRAM

A RESOLUTION of the Board of Commissioners of the Housing Authority of the City of Tacoma

Whereas, HUD updates its Fair Market Rents annually.

Whereas, housing authorities may adopt payment standards between 90-110% of the effective Fair Market Rents.

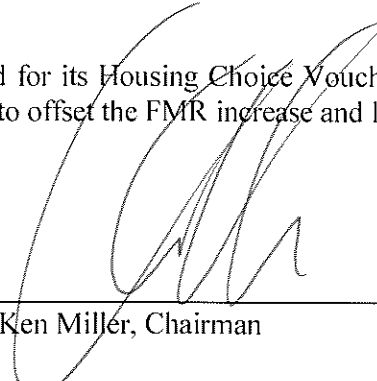
Whereas, THA's current payment standards is 100% of FMRs.

Whereas, THA does not have enough reserves to cover the higher FMRS without terminating families.

Resolved by the Board of Commissioners of the Housing Authority of the City of Tacoma, Washington as follows:

1. THA will reduce its payment standard for its Housing Choice Voucher program to approximately 96% of the new FMRs to offset the FMR increase and leave the value of the vouchers unchanged.

Approved: September 23, 2009



Ken Miller, Chairman