



TACOMA HOUSING AUTHORITY

RESOLUTION 2011-06-22(5)

DATE: June 22, 2011
TO: Board of Commissioners
FROM: Michael Mirra, Executive Director
RE: Payment Standards for Housing Choice Voucher Program

Background

THA has the ability to set its payment standards within 90% to 110% of the Fair Market Rents (FMR) determined by HUD. THA's current payment standards are set at 96% of the FY2010 FMR. I am proposing to increase these to 96% of the FY2011 FMR.

Rental Assistance staff has used market rent data available through Dupre + Scott and data available regarding units currently assisted through THA's voucher program. Dupre + Scott data shows that the current rental vacancy rate is 5.6%; which reflects ample rental options for renters. This external data also shows that rental prices have remain unchanged over the past six months. Those rental prices fall within the payment standards being proposed to the board.

Current THA Payment Standard				
Studio	1 bedroom	2 bedroom	3 bedroom	4 bedroom
636	743	926	1349	1518
Proposed THA Payment Standard				
Studio	1 bedroom	2 bedroom	3 bedroom	4 bedroom
668	780	973	1418	1596

We will be consulting the THA Landlord Advisory group on June 14, 2011 and will provide information regarding their comments at the Board meeting. Initial feedback from the landlords was that THA should adopt payment standards that are 100% of the FMR. The Landlord Advisory Group had recommended this based on their assessment of the market. It was also recommended to ease the burden that will be caused by the change in the voucher occupancy standards. At this point, external market data does not support raising payment standards to that level.

Recommendation

I recommend adopting payment standards at 96% of the current fair market rents.



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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 will adopt payment standards that are appropriate based on available rental market data.

Resolved by the Board of Commissioners of the Housing Authority of the City Of Tacoma, Washington, that:

1. Approve Resolution 2011-06-22 (5) authorizing THA to adopt payment standards at 96% of the current fair market rent.

Approved: June 22, 2011

Arthur Banks, Chairman