



**The Longmont
Housing Authority**

DATE: December 20, 2021

TO: LHA Board of Commissioners

FROM: Kathy Fedler, Housing and Community Investment Division Manager

Subject: Year 2022 Payment Standard

RECOMMENDATION

Adopt a Resolution establishing a revised Payment Standard Schedule for use in the administration of Longmont Housing Authority (LHA) Housing Choice Voucher (Section 8) Rental Assistance Housing programs.

FISCAL IMPACTS OF RECOMMENDATION

There will be an increase in Housing Assistance Payments (HAP) by the Longmont Housing Authority.

CURRENT SITUATION AND ITS EFFECTS

In October the U.S. Department of Housing & Urban Development (HUD) published the Final Fair Market Rents (FMR) for FY2022. In accordance with HUD requirements LHA staff is proposing to revise the Payment Standards for the Housing Choice Voucher Rental Assistance Programs. HUD allows Housing Authorities to set the payment standard within 90% to 110% of the FMR. LHA is recommending to set the payment standard for FY2022 at 100% of FMR.

The payment standard may increase housing assistance payments for any re-certifications, moves and new admissions with an effective date beginning January 1, 2022. The overall increase in the payment standards means that tenant rent payments may be correspondingly lower for tenants and LHA's housing assistance payment commitments may be higher for these units.

BACKGROUND

HUD publishes the fair market rent for each market area in the United States. The primary uses of FMR's are to determine payment standard amounts for the Housing Choice Voucher Program (HCV), to determine initial renewal rents for some expiring project-based Section 8 contracts, to determine initial rents for HAP contracts in the Moderate Rehabilitation Single Room Occupancy Program, and to serve as a rent ceiling in the HOME Rental Assistance Program. Housing Authorities must adopt a payment standard schedule that establishes a voucher payment standard amount for each FMR area in the PHA's jurisdiction. And for each FMR area, a payment standard must be established for each unit size. Unit size is determined by number of bedrooms in the unit.

Because of Covid and other intervening issues with waivers, market rent increases and eviction moratoriums, none of the Housing Authorities in Boulder County adopted a different payment standard since the one issued for 2020. All three housing authorities are now in agreement to adopt the 2022 payment standard. Boulder County and LHA will be at 100% of FMR and Boulder Housing Partners is going to 105% of FMR to reflect higher rents in the City of Boulder.

ALTERNATIVE ACTIONS CONSIDERED

Alternative actions considered included surveys and information compiled to determine appropriate payments standards for each unit size. Final analysis indicated gross rents in the community are within the 100% FMR range for each unit size.

Attachments:

Resolution No. LHA-2021-10.

Comparison of current (2020) and proposed (2022) Payment Standard Schedule

The FY 2022 Boulder, CO MSA FMRs for All Bedroom Sizes

Final FY 2022 FMRs By Unit Bedrooms					
Year	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
FY 2022 FMR	\$1,284	\$1,449	\$1,748	\$2,352	\$2,786

The FY 2020 Boulder, CO MSA FMRs for All Bedroom Sizes

Final FY 2020 FMRs By Unit Bedrooms					
Year	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
FY 2020 FMR	\$1,273	\$1,412	\$1,717	\$2,381	\$2,686