AGENDA # 7

To: **Brookline Housing Authority Board of Commissioners**

Fm: **Carlos Hernandez, Director of Leased Housing & Applications**

Re: **Proposed BHA FY 2020 Sec. 8 Payment Standards**

Dt: **October 18, 2019**

We recommend that the Board approve Sec. 8 Payment Standards for the coming year as shown in the attached tables, at 100% of the HUD FY 2020 Small Area Fair Market Rents (SAFMRs) for resident-based assistance utilized in Brookline and at 110% of the HUD FY 2020 Fair Market Rents (FMRs) for project-based units in Brookline.

The Commissioners annually approve Payment Standards (PS) for the Sec. 8 program. The Payment Standards are the maximum levels of rental assistance that the BHA can pay for apartments in Brookline. For apartments rented outside Brookline, other housing authorities' Payment Standards apply.

We commissioned our outside accountant Howard Gordon to assess the impact on our annual Sec. 8 funding of adopting SAFMRs. Gordon's projections show that our total Sec. 8 funding is not sufficient to support PS set at the SAFMRs for **both** resident-based and project-based units in Brookline. Therefore, we recommend adopting SAFMRs for our resident-based vouchers only, a policy that our annual HUD funding can accommodate. A table of the proposed 2020 Payment Standards is attached.

Note: Payment Standards for the three Brookline zip codes vary slightly. The first table attached shows the PS for the highest rent zip code – 02446. The second table breaks out the PS for all three zip codes.

The 2020 Brookline SAFMRs are much higher than the metro area 2019 FMRs and are solidly in the range of actual market rents – for example $3,470 (02446) v. $2,194 for a two bedroom. The increase in Payment Standards for **resident-based assistance** will provide recipient households a much wider range of housing opportunities in Brookline and likely improve the rate of Sec. 8 utilization in Brookline. Currently, only 19 households with BHA Sec. 8 resident-based assistance are renting apartments at private, non-subsidized properties in Brookline.

Setting 2020 Payment Standards at 110% of the metro region FMRs for **project-based assistance** results in a smaller though meaningful subsidy increase over the 2019 Payment Standards. This increase will allow the BHA to generate more debt capital for renovations at our RAD properties.

2020 Payment Standards will go into effect January 1, 2020. HUD and BHA policies require to publicly posting the proposed Payment Standards for comment for 30 days before implementation.

BROOKLINE HOUSING AUTHORITY

FAIR MARKET RENTS PAYMENT STANDARDS EFFECTIVE 1/1/2020

TABLE A BEDROOM SIZE	2019 Market Rents	2019 Fair Market Rents (HUD)	2019 Payment Standards	2020 Fair Market Rents (HUD)	2020 Payment Standards	COMMENTS Change in PS
SRO	n/a	1,206	1,206	1,286	1,414	208
ZERO (0)	2,050	1,608	1,608	1,715	1,886	278
ONE (1)	2,450	1,801	1,981	1,900	2,090	109
TWO (2)	3,050	2,194	2,194	2,311	2,542	348
THREE (3)	4,400	2,749	2,749	2,880	3,168	419
FOUR (4)	n/a	2,966	2,966	3,131	3,444	478

BROOKLINE HOUSING AUTHORITY

SMALL AREA FAIR MARKET RENTS PAYMENT STANDARDS EFFECTIVE 1/1/2020

TABLE B BEDROOM SIZE	2020 SAFMRs zip code 02445	2020 Payment Standard Zip Code 02445	2020 SAFMRs zip code 02446	2020 Payment Standard Zip Code 02446	2020 SAFMRs Zip Code 02467	2020 Payment Standard Zip Code 02467
SRO	1,860	1,860	1,935	1,935	1,830	1,830
ZERO (0)	2,480	2,480	2,580	2,580	2,440	2,440
ONE (1)	2,750	2,750	2,850	2,850	2,700	2,700
TWO (2)	3,340	3,340	3,470	3,470	3,290	3,290
THREE (3)	4,160	4,160	4,320	4,320	4,100	4,100
FOUR (4)	4,520	4,520	4,700	4,700	4,460	4,460