



May 27, 2022

District of Columbia Housing Authority

RENT PAYMENT STANDARDS

FACT SHEET

Q1: Why is DCHA considering changing their rent payment standards?

A: The DC Housing Authority Board of Commissioners requested DCHA to perform a rent analysis for all housing choice voucher payments (HAP) and asked us to recommend a process to the board for updating our Rent Payment Standards to ensure we are utilizing a fair and equitable standard in the District.

Q2: What is the effective date for the new rent payment standards?

A: **Nothing is changing right now.** We are establishing working groups in collaboration with housing providers and key stakeholders to jointly create a strategic and phased implementation plan. It is important for everyone's voice to be heard so together we are creating what's best for those who need housing the most.

Q3: How is DCHA engaging stakeholders in this process?

A: DCHA met with the major landlord associations (DC Housing Providers Association, Small Multifamily Owners Association, Coalition for Non-Profit Housing and Economic Development, Apartment and Office Building Association), the advocates' community, individual landlords, agency partners and members of the lending community.

Our next steps over the next 90 days are to form working groups to get feedback, factor in additional data, consider options, and develop implementation plans.

This document is dynamic and will be continually updated. If you have questions or need additional information please email dchousingauth@dchousing.org or visit our website www.dchousing.org, then choose Landlords.

Q4: What is the basis for DCHA's rent payment standards?

A: HUD allows public housing authorities to adjust their Payment Standards up to 110% of Fair Market Rent (FMR) without HUD authorization; however Moving to Work (MTW) public housing authorities have the ability to set alternative rent policies outside of the standard regulations governing the use of FMRs in setting Payment Standards with approval from HUD. DCHA was able to increase its rent standards from 110% to 187% using neighborhood submarkets—DCHA's current process includes a review of the rent levels by neighborhood and establishes an approved rent to be the lesser of market rents or the payment standard.

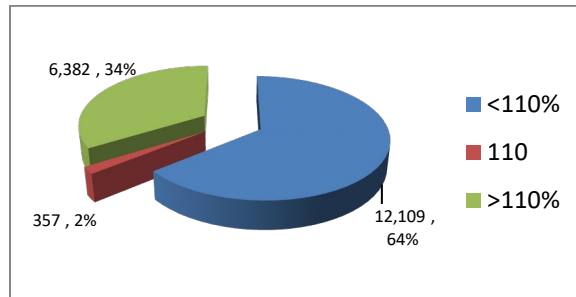
Based on our initial analysis, approximately 1/3 of DCHA's rents are above the 110% range, resulting in significant overpayments compared to non-subsidized market rents. In many other cases, the rents are below market rates.

Q5: What options are being considered to right-size the rent payment standards?

A: In 2016 HUD adopted Small Area Fair Market Rents (SAFMR) which are based on rents in specific zip codes and reflect neighborhood rents more accurately than metro-level Fair Market Rent (FMR). Both types of FMR are calculated annually by HUD and are adjusted for cost of living increases. (In the past three years, DCHA has not granted rent increases).

Q6: Why is DCHA conducting analyses based on SAFMR?

A: DCHA examined its universe of 18,848 HAP contracts and compared them to the HUD established SAFMR at 110% rent tables. **The Results?** 64% of our contracts are below 110% SAFMR.



Use of SAFMR has two benefits:

- a. Voucher holders can potentially have greater access to high-opportunity areas
- b. The voucher program can become more cost-effective, allowing DCHA to serve more District families who need assistance

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