

Market-Rate Voucher Payment Standard Proposal for Public Comment June 22-July 23, 2018

Seattle Housing Authority (SHA) uses multiple local factors to analyze adjustments to Voucher Payment Standards (VPS) in order to respond effectively to the highly competitive local housing market. SHA currently uses different payment standards for tenant-based vouchers used in market-rate rather than affordable housing units. The proposed changes would affect payment standards for market-rate units only, which is currently the area of greatest need. Specifically, SHA proposes that increased payment standards for market-rate units be made available for newly issued voucher households and for existing households that are rent burdened.

The new market-rate payment standards would initially be set at 100 percent of the final 2018 HUD Fair Market Rents for all bedroom sizes, representing an increase of approximately 24 percent over the current payment standards, which were adopted in 2016.

The following households would be eligible for the new payment standards:

- ◆ Rent-burdened households (defined as paying 40 percent or more of gross income in rent and utilities)
 - In existing units: Households that are already rent-burdened while residing in market-rate units and households that in the future become rent-burdened while residing in market-rate units, including households with zero income that pay the minimum of \$50 or less toward rent and utilities
 - Moves with Continued Assistance: Households with a tenant-based voucher that move into a market-rate unit that would result in the household becoming rent-burdened
- ◆ Households newly issued a voucher: All households newly receiving a voucher, or shopping with a voucher but not yet leased, that lease a market-rate unit

Current voucher households in market-rate units that are not rent-burdened will continue to receive the payment standards established in 2016, unless they become rent-burdened.

SHA would like to implement the new payment standards within 60 days of adoption by the Board. The new payment standards will be called the 2018 Market-Rate Voucher Payment Standard and identified as 2018 MR-VPS.

SHA will modify the Housing Choice Voucher Administrative Plan and any other applicable policies and procedures necessary to implement these provisions. SHA will also continue to assess Voucher Payment Standards each year.