

FOR ACTION

MOTION: To Adopt Payment Standards for the Hawaii Public Housing Authority's (HPHA) Section 8 Housing Choice Voucher Program for Oahu Zip Codes Where the U.S. Department of Housing and Urban Development Has Required the Use of Small Area Fair Market Rent (SAFMR) Effective January 1, 2020; and to Authorize the Executive Director to Adjust the Payment Standards Between 90% and 110% Based on Projected Housing Assistance Funding Shortfall, with Adequate Notice to Program Participants

I. FACTS

- A. The U.S. Department of Housing and Urban Development (HUD) annually estimates fair market rents (FMR) for Office of Management and Budget (OMB) defined metropolitan areas, some HUD defined subdivisions of OMB metropolitan areas and each nonmetropolitan county.
- B. In the administration of the Housing Choice Voucher program, SAFMRs (i.e., FMRs established at the ZIP code–area level) replace the 50th percentile FMRs previously required in metropolitan areas with high concentrations of voucher families. SAFMRs are intended to provide families residing in such areas with access to low-poverty areas by providing rental assistance at a level that makes the higher rents in such areas affordable to them.
- C. For HCV-assisted families who reside in designated SAFMR metropolitan areas, PHAs are required to use SAFMRs in establishing families' payment standards. The HPHA's Section 8 HCV program is operated in the City & County of Honolulu and is considered a "Designated SAFMR PHA".
- D. 42 USC 1437f requires FMRs be posted at least 30 days before they are effective and that they are effective at the start of the federal fiscal year (generally October 1).

II. DISCUSSION

- A. As required by the Federal program regulations, HPHA reviews and adjusts the Payment Standards as HUD publishes the new zip code-

based Fair Market Rents. The payment standard was last updated at the start of the federal fiscal year and the HPHA must adjust its payment standard no later than 3 months following the effective date of the change in the FMR. As such, the HPHA must make proposed changes no later than January 1, 2020 as some zip codes were impacted.

- B. The SAFMR rule establishes zip code-based FMR instead of FMR covering an entire metropolitan area. This means in high-rent areas, the FMR is higher thus creating an incentive for families to move to a neighborhood with better schools, amenities, or more job opportunities. It also means that in low-rent areas, the voucher payment standard is lower because rents are not comparable to the high-rent areas within the larger metropolitan area.
- C. Attached for consideration are the proposed payment standards for zip codes in the City and County of Honolulu for the HPHA's Housing Choice Voucher Program, effective January 1, 2020.

III. RECOMMENDATION

To Adopt Payment Standards for the Section 8 Housing Choice Voucher Program for Oahu Zip Codes where the U.S. Department of Housing and Urban Development has required the use of Small Area Fair Market Rent effective January 1, 2020; and to Authorize the Executive Director to adjust the Payment Standards between 90% and 110% based on projected Housing Assistance funding shortfall, with adequate notice to program participant

Attachment 1: Urban Honolulu, HI MSA Small Area FY 2020 Fair Market Rents

Attachment 2: Summary of Proposed Payment Standards, effective January 1, 2020

Prepared by: Katie Pierce, Section 8 Subsidy Programs Branch Chief HP

Approved by the Board of Directors
on the date set forth above
 As Proposed [] As Amended



Mile Spindt
Chairperson



URBAN HONOLULU, HI MSA SMALL AREA FY 2020 FAIR MARKET RENTS

All Housing Choice Voucher programs operated in the Urban Honolulu, HI MSA will use Small Area FMRs as defined by ZIP codes.

For FMR information for other programs, please click [here](#).

Honolulu County, Hawaii is part of the Urban Honolulu, HI MSA, which consists of the following counties: Honolulu County, HI. All information here applies to the entirety of the Urban Honolulu, HI MSA.

In metropolitan areas, HUD defines Small Areas using ZIP Codes within the metropolitan area. Using ZIP codes as the basis for FMRs provides tenants with greater ability to move into "Opportunity Neighborhoods" with jobs, public transportation, and good schools. They also provide for multiple payment standards within a metropolitan area, and they are likely to reduce need for extensive market area rent reasonableness studies. Lastly, HUD hopes that setting FMRs for each ZIP code will reduce overpayment in lower-rent areas.

NOTE: ZIP Code areas are defined by the postal service to facilitate the efficient delivery of mail. Because of this, ZIP code areas may cross city, county, and in some limited instances, state lines. Consequently, ZIP codes which cross county lines may lie within more than one metropolitan area, or cover parts of one or more nonmetropolitan counties and part of a metropolitan area.

Urban Honolulu, HI MSA Small Area FMRs By Unit Bedrooms					
ZIP Code	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
96701	\$1,490	\$1,660	\$2,190	\$3,160	\$3,850
96706	\$1,700	\$1,890	\$2,490	\$3,590	\$4,370
96707	\$1,680	\$1,880	\$2,470	\$3,560	\$4,340
96709	\$1,470	\$1,640	\$2,160	\$3,120	\$3,790
96712	\$1,640	\$1,830	\$2,410	\$3,480	\$4,230
96717	\$1,410	\$1,570	\$2,070	\$2,990	\$3,630
96730	\$1,260	\$1,410	\$1,870	\$2,700	\$3,280
96731	\$1,430	\$1,590	\$2,100	\$3,030	\$3,690
96734	\$1,940	\$2,160	\$2,840	\$4,100	\$4,990
96744	\$1,490	\$1,660	\$2,180	\$3,140	\$3,830

Urban Honolulu, HI MSA Small Area FMRs By Unit Bedrooms					
ZIP Code	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
<u>96759</u>	\$1,690	\$1,890	\$2,480	\$3,580	\$4,360
<u>96762</u>	\$1,360	\$1,510	\$1,990	\$2,870	\$3,490
<u>96782</u>	\$1,680	\$1,870	\$2,460	\$3,550	\$4,320
<u>96786</u>	\$1,730	\$1,930	\$2,540	\$3,660	\$4,460
<u>96789</u>	\$1,630	\$1,810	\$2,390	\$3,450	\$4,200
<u>96791</u>	\$1,550	\$1,720	\$2,270	\$3,270	\$3,990
<u>96792</u>	\$1,100	\$1,230	\$1,620	\$2,340	\$2,840
<u>96795</u>	\$1,060	\$1,180	\$1,550	\$2,240	\$2,720
<u>96797</u>	\$1,460	\$1,620	\$2,140	\$3,090	\$3,760
<u>96801</u>	\$1,470	\$1,640	\$2,160	\$3,120	\$3,790
<u>96802</u>	\$1,470	\$1,640	\$2,160	\$3,120	\$3,790
<u>96803</u>	\$1,470	\$1,640	\$2,160	\$3,120	\$3,790
<u>96804</u>	\$1,470	\$1,640	\$2,160	\$3,120	\$3,790
<u>96805</u>	\$1,470	\$1,640	\$2,160	\$3,120	\$3,790
<u>96806</u>	\$1,470	\$1,640	\$2,160	\$3,120	\$3,790
<u>96807</u>	\$1,470	\$1,640	\$2,160	\$3,120	\$3,790
<u>96808</u>	\$1,470	\$1,640	\$2,160	\$3,120	\$3,790
<u>96809</u>	\$1,470	\$1,640	\$2,160	\$3,120	\$3,790
<u>96810</u>	\$1,470	\$1,640	\$2,160	\$3,120	\$3,790
<u>96811</u>	\$1,470	\$1,640	\$2,160	\$3,120	\$3,790
<u>96812</u>	\$1,470	\$1,640	\$2,160	\$3,120	\$3,790
<u>96813</u>	\$1,410	\$1,570	\$2,070	\$2,990	\$3,630
<u>96814</u>	\$1,620	\$1,810	\$2,380	\$3,430	\$4,180
<u>96815</u>	\$1,880	\$2,090	\$2,750	\$3,970	\$4,830
<u>96816</u>	\$1,410	\$1,560	\$2,060	\$2,970	\$3,620
<u>96817</u>	\$1,200	\$1,340	\$1,760	\$2,540	\$3,090
<u>96818</u>	\$1,960	\$2,190	\$2,880	\$4,150	\$5,060
<u>96819</u>	\$1,340	\$1,500	\$1,970	\$2,840	\$3,460

Urban Honolulu, HI MSA Small Area FMRs By Unit Bedrooms					
ZIP Code	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
<u>96820</u>	\$1,470	\$1,640	\$2,160	\$3,120	\$3,790
<u>96821</u>	\$2,120	\$2,360	\$3,110	\$4,490	\$5,460
<u>96822</u>	\$1,400	\$1,560	\$2,050	\$2,960	\$3,600
<u>96823</u>	\$1,470	\$1,640	\$2,160	\$3,120	\$3,790
<u>96824</u>	\$1,470	\$1,640	\$2,160	\$3,120	\$3,790
<u>96825</u>	\$2,210	\$2,460	\$3,240	\$4,670	\$5,690
<u>96826</u>	\$1,340	\$1,500	\$1,970	\$2,840	\$3,460
<u>96828</u>	\$1,470	\$1,640	\$2,160	\$3,120	\$3,790
<u>96830</u>	\$1,470	\$1,640	\$2,160	\$3,120	\$3,790
<u>96836</u>	\$1,470	\$1,640	\$2,160	\$3,120	\$3,790
<u>96837</u>	\$1,470	\$1,640	\$2,160	\$3,120	\$3,790
<u>96839</u>	\$1,470	\$1,640	\$2,160	\$3,120	\$3,790
<u>96850</u>	\$1,470	\$1,640	\$2,160	\$3,120	\$3,790
<u>96853</u>	\$1,830	\$2,050	\$2,690	\$3,880	\$4,730
<u>96857</u>	\$1,730	\$1,930	\$2,540	\$3,660	\$4,460
<u>96859</u>	\$1,340	\$1,500	\$1,970	\$2,840	\$3,460
<u>96860</u>	\$1,960	\$2,190	\$2,880	\$4,150	\$5,060
<u>96861</u>	\$1,470	\$1,640	\$2,160	\$3,120	\$3,790
<u>96863</u>	\$1,650	\$1,830	\$2,410	\$3,470	\$4,230

HAWAII PUBLIC HOUSING AUTHORITY
HOUSING CHOICE VOUCHER MULTI - TIERED PAYMENT STANDARDS
Effective January 1, 2020

TIER	ZIP CODES					BEDROOM SIZE								
						0	1	2	3	4	5	6	7	8
Tier 1	96821	96825				\$1,990	\$2,214	\$2,916	\$4,203	\$5,121	\$5,889	\$6,657	\$7,425	\$8,194
Tier 2	96734	96815	96818	96853	96860	\$1,764	\$1,971	\$2,592	\$3,735	\$4,554	\$5,237	\$5,920	\$6,603	\$7,286
Tier 3	96706	96707	96712	96759	96782	\$1,620	\$1,810	\$2,380	\$3,430	\$4,180	\$4,807	\$5,434	\$6,061	\$6,688
	96786	96789	96814	96857	96863									
Tier 4	96701	96802	96808	96823	96839	\$1,533	\$1,701	\$2,247	\$3,244	\$3,948	\$4,540	\$5,132	\$5,725	\$6,317
	96709	96803	96809	96824	96850									
	96744	96804	96810	96828	96861									
	96791	96805	96811	96830										
	96797	96806	96812	96836										
	96801	96807	96820	96837										
Tier 5	96717	96762	96816	96822	96859	\$1,474	\$1,650	\$2,167	\$3,124	\$3,806	\$4,377	\$4,948	\$5,519	\$6,090
	96731	96813	96819	96826										
Tier 6	96730	96792	96795	96817		\$1,166	\$1,298	\$1,705	\$2,464	\$2,992	\$3,441	\$3,890	\$4,338	\$4,787