



NATIONAL HIV/AIDS
HOUSING COALITION

How to Change Your HOPWA Rent Standards

November 25, 2024

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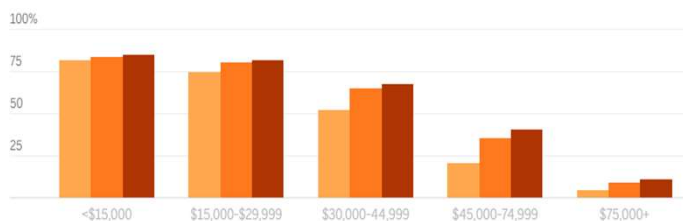
Affordable Housing Crisis

U.S. rental households at all income levels are increasingly burdened by rent and utility costs, according to a Harvard study.

Share of rental households spending 30% or more of income on rent and utilities

By income range

■ 2001 ■ 2019 ■ 2022



Source: Harvard Joint Center for Housing Studies

AP

- Post-pandemic reduction of federal and local funding
- More than 20 million American renters are rent burdened

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Presenters

- LeRonald Reid Jr.
 - NHAHC Lived Leadership Council
- Jonathon Antle, Housing Manager
 - City of Kansas City (MO) Health Department
- Monica Woodring, Public Health Program Administrator
 - Pennsylvania Department of Health



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Kansas City, MO's HOPWA Community-Wide Exception Rent Standard

11/25/2024



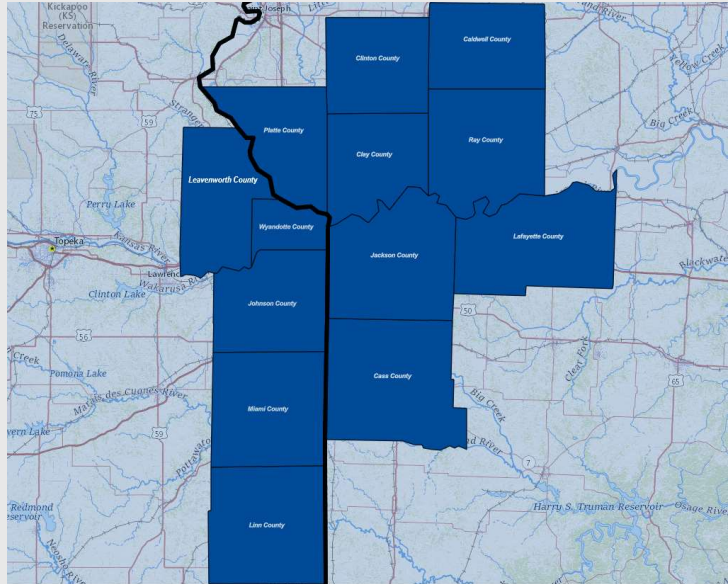
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Kansas City MO-KS EMSA

- 13 counties
- MO & KS



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Rents in Kansas City Metro Rising



Rents in Kansas City and Missouri are rising faster than almost anywhere else in the U.S.

Housing in the Kansas City area, and in Missouri overall, is quickly becoming unaffordable. The city and state are seeing some of the...

Feb 28, 2024



FOX4KC.com

Rent prices in Missouri rising faster than any other state; report

KANSAS CITY, Mo. — Rent is rising, and new numbers show the cost of rent in Missouri is soaring faster than in any other state.

Mar 5, 2024



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Rents in Kansas City Metro Rising

- Growing metropolitan area
- Gentrification
- Influx of “luxury” apartments

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Fair Market Rent (FMR) Drawbacks

- FMR was behind actual market rates
- Made it difficult to find equitable, quality housing
- Competition with other HCV programs
(Section 8, CoC Programs, etc.)

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Changing Rent Standards

- Sought Community-Wide Exception of 130% FMR
- Helpful guidance from CloudBurst TA Providers

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Step 1: Gather Data

- In-house market assessment of available **equitable** rental units
- Excluded zip codes with lowest life expectancy

Data Fields	1-Bedroom #1	1-Bedroom #2	1-Bedroom #3	1-Bedroom #4	1-Bedroom #5
Address	8312 E 105th St	1740 E Missouri	1305 E Armour B	4104 Warwick Bl	4550 Warwick B
Unit # (if applicable)					
Zipcode	64134	64106	64109	64111	64111
Neighborhood	Ruskin Hills	Pendleton Heights	Paseo Heights	Southmoreland	Southmoreland
Listing Source	Rent.com	Rent.com	Rent.com	rent.com	rent.com
Rent Amount	\$ 900.00	\$ 910.00	\$ 750.00	\$ 925.00	1400
Square Feet	670	800		500	
Age in Years					
Type of Unit/Construction	Duplex/Townhouse	Detached House	Apartment	Apartment	Apartment
Housing Condition	Good	Good	Fair	Good	Good
Location/Accessibility	Not near public trans	Near public trans	Near public trans	Near public trans	Near public trans
Heat Type	Unkown	Unkown	Unkown	Unkown	Electric
Stove/Oven Type	Unkown	Unkown	Unkown	Unkown	Electric
Water Heater Type	Unkown	Unkown	Unkown	Unkown	Electric
Air Conditioning Included	Yes	Unknown	Yes	Yes	Yes
Microwave Included	Yes	Unknown	Unknown	Unknown	Yes
Refrigerator Included	Yes	Unknown	Unknown	Unknown	Yes

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Step 2: Analyze Data

- Rents ranged from 118% - 130% FMR
- Average of 125% FMR

Kansas City MO-KS EMSA Housing Market Survey Findings			
Unit Size	Sample	% Over FMR	Average Cost
Studio	9	29%	\$ 1,247.85
1-Bedroom	40	22%	\$ 1,322.64
2-Bedroom	53	30%	\$ 1,606.32
3-Bedroom	54	22%	\$ 1,973.70
4-Bedroom	9	23%	\$ 2,345.64
5-Bedroom	10	18%	\$ 2,609.52
Average of Search:		25%	\$ 1,850.95
Dates Conducted: 7/1/23 to 10/31/23			

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Step 3: Propose Your Rent Standard

- Proposed 130% FMR Community-Wide Exception
- Formal letterhead proposal
- All supporting documentation, including raw data

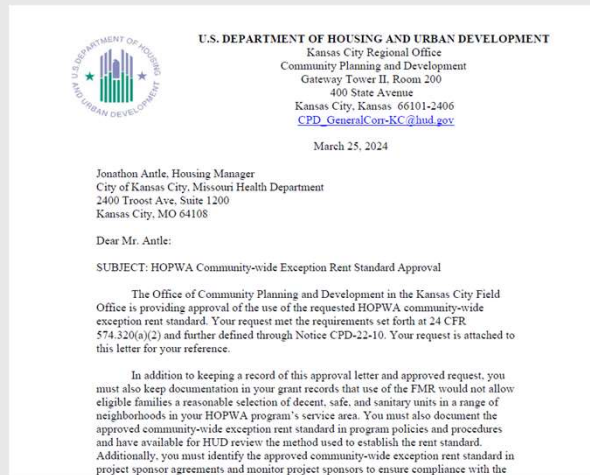
Unit Size	Efficiency	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom	6 Bedroom
Current FMR	\$ 985	\$ 1,098	\$ 1,258	\$ 1,645	\$ 1,931	\$ 2,221	\$ 2,554
130% FMR	\$ 1,281	\$ 1,427	\$ 1,635	\$ 2,139	\$ 2,510	\$ 2,887	\$ 3,320

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Step 4: Wait for Response...



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Step 5: Implementation

- Update Policies & Procedures
- Notify Project Sponsors
- Recalculate Annually with updated FMRs

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Rent Standard Outcomes

- Gradual phase in naturally as new participants enter the program or as existing participants opt to find new units
- Anecdotally, much easier to find equitable housing
- Long-term outcomes TBD

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The Pa. Rent Standard

Monica Woodring
Public Health Program Administrator



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How to start your proposal



Know your need

Consider things like: Utilities, differences in housing markets within program, differences in service areas, and future need of program.



Choose the right method for your program

Pa. chose to use one standard for all 54 counties we serve.



Talk to your providers/case managers

Everyone knows rent is high. What ELSE is causing barriers? What other things have an affect on securing available units?



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Use what you have available to you

Try utilizing HUD reports and program information that you already have at your disposal to support your proposals.



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Examples of Documents Used

The FY 2023 Altoona, PA MSA FMRs for All Bedroom Sizes

Final FY 2023 & Final FY 2022 FMRs By Unit Bedrooms					
Year	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
FY 2023 FMR	\$613	\$756	\$917	\$1,116	\$1,243
FY 2022 FMR	\$552	\$677	\$829	\$1,025	\$1,124

The Altoona, PA MSA consists of the following counties: Blair County, PA. All information here applies to the entirety of the Altoona, PA MSA.

Fair Market Rent Calculation Methodology

Show/Hide Methodology Narrative

Fair Market Rents for metropolitan areas and non-metropolitan FMR areas are developed as follows:

1. **Calculate the Base Rent:** HUD uses 2016-2020 5-year American Community Survey (ACS) estimates of 2-bedroom adjusted standard quality gross rents calculated for each FMR area as the new basis for FY2023, provided the estimate is statistically reliable. For FY2023, the test for reliability is whether the margin of error for the estimate is less than 50% of the estimate itself and whether the ACS estimate is based on at least 100 survey cases. HUD does not receive the exact number of survey cases, but rather a categorical variable known as the count indicator indicating a range of cases. An estimate based on at least 100 cases corresponds to a count indicator of 4 or higher.

If an area does not have a reliable 2016-2020 5-year estimate, HUD checks whether the area has had at least 1 minimally reliable estimate in any of the past 3 years, or estimates that meet the 50% margin of error test described above. If so, the FY2023 base rent is the average of the inflated ACS estimates.

If an area has not had a minimally reliable estimate in the past 3 years, HUD uses the estimate for the area's corresponding metropolitan area (if applicable) or State non-metropolitan area as the basis for FY2023.

Information on HCV payment standard set by local PHA(s) to include:

Currently there are over 60 different local PHAs within the Pa. HOPWA program's service area. Most of the PHAs use a payment standard above the FMR, generally between 107% to 110%, while there is a smaller group, mostly in rural regions, that choose to use FMR. Below you will find a small sample of the PHAs who choose to establish their own payment standards.

	City of Franklin	Northampton County	Reading	Oil City	Schuylkill County	Wilkes-Barre
0 bedroom	\$607	\$875	\$836	\$586	\$648	\$847
1 bedroom	\$640	\$985	\$983	\$660	\$652	\$990
2 bedroom	\$795	\$1255	\$1250	\$831	\$843	\$1210
3 bedroom	\$990	\$1619	\$1564	\$1028	\$1114	\$1365
4 bedroom	\$1320	\$1703	\$1679	\$1338	\$1216	\$1700
5 bedroom	\$1518	\$1958	\$1931	\$1538	\$1398	\$1956
6 bedroom	\$1716	\$2213	\$2120	\$1739	\$1580	\$2210

Written Justification and Supporting Documentation for proposed Rent Standard for HUD Approval

	Tioga County	Bradford County	York County	York City	City of Erie	City of Harrisburg
0 bedroom	\$598	\$709	\$907	\$828	\$580	\$769
1 bedroom	\$685	\$720	\$1015	\$932	\$600	\$885
2 bedroom	\$900	\$869	\$1297	\$1184	\$775	\$1128
3 bedroom	\$1166	\$1145	\$1688	\$1541	\$966	\$1432
4 bedroom	\$1367	\$1318	\$1804	\$1647	\$1050	\$1529
5 bedroom	\$1572	\$1515	\$2074	\$1894	\$1208	\$1758
6 bedroom	\$1777	\$1713	\$2344	\$2140	\$1365	\$1988



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Paint the Picture to HUD

❖ Make sure to **include specific details** on your program.

The Pa. HOPWA program is facing increasingly competitive housing markets, skyrocketing rent, and rising utility costs in all service areas including rural counties and towns. The high rent prices and competitive housing markets in rural Pa. counties is due in part to several colleges and university spread throughout Northern and Central Pa. The presence of students, teachers, and other staff not only drives up demand and prices in the college/university town up but also in surrounding areas as well. The state also has several medical and trauma centers in rural areas that drive up housing cost in those towns and counties as well. The Geisinger Medical Center in Danville, Pa. is a prime example, the hospital is rurally located but the housing market both in Danville and the surrounding area is as very competitive as in larger cities like Harrisburg or Scranton. This makes finding housing for our clients within reasonable distance to the medical center near impossible within the current FMR. The rural designation of many of Pa. counties is misleading in terms of housing as many of the towns within those regions have housing markets far more competitive than one would expect due to the reasons outlined above. Because of that the Pa. HOPWA program feels that it can best help its Project Sponsors and their providers combat the housing issues they are facing by making one rent standard to cover all the Pa. HOPWA program service areas.

❖ **Add visuals.** Charts and actual numbers can be more impactful than just stating what the issue is or including statistics.

Information of actual rent costs in the defined service area:

Documentation of Currently Available Units:

Below are examples of current units available for the Pa. HOPWA Service Area. These examples will show that in some areas, the type of units available are limited (area may only have 2-bedroom units available), in other areas the prices of units are well above FMR, and that in some areas there are no units to be rented because of the limited housing available in those markets, which causes rising prices and limits providers abilities to secure housing.

*Examples in BOLD exceed the FMR allowance for that area based on rent alone, no utility allowance was taken into consideration, but if a unit has tenant paid utilities an allowance must be given so that could also make the unit above FMR and not eligible for HOPWA.

Allentown, PA HMPA			
	Regency Towers	Hampshire House	Summit Ridge Luxury Apt
Location	1600 Leigh Pkwy E Allentown PA 18103	1500 Hamilton St. Allentown, PA 18102	335 River Drive Allentown, PA 18109
Pricing for units	1 bedroom-\$1,554-\$1,621 2 bedroom-\$1,625-\$1,725	1 bedroom-\$1,530 2 bedroom-\$1,695 3 bedroom-\$2,030	1 bedroom-\$1,495 2 bedroom-\$1,705
Utilities Included in Rent	Water, sewer, and trash	Water, sewer, and trash	Water, sewer, and trash
Utilities Client must pay	Electric	Electric	Electric

Altoona, PA MSA			
	Private Unit: Camelot Woods	Walton Heights	Private Unit #422
Location	124 Clairmont Dr. Altoona, PA 16601	1101 E Walton Ave Altoona PA 16602	422 N 12 th Ave #422 Altoona PA 16601
Pricing for units	3 bedroom-\$875	1 bedroom-\$1040 2 bedroom-\$1120	2 bedroom-\$900
Utilities Included in Rent	Sewer	Water, Sewer, Trash	Trash
Utilities Client must pay	Electric, Water, trash	Electric	Electric, Gas, Water

Chambersburg-Waynesboro, PA MSA			
	Creekside Apartments	Johnson Rd Apartment	Private Unit
Location	1137 Hollywell Ave Chambersburg PA 17201	1885 Johnson Rd Chambersburg, PA 17202	115 N Main St Unit 3 rd Chambersburg, PA 17201
Pricing for units	2 bedroom-\$1,150-\$1,250 3 bedroom-\$1,300-\$1,400	1 bedroom-\$925 2 bedroom-\$1,090	2 bedroom-\$885
Utilities Included in Rent	None	Trash	Heat, Hot Water, Sewer
Utilities Client must pay	Electric, Water, Trash	Electric, Water, Sewer, Gas	Electric, Trash, Cold Water



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You get approved. . . Now What?

- Things you will be scared of:
 - ▀ Increased spending
 - ▀ Clients wanting expensive units
 - ▀ Exceeding your budget
 - ▀ Established clients wanting to “upgrade” to a new unit
- Things to do instead:
 - ▀ Pick an effective date for the new rent standard
 - ▀ Update your HOPWA manual
 - ▀ Notify your providers or case managers
 - ▀ Outline the increased importance of rent reasonableness with case managers and providers.
 - ▀ Breathe. . .



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▶ Pa.'s Implementation

- Rent Standard went into effect Jan. 1, 2023

- New Pa. Rent Standard was:

0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
\$1,637	\$1,667	\$1,928	\$2,364	\$2,589	\$2,977	\$3,366

- Outcomes

- Increase in spending
 - Increase in clients served
 - Increase in placing clients closer to medical care
 - Increase in collaboration and integration with Ryan White Part B programming
 - Reaction from Project Sponsors/Providers
 - Client pushback



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Questions ?

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HOME TA Center Goals

Individualized,
non-governmental
Technical Assistance

Advising on braiding together
various streams of
local/state/federal
funding

Focus on Sustainable
and Equitable Housing
for PWH and those most
vulnerable

Centering Housing as
Prevention, Treatment,
and Care

Connected to Network of
Housing Partners
and other Advocates



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**For all TA requests
contact-**

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Check out our Website:

[Home - National AIDS Housing Coalition](https://www.nhahc.org/)



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