CITY OF FLAGSTAFF HOUSING AUTHORITY
STAFF SUMMARY REPORT

To: City of Flagstaff Housing Authority Board of Commissioners

From: Cherise Barreto-Aguilar, Voucher Programs Manager

Meeting Date: September 17, 2026

TITLE:

Consideration of Resolution 2026-05, A Resolution Approving the Housing Choice Voucher Program Payment Standards

RECOMMENDED ACTION:

Approval of Resolution 2026-05

ACTION SUMMARY

Fair Market Rent (FMR) is published annually by the US Department of Housing and Urban Development (HUD) and determines the worth of housing vouchers in the rental market. FMR is intended to be reflective of market prices, however there is at least two-year lag in data and historically FMR for Flagstaff has been notably below actual market rental rates. Statute requires public housing agencies to adopt a payment standard at any level between 90 percent and 110 percent of the published Fair Market Rent for each unit size. HUD approval is not required to establish a payment standard amount in this basic range.

The City of Flagstaff Housing Authority (CFHA) reviews the published FMRs in contrast to rental market conditions in the service jurisdiction, which also includes the City of Williams. The following factors are considered in evaluating how FMR's and Housing Assistance Payments work within the local market:

- vacancy rates,
- rents in the market area,
- size and quality of units leased under the program,
- rents for units leased under the program,
- success rates of housing choice voucher holders in finding units, and
- the percentage of annual income families are paying for rent under the Voucher Program.

If it is determined that success with lease-up rates will suffer, that families are having to rent low-quality units located primarily in poverty-impacted neighborhoods, or pay over 40% of income for rent, HUD allows the payment standard to be adjusted up to 110% of the published FMR, upon Board approval, to better work towards alleviating these hardships. The objective is to allow households to rent a reasonable selection of modest, decent, and safe housing in a variety of neighborhoods throughout the communities served.

The Fair Market Rents published by HUD in the Federal Register on September 1, 2026 show a 10% decrease for all bedroom sizes. Staff will present the reasoning behind this decrease during the meeting.

- For Flagstaff, the published FMR remains below rent prices in Flagstaff's rental housing market. Thus, staff is requesting the consideration of approval of payment standards up to 110% of the published FMR for all bedroom sizes.
- For Williams, the published FMR is much closer to the rental prices in the Williams rental housing market. Staff is requesting approval of payment standards equal to the published FMR.

A summary of the requested changes is below:

FLAGSTAFF PAYMENT STANDARDS
Proposed at 110% of Fair Market Rent as published by HUD 9/1/2026

BEDROOM SIZE	0-BDRM	1-BDRM	2-BDRM	3-BDRM	4-BDRM	5-BDRM	6-BDRM
PAYMENT STANDARD	**$1,582**	**$1,711**	**$1,902**	**$2,320**	**$2,543**	**$2,925**	**$3,307**
FAIR MARKET RENT	$1,438	$1,555	$1,729	$2,109	$2,312	$2,658	$3,005

WILLIAMS PAYMENT STANDARDS
Proposed to be approved as Fair Market Rent as published by HUD 9/1/2026

BEDROOM SIZE	0-BDRM	1-BDRM	2-BDRM	3-BDRM	4-BDRM	5-BDRM	6-BDRM
PAYMENT STANDARD	**$1,438**	**$1,555**	**$1,729**	**$2,109**	**$2,312**	**$2,658**	**$3,005**
FAIR MARKET RENT	$1,438	$1,555	$1,729	$2,109	$2,312	$2,658	$3,005

- **Financial Impact:**
  HUD allocates available budget authority for the Housing Choice Voucher Program annually, and the Housing Authority closely monitors monthly expenditures.

- **Has there been a previous Board decision on this topic?**
  Not for this year, however, this is an annual required board action item. Last decision on this matter was on September 18, 2025.

- **Options:**
  Approve Resolution 2026-05, A Resolution Approving the Housing Choice Voucher Program Payment Standards, to be effective October 2, 2026.

  Disapprove Resolution 2026-05, requiring the Housing Choice Voucher Programs to utilize the FMRs as published, limiting options for voucher holders and jeopardizing the success rate of voucher lease-ups.