

RESOLUTION #TX500-22-07R

**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE
FORT STOCKTON HOUSING AUTHORITY**

REVIEW:

**FY 2023 Fair Market Rent to be effective January 2023
See HUD's attachment**

0 BR	1 BR	2 BR	3 BR	4 BR
\$623	\$813	\$918	\$1,305	\$1,350
WITH 110%				
0 BR	1 BR	2 BR	3 BR	4 BR
\$685	\$894	\$1,010	\$1,436	\$1,485

- Board approves Federal Market Rent
- Board approves Payment Standard (with 110%)

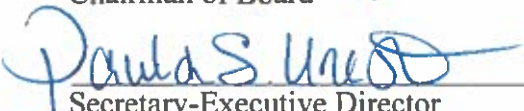
	Ayes	Nays	Abstain	Absent
<u>Governing Body</u>				
Patricia Morales				
Letricia Slater				
Christian Valadez				
Veronica Lopez				

Letricia Slater
1st Motion

Veronica Lopez
2nd Motion

- The Chairman thereupon declared the motion carried and the Resolution was adopted.
- The Chairman thereupon declared the motion denied.
- The Chairman thereupon declared the motion tabled.


Chairman of Board


Secretary-Executive Director

Date: 11/23/2022



FY 2023 FAIR MARKET RENT DOCUMENTATION SYSTEM

The FY 2023 Pecos County, TX 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	\$623	\$813	\$918	\$1,305	\$1,350
FY 2022 FMR	\$623	\$805	\$926	\$1,315	\$1,400

Pecos County, TX is a non-metropolitan county.

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 2 minimally reliable estimates in 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.

2. **Calculate the Basis for Recent Mover Adjustment Factor:** HUD has changed the calculation of the FY2023 Recent Mover Factor from previous years due to the unavailability of ACS₂₀₂₀ 1-year estimates. The Census Bureau did not release standard 1-year estimates from the 2020 American Community Survey (ACS) due to the impacts of the COVID-19 pandemic on data collection. For FY2023, HUD uses a multi-pronged approach that includes private sources of rental data.

In order to calculate rents that are "as of" 2020, HUD takes the average of the recent mover factor from 1-year ACS₂₀₁₉ recent mover rent inflated by 2019-2020 gross rent change; and the factor from 5-year ACS₂₀₂₀ recent mover rent. For areas where private data is available, the 2019-2020 gross rent change uses a weighted average of private sources and the Consumer Price Index (CPI) to calculate the annual percentage change in rents plus utilities from annual 2019 to annual 2020. For areas where private data is not available, the 2019-2020 gross rent change is based only on the CPI.

3. **Adjust for Inflation:** In order to calculate rents that are "as of" 2021, for areas where private data is available, HUD calculates the relevant (regional or local) change in gross rent inflation using a weighted average of private data sources and the Consumer Price Index (CPI) from annual 2020 to annual 2021. For areas where private data is not available, HUD uses only the CPI, which is the same process used in previous years.
4. **Calculate the Trend Factor:** To further inflate rents from 2021 to FY2023, HUD uses a "trend factor" based on the forecast of CPI gross rent changes through FY2023.

5. **Multiply the Factors:** HUD multiplies the base rent by the recent mover factor, the gross rent inflation factor, and the trend factor to produce a rent that is "as of" the current fiscal year.
6. **Compare to the State minimum:** FY2023 FMRs are then compared to a State minimum rent, and any area whose preliminary FMR falls below this value is raised to the level of the State minimum.
7. **Calculate Bedroom Ratios:** HUD calculates "bedroom ratios" and multiplies these by the two-bedroom rent to produce preliminary FMRs for unit sizes other than two bedrooms.
8. **Compare to Last Year's FMR:** FY2023 FMRs may not be less than 90% of FY2022 FMRs. Therefore, HUD applies "floors" based on the prior year's FMRs.

The results of the Fair Market Rent Step-by-Step Process

1. **Base Rent Calculation**

The following are the 2020 American Community Survey 5-year 2-Bedroom Adjusted Standard Quality Gross Rent estimates and margins of error for Pecos County, TX.

Area	ACS ₂₀₂₀ 5-Year 2-Bedroom Adjusted Standard Quality Gross Rent	ACS ₂₀₂₀ 5-Year 2-Bedroom Adjusted Standard Quality Gross Rent Margin of Error	Ratio	Sample Size Category	Result
Pecos County, TX	\$641	\$101	$\frac{\$101}{\$641}=0.15757$	1	1 < 4 Check for reliable local ACS estimates from previous years

ACS ₂₀₂₀ 5-year Estimate	ACS ₂₀₂₀ 5-year Error	ACS ₂₀₂₀ 5-year Estimate Minimally Reliable?	ACS ₂₀₁₉ 5-year Estimate	ACS ₂₀₁₉ 5-year Error	ACS ₂₀₁₉ 5-year Estimate Minimally Reliable?	ACS ₂₀₁₈ 5-year Estimate	ACS ₂₀₁₈ 5-year Error	ACS ₂₀₁₈ 5-year Estimate Minimally Reliable?
\$641	\$101	$\frac{\$101}{\$641}=0.15757$	\$763	\$117	$\frac{\$117}{\$763}=0.15334$	\$784	\$64	$\frac{\$64}{\$784}=0.08163$

Since 3 of the 3 ACS estimates are minimally reliable, the base rent is the average of those estimates, with each estimate first inflated to 2020 dollars (not shown).

Area	FY2023 Base Rent
Pecos County, TX	\$752

2. **Recent Mover Adjustment Factor Calculation**

Since Pecos County, TX is not covered by at least 3 private data sources or does not have a local 2019 recent mover estimate, the calculation of the recent mover adjustment factor is as follows:

Area	ACS ₂₀₁₉ 1-Year Adjusted Standard Quality Recent-Mover Gross Rent	CPI Gross Rent % Change 2019-2020	ACS ₂₀₁₉ Recent Mover Rent Inflated to 2020	ACS ₂₀₂₀ 5-year All Mover Rent	Ratio
Pecos County, TX	\$764	1.02916	\$764 * 1.02916 = \$786	\$725	\$786 / \$725 = 1.08414

Area	ACS ₂₀₂₀ 5-Year Adjusted Standard Quality Recent-Mover Gross Rent	ACS ₂₀₂₀ 5-year All Mover Rent	Ratio
Pecos County, TX	\$779	\$725	\$779 / \$725 = 1.07448

Area	Average of Recent-Mover Ratios	Final Recent-Mover Adjustment Factor
Pecos County, TX	(1.07448+1.08414)/2 = 1.07931	1.07931 ≥ 1.0 Use calculated Recent-Mover Adjustment Factor of 1.07931

3. **Inflation Adjustment Factor Calculation**

Since Pecos County, TX is not covered by at least 3 private data sources, the calculation of the inflation adjustment factor is as follows: HUD updates the 2020 intermediate rent with the ratio of the annual 2021 local or regional CPI to the annual 2020 local or regional CPI to establish rents as of 2021.

Update Factor	Type
Inflation Update Factor 1.0319	Region CPI

4. **Trend Factor Adjustment**

The calculation of the Trend Factor is as follows: HUD forecasts the change in national gross rents from 2021 to 2023 for each CPI area and Census Region. This makes Fair Market Rents "as of" FY2023.

Trend Factor	Trend Factor Type
Trend Factor 1.09628	Region

5. **Combination of Factors**

The FY 2023 2-Bedroom Fair Market Rent for Pecos County, TX is calculated as follows:

Area	Base Rent	Recent-Mover Adjustment Factor	Annual 2020 to 2021 Gross Rent Inflation Adjustment	Trending 2021 to FY2023	FY 2023 2-Bedroom FMR
Pecos County, TX	\$752	1.07931	1.03192	1.09628	\$752 * 1.07931 * 1.03192 * 1.09628 = \$918

6. **State Minimum Comparison**

In keeping with HUD policy, the preliminary FY 2023 FMR is checked to ensure that it does not fall below the state minimum.

Area	Preliminary FY2023	FY 2023 Texas	Final FY2023 2-Bedroom FMR
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	2-Bedroom FMR	State Minimum	
Pecos County, TX	\$918	\$826	\$918 ≥ \$826 Use Pecos County, TX FMR of \$918

7. Bedroom Ratios Application

Bedroom ratios are applied to calculate FMRs for unit sizes other than two bedrooms.

Click on the links in the table to see how the bedroom ratios are calculated.

FY 2023 FMRs By Unit Bedrooms					
	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
FY 2023 FMR	\$623	\$813	\$918	\$1,305	\$1,350

8. Comparison to Previous Year

The FY2023 FMRs for each bedroom size must not be below 90% of the FY2022 FMRs.

	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
FY2022 FMR	\$623	\$805	\$926	\$1,315	\$1,400
FY2022 floor	\$561	\$725	\$834	\$1,184	\$1,260
FY 2023 FMR	\$623	\$813	\$918	\$1,305	\$1,350
Use FY2022 floor for FY2023?	No	No	No	No	No

Final FY2023 Rents for All Bedroom Sizes for Pecos County, TX

Final FY 2023 FMRs By Unit Bedrooms					
	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
Final FY 2023 FMR	\$623	\$813	\$918	\$1,305	\$1,350

The FMRs for unit sizes larger than four bedrooms are calculated by adding 15 percent to the four bedroom FMR, for each extra bedroom. For example, the FMR for a five bedroom unit is 1.15 times the four bedroom FMR, and the FMR for a six bedroom unit is 1.30 times the four bedroom FMR. FMRs for single-room occupancy units are 0.75 times the zero bedroom (efficiency) FMR.

Permanent link to this page: http://www.huduser.gov/portal/datasets/fmr/fmrs/FY2023_code/2023summary.odn?&year=2023&fmrtype=Final&selection_type=county&fips=4837199999

Select a different area

Press below to select a different county within the same state (same primary state for metropolitan areas):

Anderson County, TX
 Andrews County, TX
 Angelina County, TX
 Aransas County, TX
 Archer County, TX

Select a new county

Press below to select a different state:

Select a new state

Select a Final FY 2023 Metropolitan FMR Area:

Abilene, TX MSA

Select Metropolitan FMR Area



Fact Sheet: HUD Releases FY 2023 Fair Market Rents

Today, HUD released its Fair Market Rents (FMRs) for Fiscal Year ("FY") 2023. HUD is required by law to set fair market rents every year, which go into effect on October 1st. FMRs are an estimate of the amount of money that would cover gross rents (rent and utility expenses) on 40 percent of the rental housing units in an area. FMRs are used in several HUD programs, including to determine the maximum amount that a Housing Choice Voucher will cover. For FY23, HUD is using private sector data to estimate changes in FMRs to address a temporary data availability challenge and to align with market conditions. The basic methodology that HUD uses to estimate FMRs remains the same.

Nationally, FMRs will increase by an average of approximately 10 percent, but metros with recent large rent spikes will see corresponding increases to FMRs. For example, FMRs will increase by 33 percent in Phoenix, 23 percent in Tampa, and 15 percent in Miami, three of the metros that have seen the fastest rent growth since March 2020. To explore new FMRs in your community, click [here](#).

Because rents have risen so quickly recently, voucher holders are increasingly unable to find units available to rent within HUD payment standards. The new FMR levels announced today will enable the voucher program to keep up with rent increases in the private market. These new FMRs will allow voucher holders to access and secure leases in more units so that they can benefit from the housing affordability and stability that vouchers provide.

Since taking office, Biden-Harris Administration has repeatedly acted to help vulnerable renter households attain quality and stable housing. The American Rescue Plan and FY22 budget collectively provided nearly 100,000 new housing choice vouchers, and the President's FY23 budget proposes 200,000 additional housing vouchers. This includes about 20,000 new flexible incremental housing choice vouchers that HUD expects to allocate in the coming weeks via formula to most communities across the country. In June, HUD announced \$43 million in FY21 funding to fund approximately 4,000 new incremental housing choice vouchers, or "Stability Vouchers," focused on people experiencing unsheltered homelessness, including in rural areas. The American Rescue Plan also included \$5 billion to create housing and services for people experiencing or at risk of homelessness, and provided tens-of-billions of dollars for Emergency Rental Assistance, which improved housing stability for over 6 million unique households, including 700,000 HUD-assisted households. Today's action on FMRs will improve the utilization of both the baseline vouchers and the supplemental vouchers created under this Administration.

The COVID-19 pandemic caused significant interruptions in the public data sources that HUD has traditionally used to set FMRs. To address these issues, HUD supplemented public data with data from private sources to ensure the accuracy of the FY 2023 FMRs. Incorporating private sector data is responsive to feedback HUD received, both informally and through a [notice of proposed changes](#), from

tenant advocates, public housing authorities, and other key housing stakeholders. This methodological change is only applicable to FY 2023.

HUD will continue to work with public housing authorities, landlords, tenants, and other stakeholders to improve landlord participation and tenant experience within our assisted housing programs, including through the Department's [Moving to Work cohorts](#).

Frequently Asked Questions

How much will FMRs increase by nationally? How much are FMRs increasing in places, like in the Sun Belt, that have seen the highest rent growth recently?

- The national mean increase in FMRs is 10.4 percent.
- Metros with large rent increases recently will have large increases to FMRs. For example, 33 percent in Phoenix; 23 percent in Tampa; 20 percent in Atlanta; 15 percent in Charlotte; 15 percent in Miami.

Why is HUD issuing new FMRs now?

- HUD is required to update FMRs at least once each year, and FY 2023 FMRs must go into effect on October 1, 2022.

Will this cause inflation to increase?

- No, this change will not affect rental prices or increase inflation.
- Voucher holders account for roughly 5 percent of the nation's rental market (2.3 million households out of approximately 44 million renter households). Any marginal effect on rents would be concentrated on a narrow swath of the rental market and distributed in sub-geographies across the country.

When will these go into effect?

- The FY2023 FMRs will go into effect on October 1, 2022.
- Once posted, public housing authorities have up to 90 days to incorporate new FMRs into their payment standards.

Why did HUD change the methodology?

- HUD usually uses data from the Census Bureau's 1-year American Community Survey (ACS) as the source to estimate recent mover rents. FMRs are determined based on the 40th percentile of rent in a local market, meaning that 40 percent of the units in a market should fall below the level of the fair market rent. Last year, the Census Bureau announced it would not release 1-year estimates from the 2020 ACS due to the impacts of COVID-19 on data collection.
- The local Consumer Price Index (CPI) data HUD uses to adjust ACS rent estimates to current rent levels is only available for a small number of the largest metropolitan areas, while rents measured by private data sources in many smaller metropolitan areas without local CPI data have risen unusually fast in the wake of the pandemic.
- Because of these exceptional circumstances, HUD is supplementing its usual data sources for estimating Fair Market Rents for Fiscal Year 2023.
- HUD's changes narrowly introduce private sector rental data from multiple sources into the FMR calculation process in limited and statistically valid situations where private sector rental data have demonstrated that they more accurately estimate changes in rental markets.

Is this methodological change permanent?

- No. This methodological change is only applicable to FY 2023. HUD would need to issue another notice to continue including private sector data in the future.

Which private data sources are used? How are they used?

- For FY 2023 FMRs, HUD is using up to 6 private sector rent data sources:
 - RealPage (formerly Axiometrics) average effective rent per unit,
 - Moody's Analytics REIS average gross revenue per unit,
 - CoStar Group average effective rent,
 - CoreLogic, Inc. single-family combined 3-bedroom rent index,
 - ApartmentList Rent Estimates, and
 - Zillow Observed Rent Index.
- HUD is using private sector rent data sources only where there are at least 3 sources covering the FMR area.

What is HUD's current voucher utilization rate?

- Eligible households are using about 86 percent of the housing vouchers that PHAs are authorized to administer. This is a decrease of 2 percentage points from pre-pandemic levels, affecting nearly 45,000 families.
- While many factors affect the voucher utilization rate, declining vacancy rates and sharply rising rents have made it more difficult for low-income households to use vouchers.
- Calculating the FY23 FMRs with the methodological change ensures that FMRs accurately reflect recent, steep rent increases in many communities and will make it easier for households in those communities to use their vouchers to rent affordable homes.