

RESOLUTION FY14-19

To Approve the Amended Section 8 Payment Standards in FY 2014

WHEREAS, the Department of Housing & Urban Development (HUD) annually establishes and publishes Fair Market Rents (FMRs) by locale; and

WHEREAS, a PHA may set different payment standards for different parts of the FMR area; and

WHEREAS, the Ann Arbor Housing Commission's payment standards are currently set at 90 - 103% of the published FY 2013 FMRs; and

WHEREAS, HUD requires PHA's to adopt policies that provide voucher recipients the opportunity for mobility and the ability to live in low-poverty neighborhoods in order to de-concentrate poverty;

WHEREAS, AAHC proposed to set a payment standard specifically for City of Ann Arbor Census Tracts at 110% of the 2014 HUD established FMR, as depicted in the chart below because Ann Arbor is a low-poverty community with higher rents than the rest of the AAHC jurisdictions; and

	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
2014 FMR	\$666	\$803	\$952	\$1,301	\$1,686
110% FMR (Ann Arbor)	\$733	\$883	\$1,047	\$1,431	\$1,855

WHEREAS, the 2014 payment standard will remain the same as adopted by the board below for the Monroe, Western Wayne, and Washtenaw County (except Ann Arbor); and

Bed Size	Monroe				Washtenaw (except Ann Arbor)				W. Wayne			
	2013 PS	2014 FMR	2014 % of FMR	2014 PS	2013 PS	2014 FMR	2014 % of FMR	2014 PS	2013 PS	2014 FMR	2014 % of FMR	2014 PS
0	\$494	\$502	98%	\$494	\$649	\$666	97%	\$649	\$446	\$508	92%	\$467
1	\$618	\$628	98%	\$618	\$728	\$803	93%	\$747	\$665	\$646	93%	\$600
2	\$766	\$843	95%	\$800	\$886	\$952	95%	\$904	\$796	\$843	95%	\$799
3	\$1000	\$1086	92%	\$1000	\$1115	\$1301	93%	\$1210	\$986	\$1124	92%	\$1034
4	\$1102	\$1285	92%	\$1182	\$1517	\$1686	94%	\$1579	\$1076	\$1228	92%	\$1130
Overall % Change			9%				9%				7%	

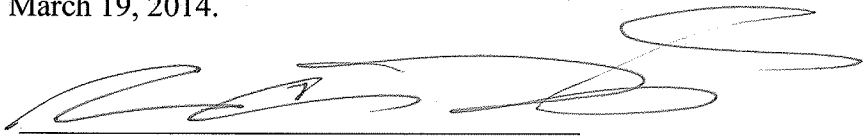
WHEREAS, The Following census tracts will be considered Ann Arbor census tracts;

4001	4002	44003	4004	4005	4006	4007	4008
4021	4022	4023	4025	4026	4027	4031	4032
4033	4034	4035	4036	4038	4041	4042	4043
4044	4045	4046	4051	4052	4053	4054	4055
4056							

NOW THEREFORE BE IT RESOLVED, that the Ann Arbor Housing Commission Board approve this resolution for FY 2014 Payment Standard Revision to take effect May 1, 2014 for all applicable certifications in accordance with the Commission's Section 8 Administrative Plan.


Motion by Commissioner Colebuck, seconded by Commissioner Lee, to approve Resolution FY14-19 this March 19, 2014.

AYES: 3



Ronald Woods, President

NAYS: 0



Jennifer Hall, Executive Director and Recording Secretary

Memorandum

TO: Jennifer Hall, Executive Director
FROM: Weneshia Brand, Section 8 Housing Program Manager
DATE: March 14, 2014
RE: Establishment of Payment Standard for Part of FMR Area (Ann Arbor)

The Department of Housing and Urban Development (HUD) annually sets Fair Market Rents (FMRs), for determining eligibility of rental costs in Section 8 programs. FMRs are gross rent estimates representing rent and utility costs in private sector rental housing, pegged at approximately the 40th percentile. The AAHC must review its payment standards schedule annually and amend it as needed to ensure that the payment standards remain within the HUD-required range (between 90% and 110% of the approved FMRs). A payment standard, in general terms, is the amount generally needed to rent a moderately-priced dwelling unit in the local housing market and that is used to calculate the amount of housing assistance a family will receive.

HUD allows for the PHA to establish a different payment standard for a different part of the same fair market rent area. In an effort to increase the deconcentrating of poverty AAHC proposes to establish a payment standard for Ann Arbor Census Tracts only that are different from its payment standard set for the rest of Washtenaw County.

As justification of the proposed payment standard the AAHC has consider the following factors:

1. 29% of voucher participants live in Ann Arbor (62% Ypsilanti)
2. Ann Arbor has a low concentration of poor and minority families
3. 28% of participant families pay over 30% of their income toward rent
4. Increasing the payment standard for Ann Arbor will enable more families to live in Ann Arbor which will de-concentrate poverty in Washtenaw County

The Following census tracts will be considered Ann Arbor census tracts:

4001	4002	44003	4004	4005	4006	4007	4008
4021	4022	4023	4025	4026	4027	4031	4032
4033	4034	4035	4036	4038	4041	4042	4043
4044	4045	4046	4051	4052	4053	4054	4055
4056							