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Resolution to Amend the Administrative Plan Regarding Determining Family Unit/Voucher Size

The Ann Arbor Housing Commission's Housing Choice Voucher Administrative Plan details its policies and procedures for the management of its Housing Choice Voucher (HCV) Program. The AAHC periodically revises the Plan to reflect changes in HUD policies and changes in AAHC policies. Staff recommend that the AAHC Board adopt policy changes that impact the occupancy standard to increase the housing opportunities and housing stability for AAHC voucher families. The occupancy standard impacts the size of the voucher (the number of bedrooms), which impacts the number of apartments in the market place that are affordable to an AAHC voucher family.

The rental prices in the housing market are continuing to increase, particularly in Washtenaw County, where over 95% of AAHC Voucher program participants live. Over 1,000 tax credit apartments have reached the end or are about to reach the end of their affordability period and the owners are increasing the rents. AAHC staff have seen some apartments increasing by over \$300/month. Many of the AAHC's voucher tenants live in these apartments and will have to move if they cannot afford the rents. Staff are recommending changes to the Occupancy Standard to compliment the changes in the Payment Standard, to enable more households to lease in place when their rents are increased, or to be able to simply find a place to rent that is affordable to them with an AAHC voucher.

In 2012, during the federal budget sequestration, HUD funding was cut significantly, and the AAHC adopted stricter occupancy standards in order to reduce the per unit voucher subsidy amount to ensure that the total program rent subsidies were within the reduced HUD budget allocation. That change enabled the AAHC to continue to provide rent subsidies to all of its existing program participants instead of terminating tenants from the program due to budget cuts. Since 2012, HUD rent subsidy funding (but not administrative payments) have increased. However, tenants are now

getting squeezed out of the market due to the market changes mentioned above, rather than due to HUD budget cuts. Consequently, the following policy changes are recommended to enable AAHC voucher tenants to successfully lease-up in our community. These recommended changes return the Occupancy Standards to pre-sequestration levels.

## 1<sup>st</sup> Proposal

The AAHC is proposing this change regarding the determination of the participating family's voucher size. The current language within this policy only allows the AAHC to allocate one bedroom for every two people in the household. The number of bedrooms on a voucher determines the dollar amount that the voucher is worth. A 1 bedroom voucher has a payment standard that is lower than a 2 bedroom voucher. Someone with a 1 bedroom voucher can rent a 2 bedroom apartment as long as the apartment is affordable within the 1 bedroom voucher. The current occupancy standard does not require that certain household members must share a bedroom, it merely determines the size of the voucher, which determines the payment standard. The proposed new policy below expands the occupancy standard to enable families with multiple members who may have different generations or genders to have an increase in voucher size by increasing the bedrooms, which increases the payment standard. The proposed changes for example, will allow for a single parent with one child two receive a two-bedroom voucher instead of a one-bedroom voucher.

The current language is:

### PHA Policy

The PHA will assign one bedroom for each two persons within the household, except in the following circumstances:

Live-in aides will be allocated a separate bedroom.

Single person families will be allocated one bedroom.

### **The proposed change in policy is:**

### PHA Policy

The PHA will assign one bedroom for the head of household including the spouse/co-head/significant other if applicable; and then one additional bedroom for every two persons within the household, except in the following circumstances:

Live-in aides will be allocated a separate bedroom.

A single pregnant women with no other family members will be treated as a two person family and receive a two bedroom voucher.

Persons of opposite gender identity (other than spouses/co-heads/significant other, and children 5 years and younger) will be allocated a separate bedroom.

Persons of the same gender identity will be allocated a separate bedroom if one is an adult (18 and over) and one is a youth (under 18).

When the PHA changes the voucher size determination standards, the new standards will be effective for all initial move-ins, relocations, and annual re-certifications that occur on or after the effective date of the change.

## 2<sup>nd</sup> Proposal

The AAHC is proposing clarification regarding the determination to allow request for an exception to the subsidy standard

The current language is:

### PHA Policy

The PHA will consider granting an exception for any of the reasons specified in the regulation: the age, sex, health, handicap, or relationship of family members or other personal circumstances.

### **The proposed change in policy is:**

### PHA Policy

The PHA will consider granting an exception to the subsidy standards based on requests for reasonable accommodation as defined and required by federal, state and local regulation. The PHA will also consider granting an exception to the subsidy standard that is not required by federal, state or local regulations based on a request from the head of household that is justified by the relationship of household members or other personal circumstances.

Staff recommend that the Board adopt these policy changes to increase the number of housing opportunities for AAHC voucher families, to enable households to find housing in the AAHC's jurisdiction and to reduce the administrative burden of processing numerous exception requests.

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Approved by: Jennifer Hall, Executive Director

WHEREAS, The Ann Arbor Housing Commission's Housing Choice Voucher Administrative Plan details its policies and procedures for the management of its Housing Choice Voucher (HCV) Program; and

WHEREAS, the policy language regarding the determination of the voucher size is currently restricted to 2 heartbeats per bedroom with the exception of a live-in aid; and

WHEREAS, this policy is making it more difficult for families to find housing that is affordable within the family's voucher size; and

WHEREAS, the policy can be amended to accommodate households with multiple family members that are different generations and different genders to increase the number of housing opportunities that are affordable in the community; and

RESOLVED, that the Board of the Ann Arbor Housing Commission approve the revisions to the

Administrative Plan as described in the memorandum above to take effect on September 19, 2018.