



Legislation Text

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Resolution to Approve the FY23 Payment Standard for the Ann Arbor Housing Commission Voucher Programs

The Department of Housing and Urban Development (HUD) annually sets Fair Market Rents (FMRs), for determining eligibility of rental costs in Section 8 programs, including Housing Choice Vouchers (HCV), Veterans Affairs Supportive Housing Vouchers (VASH) and Project Based Vouchers (PBV). FMRs are gross rent estimates representing rent and utility costs in private sector rental housing, pegged at approximately the 40th percentile, not including new construction in the past 2 years and not including subsidized housing.

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 of between 90% and 110% of the HUD FMRs. The FMR, in general terms, is the amount needed to rent a moderately-priced dwelling unit in the local housing market and the payment standard (PS) is used to calculate the maximum amount of rental subsidy housing assistance a family will receive from HUD for a moderately-priced dwelling unit.

The Commission's jurisdiction includes two counties, Washtenaw and Monroe. The AAHC removed Wayne County from its jurisdiction in 2015; however, AAHC has eight (8) participants that are grandfathered into this jurisdiction. Over 90% of voucher holders reside in Washtenaw County. Most residents reside in 1-4-bedroom units; the 2 bedroom is the average unit size and payment standard.

In FY22, we applied for a HUD waiver to set the Washtenaw County PS to 120% of the FMR; the waiver expires 12/31/22. We also administer the Emergency Housing Voucher program where, under HUD regulation; the payment standard may be set at 120% of the FMR. Based on the attached review of proposed FY23 Fair Market Rents, all FMR's for all units sizes for Washtenaw, Monroe, and Wayne counties increased as low as 6% and as high as 14%.

As a result of the increase in HUD's FY23 FMR's; staff propose to increase the FY23 Payment Standard for all three counties, which would enable the AAHC to stay in compliance with HUD regulations. The result is that the FY23 Payment Standards will be set at 110% of the FY23 FMR for all jurisdictions. Although, the FMR has increased for all bedroom sizes in Washtenaw County, the 3 and 4-bedroom PS will decrease, since the Washtenaw PS were set at 120% of the FMR for FY22 as a short term HUD waiver that expires on December 31, 2022.. Therefore, Washtenaw county residents who live in 3 and 4-bedroom units may incur increased cost; however, the impact will not occur until calendar year 2024.

Staff recommend that the Board set the payment standard for all Washtenaw, Monroe, and Wayne County at 110% of the FMR (which is the maximum allowed by HUD) due to the difficult housing

market. This would result in an increase in subsidy for all participants. In addition, staff recommend maintaining the PS of 120% of the FMR for the Emergency Housing Voucher (EHV) program, which HUD is allowing as a long-term waiver for this special voucher program.

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Approved by: Jennifer Hall, Executive Director

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

WHEREAS, HUD requires the Ann Arbor Housing Commission's (AAHC) payment standards to be between 90 - 110% of the published FMRs; and

WHEREAS, in FY22 HUD allowed a waiver of the payment standards requirement to increase the payment standard to 120% of FMR until December 31, 2022 for the Housing Choice Voucher program and HUD is allowing the Emergency Housing Voucher program to continue using 120% of FMR in FY23: and

WHEREAS, HUD has published its FY22 FMRs; and

WHEREAS, HUD requires the revised payment standards to be adopted by the AAHC within 90 days of HUD published FMRs, if a change is necessary to stay within the 90% - 110% FMR range.

WHEREAS, It is recommended that the Board adopt the following payment standards:

Washtenaw						
Year	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom	Five-Bedroom
HUD Final FY 22 FI	\$ 1,047	\$ 1,048	\$ 1,262	\$ 1,560	\$ 1,816	\$ 2,088
HUD Proposed FY:	\$ 1,148	\$ 1,153	\$ 1,384	\$ 1,684	\$ 1,926	\$ 2,215
% FMR Change	9%	9%	9%	7%	6%	6%
2022 Payment Sta	\$ 1,256	\$ 1,258	\$ 1,514	\$ 1,872	\$ 2,179	\$ 2,297
2023 Proposed PS	\$ 1,263	\$ 1,268	\$ 1,522	\$ 1,852	\$ 2,119	\$ 2,436
PS as a % of 2022	110%	110%	110%	110%	110%	110%
Emergency Housing Voucher						
Year	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom	Five-Bedroom
HUD FY23 FMR	\$ 1,148	\$ 1,153	\$ 1,384	\$ 1,684	\$ 1,926	\$ 2,215
2023 Proposed PS	\$ 1,378	\$ 1,384	\$ 1,661	\$ 2,021	\$ 2,311	\$ 2,658
PS as a % of FMR	120%	120%	120%	120%	120%	120%
Monroe County						
Year	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom	Five-Bedroom

HUD Final FY 22 FI	\$ 631	\$ 723	\$ 941	\$ 1,237	\$ 1,503	\$ 1,728
HUD Proposed FY:	\$ 717	\$ 817	\$ 1,072	\$ 1,367	\$ 1,750	\$ 2,013
% FMR Change	12%	12%	12%	10%	14%	14%
2022 Payment Sta	\$ 631	\$ 723	\$ 941	\$ 1,237	\$ 1,503	\$ 1,728
2023 Proposed PS	\$ 789	\$ 899	\$ 1,179	\$ 1,504	\$ 1,925	\$ 2,214
PS as a % of FMR	110%	110%	110%	110%	110%	110%
Wayne County						
Year	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom	Five-Bedroom
HUD Final FY 22 FI	\$ 733	\$ 848	\$ 1,084	\$ 1,371	\$ 1,473	\$ 1,694
HUD Proposed FY:	\$ 845	\$ 952	\$ 1,213	\$ 1,511	\$ 1,629	\$ 1,873
% FMR Change	13%	11%	11%	9%	10%	10%
2022 Payment Sta	\$733	\$848	\$1,084	\$1,371	\$1,473	\$1,694
2023 Proposed PS	\$930	\$1,047	\$1,334	\$1,662	\$1,792	\$2,061
PS as a % of 2022	110%	110%	110%	110%	110%	110%

NOW THEREFORE BE IT RESOLVED, that the Ann Arbor Housing Commission Board approves a payment standard of 110% of Fair Market Rent (FMR) for Washtenaw County, Wayne County, and Monroe County and 120% of the FMR for the Emergency Housing Voucher (EHV) program, as shown in the chart above, to take effect January 1, 2023, for all applicable certifications in accordance with the Ann Arbor Housing Commission's Voucher Administrative Plan.