



## Legislation Text

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**File #:** 15-1165, **Version:** 1

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### Resolution to Approve the FY 2016 Payment Standard for the Ann Arbor Housing Commission Voucher Program

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.

The Commission's jurisdiction includes two counties (Washtenaw and Monroe) and the City of Ann Arbor has its own payment standard within Washtenaw County. Western Wayne County is no longer in the Commission's jurisdiction but the folks that live there are grandfathered in until they move, so the payment standard includes Western Wayne as well.

Based on the attached review of proposed 2016 Fair Market Rents, it is recommended to set the payment standard for Washtenaw County and Wayne County stay the same for 2016 as 2015 because they are still within the 90%-100% range. It is recommended that the payment standard for Monroe County be updated so that it is at 100% of the FMR because some of the unit sizes would be out of the 90% - 110% range if they were not updated. It is recommended that the Ann Arbor payment standard increase so that it is at the maximum of 110% of the FMR because housing costs are much higher in the City of Ann Arbor. Please see the attached chart.

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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, the Ann Arbor Housing Commission's (AAHC) payment standards are currently set at 90 -110% of the published FY 2015 FMRs; and

WHEREAS, HUD has published its proposed FY 2016 FMRs, scheduled for HUD approval effective

October 1, 2015, which includes an increase for Washtenaw County and a mixture of increases and decreases for Wayne County and Monroe County; and

NOW THEREFORE BE IT RESOLVED, that the Ann Arbor Housing Commission Board approves a payment standard of 110% of FMR for the City of Ann Arbor; a payment standard of 100% of the FMR for Monroe County and a range of 96% to 101% for Western Wayne County and the rest of Washtenaw County (according to the attached schedule) to take effect October 1, 2015 for all applicable certifications in accordance with the Commission's Section 8 Administrative Plan.