



## Legislation Text

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### Resolution to Approve the FY20 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, 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 40<sup>th</sup> 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 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 nine (9) 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.

Based on the attached review of proposed FY20 Fair Market Rents, all FMR's for all units sizes except for Washtenaw County efficiency units, have decreased. Washtenaw and Monroe counties have decreased FMR's of less than 5% for all unit sizes. Wayne County's FMR has increased less than 3% for all unit sizes.

The FY19 payment standard for Wayne and Monroe counties were set at 100% of the FMR. The FMR for each bedroom size decreased in FY20 at different rates. AAHC staff recommend that the Board maintain the FY19 payment standard for Wayne and Monroe Counties for FY20, which would enable the AAHC stay in compliance with HUD regulations while minimizing lease changes. The result is that the FY20 Payment Standards will be between 97%-104% of the FY20 FMR.

Staff recommend that the Board set the payment standard for Washtenaw County at 110% of the FMR (which is the maximum allowed by HUD) due to the difficult housing market. As a result, the Payment Standard for Washtenaw County will stay the same for efficiencies and decrease between \$8 and \$87 for 1bdr to 5bdr apartments.

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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, HUD has published its FY20 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:

Proposed FY20 Payment Standard Ann Arbor City Only						
Year	Efficiency	One-Bedroom	<u>Two-Bedroom</u>	Three-Bedroom	Four-Bedroom	Five-Bedroom
HUD Approv	\$900	\$929	\$1,140	\$1,499	\$1,843	\$2,119
HUD Propos	\$900	\$921	\$1,124	\$1,445	\$1,767	\$2,032
2019 Approv	\$990	\$1,022	\$1,254	\$1,649	\$2,027	\$2,331
2020 Propos	\$990	\$1,013	\$1,236	\$1,590	\$1,944	\$2,235
2020 PS as a FMR	110%	110%	110%	110%	110%	110%

Proposed FY20 Payment Standard Washtenaw County (minus Ann Arbor city)						
Year	Efficiency	One-Bedroom	<u>Two-Bedroom</u>	Three-Bedroom	Four-Bedroom	Five-Bedroom
HUD Approv	\$900	\$929	\$1,140	\$1,499	\$1,843	\$2,119
HUD Propos	\$900	\$921	\$1,124	\$1,445	\$1,767	\$2,032
2019 Approv	\$990	\$1,022	\$1,254	\$1,649	\$2,027	\$2,331
2020 Propos	\$990	\$1,013	\$1,236	\$1,590	\$1,944	\$2,235
2020 PS as a FMR	110%	110%	110%	110%	110%	110%

Proposed FY20 Payment Standard Monroe County						
Year	Efficiency	One-Bedroom	<u>Two-Bedroom</u>	Three-Bedroom	Four-Bedroom	Five-Bedroom

<b>HUD Approv</b>	\$649	\$664	\$874	\$1,177	\$1,181	\$1,358
HUD Propos	\$623	\$656	\$850	\$1,150	\$1,154	\$1,327
<b>2019 Approv</b>	\$649	\$664	\$874	\$1,177	\$1,181	\$1,358
2020 Propos	\$649	\$664	\$874	\$1,177	\$1,181	\$1,358
<b>2020 PS as a FMR</b>	104%	101%	103%	102%	102%	102%

<b>Proposed FY20 Payment Standard Wayne County</b>						
<b>Year</b>	<b>Efficiency</b>	<b>One-Bedroom</b>	<b><u>Two-Bedroom</u></b>	<b>Three-Bedroom</b>	<b>Four-Bedroom</b>	<b>Five-Bedroom</b>
<b>HUD Approv</b>	\$621	\$753	\$967	\$1,261	\$1,371	\$1,577
HUD Propos	\$639	\$764	\$977	\$1,266	\$1,376	\$1,582
<b>2019 Approv</b>	\$621	\$753	\$967	\$1,261	\$1,371	\$1,577
2020 Propos	\$621	\$753	\$967	\$1,261	\$1,371	\$1,577
<b>2020 PS as a FMR</b>	97%	99%	99%	100%	100%	100%

NOW THEREFORE BE IT RESOLVED, that the Ann Arbor Housing Commission Board approves a payment standard of 110% of FMR for Washtenaw County; and a payment standard of 97% -104% of FMR for Western Wayne County and Monroe County as shown in the chart above, to take effect December 1, 2019 for all applicable certifications in accordance with the Ann Arbor Housing Commission's Voucher Administrative Plan.