



## Legislation Text

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### Resolution to Approve the FY21 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 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.

Based on the attached review of proposed FY21 Fair Market Rents, all FMR's for all units sizes for Washtenaw, Monroe, and Wayne counties increased by up to 13%.

As a result of the increase in HUD's FY21 FMR's; staff propose to increase the FY21 Payment Standard for all three counties, which would enable the AAHC to stay in compliance with HUD regulations. The result is that the FY21 Payment Standards will be between 95%-110% of the FY21 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. In addition, staff recommend setting the payment standard for Monroe County at 100% of the FMR and 95% for Wayne County. This would result in an increase in subsidy for all participants.

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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 FY21 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.

RESOLVED, that the Ann Arbor Housing Commission Board approves a payment standard of 110% of FMR for Washtenaw County; and a payment standard of 95% -110% of FMR for Western Wayne County and Monroe County as shown in the attached chart, to take effect December 1, 2020 for all applicable certifications in accordance with the Ann Arbor Housing Commission's Administrative Plan.