



Legislation Text

File #: 22-0259, **Version:** 1

Resolution to Amend the FY22 Payment Standard for the Ann Arbor Housing Commission Voucher Program to 120% AMI

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 is used to calculate the maximum amount of rental subsidy housing assistance a family will receive from HUD for a moderately-priced dwelling unit.

AAHC last reviewed the FY22 Payment Standard in October 2021. The Board approved the Payment Standard effective December 1, 2021 at 110% of the FMR for Washtenaw and 100% for Monroe and Wayne. In January 2021, AAHC applied for an expedited waiver to increase the payment standard to 120% of the HUD FMR. On February 7, 2022, HUD approved the request, therefore staff recommend that the Board set the F22 Payment Standard for Washtenaw, Monroe, and Wayne county at 120% of the FMR, due to the difficult housing market. 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 approved the Ann Arbor Housing Commission's (AAHC) payment standards to be set at 120% of the published FMRs; and

WHEREAS, HUD has published its FY22 FMRs; and

WHEREAS, It is recommended that the Board adopt the following Payment Standards:

Proposed FY22 Payment Standard Washtenaw						
Year	Efficiency	One-Bedroom	<u>Two-Bedroom</u>	Three-Bedroom	Four-Bedroom	Five-Bedroom
HUD FY21 FM	\$1,029	\$1,043	\$1,264	\$1,593	\$1,892	\$2,176
HUD Proposed	\$1,047	\$1,048	\$1,262	\$1,560	\$1,816	\$2,088
% FMR Change	2%	0%	0%	-2%	-4%	-4%
2021 Payment	\$ 1,132	\$1,147	\$1,390	\$1,752	\$2,081	\$2,393
2022 Proposed	\$1,256	\$1,257	\$1,514	\$1,872	\$2,179	\$2,506
2022 PS as a %	120%	120%	120%	120%	120%	120%
Proposed FY22 Payment Standard Monroe County						
Year	Efficiency	One-Bedroom	<u>Two-Bedroom</u>	Three-Bedroom	Four-Bedroom	Five-Bedroom
HUD FY21 FM	\$626	\$691	\$899	\$1,220	\$1,327	\$1,526
HUD Proposed	\$631	\$723	\$941	\$1,237	\$1,503	\$1,728
% FMR Change	1%	4%	4%	1%	12%	12%
2021 Payment	\$626	\$691	\$899	\$1,220	\$1,327	\$1,526
2022 Proposed	\$757	\$867	\$1129	\$1,484	\$1,803	\$2,074
2022 PS as a %	120%	120%	120%	120%	120%	120%
Proposed FY22 Payment Standard Wayne County						
Year	Efficiency	One-Bedroom	<u>Two-Bedroom</u>	Three-Bedroom	Four-Bedroom	Five-Bedroom
HUD FY21 FM	\$697	\$821	\$1,049	\$1,344	\$1,458	\$1,677
HUD Proposed	\$733	\$848	\$1,084	\$1,371	\$1,473	\$1,694
% FMR Change	5%	3%	3%	2%	1%	1%
2021 Payment	\$662	\$780	\$997	\$1,277	\$1,385	\$1,593
2022 Proposed	\$879	\$1017	\$1,300	\$1,645	\$1,767	\$2,032
2022 PS as a %	120%	120%	120%	120%	120%	120%

RESOLVED, that the Ann Arbor Housing Commission Board approves an amendment to the FY22 Payment Standard of 120% of FMR for Washtenaw County, Western Wayne County, and Monroe County as shown in the chart above, to take effect April 1, 2022 for all applicable certifications in accordance with the Ann Arbor Housing Commission’s Voucher Administrative Plan.