



Legislation Text

File #: 22-1752, **Version:** 2

Resolution to Approve the Amended 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 was set to expire 12/31/22. At the September 21, 2022 Board Meeting, the Board approved the new payment standard at the statutory 110% of FMR. After the Board adopted its resolution, HUD extended the 120% of FMR waiver to 12/31/23. Staff are recommending the board approve a continuation of the 120% of FMR payment standard waiver through 12/31/2023. Staff recommend that the Board set the payment standard for all Washtenaw County, Monroe, and Wayne County at 120% 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 all voucher programs.

The AAHC also administers the Emergency Housing Voucher program where the payment standard may be set up to 120% of the FMR under federal statute, without a waiver. 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 (federal statute) requires the Ann Arbor Housing Commission's (AAHC) payment standards to be between 90 - 110% of the published 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 and the Board approved new payment standards at the September 21, 2022 Board meeting; and

WHEREAS, after September 21, 2022 HUD allowed a waiver of the payment standards requirement to continue the payment standard up to 120% of FMR until December 31, 2023 for the Housing Choice Voucher program and HUD statute allows the Emergency Housing Voucher program to use 120% of FMR; and

WHEREAS, It is recommended that the Board adopt the attached payment standards, which are all at 120% of FMR for all counties and bedroom sizes and programs:

NOW THEREFORE BE IT RESOLVED, that the Ann Arbor Housing Commission Board approves a payment standard of 120% 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.