

IX. PAYMENT STANDARDS

- A. Each year, the CDC will establish Payment Standards between 100-110% of the current Fair Market Rent. HUD approval will be obtained if subsidy amount is below or above established FMR. If below FMR, HUD will not approve if more than forty percent (40%) of the CDC's participants are paying a family share above thirty percent (30%) of adjusted monthly income.
- a. *Exception payment standards may be approved on a case by case basis as a Reasonable Accommodation. Based on PIH-Notice 2013-03, and effective upon Board approval, CDC may approve an exception payment standard of not more than 120% of the Fair Market Rent (FMR) without HUD approval if required as a reasonable accommodation for a family that includes a person with a disability. PIH-Notice 2013-03 expires 3/31/2014, at which time this provision also expires, unless PIH-Notice 2013-03 is extended, amended, superseded or rescinded.*
- B. When the Payment Standard is adjusted, staff will make the appropriate changes during the family's annual reexamination.
- C. Factors that the CDC may review on an annual basis, within sixty (60) days of the publication of the Fair Market Rents schedule, include the following:
1. Participant rent burdens (percent of Tenant Rent to adjusted household income);
 2. Participant rent burden relative to the quality of units selected by participant families;
 3. Participant rent burden relative to availability by bedroom size;
 4. Actual contract rents for specific bedroom sizes;
 5. Actual rent increases for participating households;
 6. The average time period for finding eligible housing;
 7. Rent reasonableness data;
 8. The local vacancy rate; and
 9. Prior approved rent exceptions will apply.
- D. If the payment standard is decreased, the new payment standard will not be applied until the second annual reexamination after the date of the decrease

in payment standard as long as the participant remains in place under the current HAP Contract and lease.

E. MAXIMUM INITIAL RENT BURDEN

1. Families receiving initial assistance or moving after October 1, 1999, may not pay more than forty percent (40%) of monthly-adjusted income;
2. This does not apply if family stays in unit; and
3. Is applicable with each move.

F. PROCEDURES FOR EVALUATION

During the annual evaluation process, the CDC may use the above data to determine what impact an increase in the payment standard will have on the number of families who can be assisted.