

**2.b. Payment Standards – Fair Market Rents (HCV)**

Name and number of the MTW Waiver and associated activity for which the MTW agency is seeking to expand the safe harbor: Payment Standards – Fair Market Rents (HCV), activity 2.b.

The specific safe harbor and its implementing regulation: The Alameda Housing Authority (AHA) is seeking a safe harbor waiver of MTW Activity 2.b.i., Payment Standards-Fair Market Rents, which states that payment standards must be between 80% and 120% of the FMR.

The proposed MTW activity the MTW agency wishes to implement via this Safe Harbor Waiver: AHA seeks to allow payment standards to be set up to 150% of the FMR.

A description of the local issue and why such an expansion is needed to implement the MTW activity: The Bay Area's rental market makes it difficult for families to obtain housing under the current payment standard restrictions. The AHA raised the payment standards to 120% of FMR, but units are still not affordable for families due to the 40% affordability rule while being determined to be rent reasonable. One way to make these units available to assisted families is to increase the payment standard. The rents would still be limited by a rent reasonableness determination.

An impact analysis is required. Already submitted with Payment Standard -2b. File name CA062ImpactAnalysisPaymentStandardOutsideFMR.pdf.

A description of the hardship policy for the MTW activity, if applicable: Payment Standards Outside FMR Hardship Policy

See Section H for a copy of all comments received at the public hearing along with the MTW agency's description of how the comments were considered. No comments were received specific to this waiver request.