Exception Payment Standard

HUD regulations require housing authorities to set payments standards between 90% and 110% of the applicable area’s Fair Market Rents (FMR). However, because of Chicago’s unique rental market, additional subsidy is needed to provide greater mobility to some parts of the city and for required accessibility features. To meet the needs of low income renters who are interested and choose to live in Mobility Areas, CHA implemented an Exception Payment Standard policy (with approval from HUD) that increases the amount of subsidy up to 150% of FMR.

The CHA balances the need to offer affordable housing choices with its fiscal responsibility to further its goal of helping low income individuals and families find housing that meets their needs.

The voucher program emphasizes choice so that renters can make the choice that is best for them and adheres to the program guidelines and regulations. Exception payments are a valuable tool to ensure that CHA voucher holders have access to communities across Chicago.

There are two ways in which a participant becomes eligible for an Exception Payment Standard:

- To allow a voucher holder to move into a Mobility Area
- As a Reasonable Accommodation to provide required accessibility features (e.g. buildings with a ramp or wheelchair accessible bathroom)

A Mobility Area is defined as a Community Area where less than 20% of resident families have income below the poverty level and there is a below median reported violent crime count (normalized by the area’s total population), or an area with improving poverty and violent crime rates along with job opportunity clusters.

The chart below highlights the maximum subsidy with the corresponding voucher size; however, even with an Exception Payment Standard, CHA does not automatically approve this rent level for a given unit. The subsidy amount depends on a number of factors, including payment standards, the rents of other comparable unsubsidized rental units in the area, and the income of the family. The applicable voucher size is the lower of the voucher size and the unit size.

<table>
<thead>
<tr>
<th>Voucher Size</th>
<th>0</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020-150% FMR</td>
<td>$1,568</td>
<td>$1,766</td>
<td>$2,048</td>
<td>$2,601</td>
<td>$3,098</td>
<td>$3,563</td>
<td>$4,027</td>
<td>$4,492</td>
<td>$4,956</td>
</tr>
</tbody>
</table>

Payments Standards are updated annually and the numbers above vary from year to year.

CHA through its MTW Agreement has the authority to use the 50th percentile Fair Market Rent.