



Small Area Fair Market Rents (SAFMRs)



Tenant Outreach Pre-implementation

By design, SAFMRs increase payment standards in higher-rent ZIP codes to increase opportunities for voucher holders to live in these neighborhoods. At the same time, SAFMRs can reduce payment standards in lower-rent ZIP codes, which is likely to increase rent burdens for voucher holders who choose to remain in those neighborhoods. PHAs that are newly implementing SAFMRs are likely to worry about the added costs to some voucher holders and need assistance in explaining the new, more complex system of payment standards to all voucher holders. PHAs that have successfully implemented SAFMRs have developed best practices for both concerns.

PHAs experienced with SAFMRs highlighted three key tenant outreach strategies: communicate with all current voucher holders as early as possible, provide a tool for looking up payment standards online, and consider ways to mitigate the possibility that voucher holders' rent burdens will increase.

The Brookline Housing Authority, which implemented SAFMRs in 2020, offered advice on how to explain the new payment standards to landlords and voucher holders. The director of leased housing and admissions, John Hillis, said, "People always have concerns about explaining SAFMRs to landlords and tenants, but you already have to explain what payment standards and FMRs are, so you can explain what SAFMRs are. As long as you can explain it, they will understand it."

Brookline, El Dorado County, and other PHAs have found it helpful to voucher holders and landlords to post a chart on their website with payment standards by ZIP code and bedroom size. The Plano Housing Authority suggested advising voucher holders in their search for a housing unit to ask their smartphone for the ZIP code of an address so they can easily look up the payment standard for a specific location using the chart.

The Boston Housing Authority created an online tool called the Expanded Choice in Housing Opportunity (ECHO) locator. The tool helps tenants in Boston's mobility program in their search for housing. Voucher holders enter important locations (such as work, locations of family members, and churches) and identify community characteristics that are important to them. The ECHO tool identifies Expanded Choice (high opportunity) communities with the desired characteristics that are accessible

Options for Mitigating Increases in Rent Burdens

- Give ample notice before payment standards decline, then apply reductions at the second annual review
- Only apply SAFMRs to new voucher holders and permanently exempt families who are already living in lower-rent neighborhoods
- Phase in lower SAFMRs gradually, over several years
- Apply just a portion of the rent reduction (e.g., 5 percentage points)

Per HUD policy, payment standards may not be reduced more than 10 percent per year.

to a household's important locations. Using the tool, the voucher holder can view community profiles and current listings for units that match their needs.

The El Dorado County Housing Authority in California provided a straightforward explanation why payment standards differ: because the cost of housing is different in different areas.

Alyson McMillan, the program director of housing and homeless services, said, "Locals do understand diversity across the county, so the different [payment standards] make sense to them." Case managers explain to voucher holders that payment standards are based on local area rents that HUD provides to them.

McMillan said, "Keep it as simple as possible for the whole population." She added that communicating to voucher holders that they can select units with rents below the payment standard is also important.

The Housing Authority of Cook County, IL (HACC), which implemented SAFMRs in 2013, was proactive in communicating with voucher holders early in the process. It stresses that clear tenant outreach prior to implementation is important for a



smooth transition to SAFMRs and helps to reduce the likelihood of potential rent burden increases for voucher holders. HACC worked to balance its twin goals of encouraging mobility among voucher holders and limiting the impact of higher rent burdens. Prior to implementation, the housing authority sent letters to every voucher holder living in a ZIP code where payment standards would decline. HACC's letter explained what SAFMRs are, why HACC was participating, the impact on tenant rent burdens, and provided contact information for questions. Voucher holders generally had two years of notice before payment standards declined to relocate in response to changes in rent burdens, because HACC did not apply rent reduction until the second annual recertification. (See text box, "Options for Mitigating Increases in Rent Burdens.")

HACC also has a robust mobility program. It matches voucher holders who want to consider moving with a mobility counselor who can explain the process and offer support.

Sheryl Seiling, director of the HCV program, reported receiving very few panicked phone calls from voucher holders in lower-rent neighborhoods where payment standards declined, both because tenants received notice of changes well in advance and because HACC was able to keep FMR reductions relatively small.

The Housing Authority of San Diego, CA organized several meetings for new voucher holders to help them learn about searching for a new unit and how their rent portion is calculated with the SAFMR payment standards. It set up a phone number tenants could call with questions about SAFMRs and equipped its staff with phone scripts to answer the most frequently asked questions. The San Diego HA also provides voucher holders with 12 months of notice if their payment standard is going to be reduced, as this may increase their rent portion. San Diego developed an FAQ document with similar information that it sent to tenants and posted on its website.

Takeaway messages

- Give tenants as much notice as possible, especially if they might be negatively affected by SAFMRs.
- Consider strategies for mitigating the possibility of increased rent burdens for voucher holders, while also preserving incentives for mobility.
- Post a tool on your website for looking up payment standards by ZIP code and bedroom size.
- Depending on your jurisdiction's demographics, consider providing notice in multiple languages.
- Offer resources to tenants via organized meetings, mailed letters, FAQs, the PHA's website, or a helpline for questions.
- A phone script for staff answering questions about SAFMRs can ensure that voucher holders receive accurate and consistent information.

This material is based upon work supported, in whole or in part, by Federal award number C-18-TA-MD-0001 awarded to Abt Associates, Inc. by the U.S. Department of Housing and Urban Development. The substance and findings of the work are dedicated to the public. Neither the United States Government, nor any of its employees, makes any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represents that its use would not infringe privately-owned rights. Reference herein to any individuals, agencies, companies, products, process, services, service by trade name, trademark, manufacturer, or otherwise does not constitute or imply an endorsement, recommendation, or favoring by the author(s), contributor(s), the U.S. Government or any agency thereof. Opinions contained herein are those of the author(s) and do not necessarily reflect the official position of, or a position that is endorsed by, HUD or any Federal agency.