



Small Area Fair Market Rents (SAFMRs)



Landlord Training and Outreach

Landlords play a key role in the success of SAFMRs, and PHAs reported that good communication with landlords before and during SAFMR implementation is essential. Several PHAs described elements of a successful landlord SAFMR outreach effort as being essentially the same as the ongoing work needed to build and maintain good relationships with landlords participating in any HCV program.

In addition, SAFMRs have prompted landlords to join the HCV program in areas previously unaffordable to voucher holders. Most of the PHAs interviewed did not reduce payment standards for existing tenants in lower-cost neighborhoods because of SAFMRs. Where SAFMRs might reduce payment standards, managing this transition carefully is important to maintaining landlords' participation.

The *Housing Authority of the City of San Diego, CA* emphasizes both good communication with landlords and incentives for participation. San Diego HA provided resources to landlords before its transition to SAFMRs, including an FAQ¹ explaining what is new about SAFMRs, how landlords will be affected, and what rents are under SAFMRs. San Diego also offers incentives to encourage landlords to participate in the HCV program. Landlords who are new to the program and who house the most vulnerable populations are offered incentives (see [PIH Notice 2022-18](#) for guidance on the use of administrative fees for landlord incentives). These include a leasing bonus of \$2,500, an application fee of up to \$50, and a security deposit of up to two months' rent. San Diego HA also pays a fee to landlords to temporarily hold units for veterans. Further, it offers damage claim reimbursements ranging from \$2,000 to \$5,000.

The *Housing Authority of Cook County, IL (HACC)*, which implemented SAFMRs in 2013, was also proactive in communicating with landlords about the transition to SAFMRs. Cook County sent information to landlords explaining what SAFMRs are, how SAFMRs would affect their property's rent, and made it clear they would not be reducing the total rent the landlord would receive for HCV families currently residing in units. Early in the transition to SAFMRs, HACC also held monthly landlord workshops, one of which focused specifically

on payment standards. Some landlords in higher-rent areas, where SAFMRs brought payment standards in line with market rents, joined the HCV program because they wanted to rent to voucher holders.

HACC also encourages landlords to consider more than just getting the highest possible rent. Sheryl Seiling, director of the HCV program, noted that many landlords do just that. She said, "The very first time one of my tenants' rent was increased, the landlord called and said, 'I don't know how she's going to be able to afford this,' and asked if there's anything he can do to have her stay, since she was a model tenant." The PHA suggested the landlord lower her rent, he did, and the tenant was able to stay.

"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."

John Hillis
Director of Leased Housing and Admissions
Brookline Housing Authority

The *Dubuque Housing Choice Voucher Program* has successfully promoted a pro-HCV culture among landlords that extends to SAFMRs, which were implemented in 2018. Landlord participation in the HCV program is high, even though Iowa law explicitly allows landlords to refuse to rent to tenants who receive public benefits, and landlords readily accepted the switch to SAFMRs. Dubuque's HCV Program has achieved this success in several ways.

The HCV program in Dubuque is administered by the City's Housing and Community Development (HCD) Department, and the program leverages its position within the city government to encourage landlords to participate. The City requires that all rentals be licensed, which involves passing a city inspection, and

¹ See "Sample Implementation Documents" on the HUD Exchange for a landlord FAQ template.



offers training and other resources to landlords. The City uses its regular contact with landlords to encourage them to participate in the HCV Program.

For example, the rental license application asks landlords to indicate whether they would be willing to accept a Housing Choice Voucher and whether they would be interested in receiving information about the program. In addition, the City's required landlord training program includes information about the Dubuque HCV Program and explains what SAFMRs are and how they work. Dubuque also has an ordinance requiring developers who receive city assistance or tax breaks for building low-income housing to accept Housing Choice Vouchers.

The HCD Department director, Alexis Steger, reports that the percentage of landlords who say they will accept housing vouchers has increased because it is seen as socially unacceptable to refuse. She said, "We've changed the narrative to, 'if you don't accept HCVs you're kind of a jerk.'"

The City of Dubuque credits the success of its SAFMR implementation in part to the strong relationship it has built with landlords. To maintain this relationship, HCD Department staff meet with the Dubuque Area Landlords Association once a month. The City of Dubuque has released a [video](#) and a flyer encouraging landlords to accept Housing Choice Vouchers and explaining how to accept them.

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, TX Housing Authority** reported that SAFMRs have prompted investments in rental properties in higher-cost neighborhoods in the decade-plus since the PHA implemented SAFMRs in 2011. Dave Young, executive director of the Plano HA, reported that landlords sometimes make investment decisions based on SAFMRs, and purchase rental properties in ZIP codes where they estimate they will earn a higher return on their investment. With the introduction of SAFMRs, these are more likely to be higher-cost neighborhoods. Young also said that landlords with multiple properties are very familiar with SAFMRs, while owners with just one or two rental properties may not understand or be familiar with SAFMRs.

In contrast with HACC, Plano HA does not make efforts to avoid decreases in payment standards for families under HAP contract when SAFMRs decline. Any decreases become effective during the term of the HAP contract on the second annual recertification of the tenant's income after payment standards decline.

Takeaway messages

- Timely communication about the benefits of SAFMRs improves landlords' understanding of the program and their motivation to participate.
- Some housing authorities have been successful in using SAFMRs to encourage new landlords to rent to voucher holders.
- PHA efforts to build and maintain a good relationship with landlords is helpful to a smooth SAFMR transition and overall landlord participation in the HCV program.
- A chart posted on the PHA website with payment standards by ZIP code and bedroom size can be helpful to voucher holders and landlords.
- PHA incentives can be effective in increasing landlords' willingness to accept Housing Choice Vouchers.

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