



Small Area Fair Market Rents (SAFMRs)



SAFMR Summary and Words of Wisdom

SAFMRs provide Housing Choice Voucher (HCV) participants with a chance to live and raise their children in high-opportunity areas that they may otherwise not be able to afford. Your PHA's adoption of SAFMRs has the potential to offer voucher holders the opportunity to achieve better housing, health, education, employment, and quality of life outcomes in the short and long term.

HUD sponsored in-depth interviews with nine PHAs to gather their insights on adopting SAFMRs—and then disseminate those best practices to PHAs that have recently adopted or are considering adopting SAFMRs. The interviews included eight PHAs that have successfully implemented SAFMRs and one PHA, in San Diego, that does not use SAFMRs but administers a mobility program that includes neighborhood-level payment standards.

From these nine interviews, seven written products were developed on the following topics: Approaches to ZIP code grouping, landlord training and outreach, staff training and software, tenant outreach pre-implementation, tenant support during implementation, and use of HUD's Two-Year Tool (TYT). These resources provide PHAs with creative ideas and tested strategies to ensure that their SAFMR adoption will be successful.

This resource captures words of wisdom from PHAs on several topics. It also shares some PHAs' success stories from voucher holders whose families directly benefited from SAFMRs.

PHAs report budget impacts of SAFMRs are gradual and manageable

The impact of SAFMR implementation on a PHAs' budget is, understandably, one of the biggest concerns PHAs will have when adopting SAFMRs. However, these experienced PHAs noted several factors that address these concerns. First, because not everyone will move at once, the budget impacts will be gradual and manageable. Second, SAFMRs are not going to increase the costs per unit drastically because rent reasonableness is still factored into payment standards. The PHAs we interviewed also stressed that if you feel as though your PHA's budget is overextended, communicate that and seek assistance from HUD early on in the process.

San Diego PHA's Upward Mobility

The San Diego PHA does not use SAFMRs, but, as a Moving to Work (MTW) agency, has the flexibility to design and test innovative strategies intended to improve families' self-sufficiency. Using its MTW status, the San Diego PHA has developed a mobility program that shares several features with SAFMRs. Like SAFMRs, the mobility program, called Upward Mobility, adopts higher payment standards in higher-opportunity neighborhoods, offers support to voucher holders to move to these neighborhoods, and offers tenant and landlord incentives. Since the program's inception, the San Diego PHA has successfully assisted more than 7,000 voucher holders in moving to high-opportunity areas. Its experience and insights offer another source of best practices for PHAs adopting SAFMRs.

Proactive customer service is important to successful SAFMR implementation

All nine PHAs expressed the importance of customer service. Both tenants and landlords need explanations of how SAFMRs work and reassurance about how to implement the change. This includes providing a central location where they can have their questions answered, being patient when explaining the new payment standards to them, and trying to find units that best suit tenants' needs. This customer service focus should start before implementation, beginning with notifying tenants about the change, especially those who will be negatively affected, as far in advance as possible. PHA staff and landlords should also be notified, as advanced planning will keep them from being overwhelmed when implementation starts.



Challenges to residing in higher-opportunity neighborhoods remain after economic barriers are removed

It is important to keep in mind that although SAFMRs help families overcome economic barriers to living in higher-rent neighborhoods, voucher holders may face different kinds of challenges after they relocate. For example, Sheryl Seiling, director of the HCV program at the *Housing Authority of Cook County (HACC)* noted that some areas in Cook County are overwhelmingly white. Seiling said, “Parents didn’t want their kids to be the only ones that looked like them.”

David Young, executive director of the *Plano, TX Housing Authority*, also discussed challenges that some low-income families face when they move out of their neighborhood. For example, SAFMRs don’t account for other types of expenses associated with living in a high-income area, such as the added costs for kids to participate in extracurricular activities. Lastly,

some high-income areas lack public transportation that is widely available, which many families rely on for getting to work or to the grocery store.

If your PHA is able, find ways to provide support to tenants after they have moved to new areas to maximize the success of your SAFMR program.

PHAs should replicate what works

SAFMR implementation may surface new challenges that your PHA will have to overcome. However, all of the PHAs identified solutions that made SAFMRs a success in the areas they serve, which shows that your PHA will be able to as well. David Young from the *Plano, TX Housing Authority* emphasized that PHAs adopting SAFMRs should not reinvent the wheel. Instead, they should replicate what works as demonstrated by those who have already successfully implemented SAFMRs.

SAFMR Success Stories

Adopting SAFMRs takes a certain amount of time, analysis, and upfront costs on behalf of the PHA. However, the policy is focused on supporting families in the Housing Choice Voucher program by providing access to additional units that they can afford in low-poverty or higher-opportunity neighborhoods. Below are some of those stories that emphasize the benefits that come with adopting SAFMRs:

“Unfortunately, she [tenant] was a victim of domestic violence. She didn’t want to move out of Brookline since her kids would have to switch schools. She would not have been able to do that [stay in Brookline] if she was set at the normal payment standard or fair market rent.”

“I am working with a single mother of two kids who is a victim of domestic violence. Just got the voucher issued because our admin plan allows persons who are escaping domestic violence or domestic abuse to get on the wait list even when our wait list is closed. It was so important to her that her kids stayed at the same school and have that same consistency, same physicians, et cetera. If we hadn’t adopted SAFMRs [she is in this higher cost of housing town], she would not have been able to maintain that stability for herself and her children.”

“During the pandemic, we saw a huge increase in people moving to this community. And so, we were able to get people in areas that they wanted. Our persons who had been on the voucher program for a long time were suddenly facing these changes in rents, but they were able to stay housed in their community despite the fact that the community-based rents were going up.”

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