# What Advocates Need to Know about Small Area Fair Market Rents

February 14, 2024

HUD Housing Programs: Tenants' Rights (The Green Book)

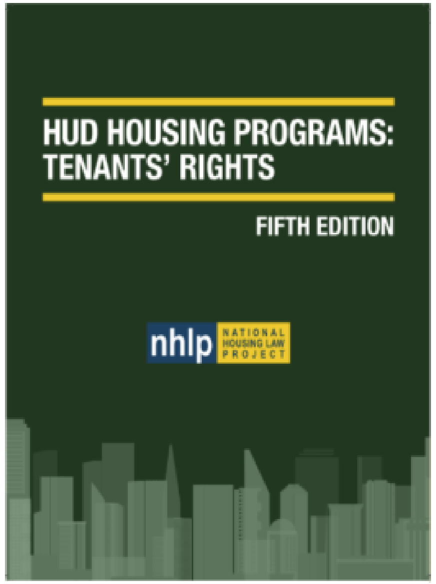




# Summary

Read Online

## What is the Green Book?




*HUD Housing Programs: Tenants' Rights* (the "Green Book") is National Housing Law Project's signature publication. The Green Book is the quintessential guide to understanding HUD's housing programs. The Green Book's treasury of information is the product of over 50 years of legal experience specifically focused on HUD housing law, decades of successful high-impact litigation, and a deep understanding of intricate federal housing policy.

The manual includes new policies, emergent case law, and regulatory changes that shape the legal framework for cases that impact HUD tenants. The Green Book also contains unpublished court decisions, hard-to-find memos, and legal theories and strategies, providing a comprehensive treatise on evictions, subsidy terminations, affordable housing preservation and much more.

**The 5th edition includes substantive updates on:**

- Housing Opportunity Through Modernization Act (HOTMA), which revised federal statutory

# Today's Agenda

NATIONAL HOUSING LAW PROJECT

I. SAFMR History and Overview

II. SAFMR Research Developments

III. Key Advocacy

IV. Implementation Timeline and Process

V. Case Studies from Round I

VI. Questions/Comments

# What are Small Area FMRs and Why are they Important?



- SAFMRs are a fair housing policy that address deconcentration of voucher families.
- HUD sets one FMR for large geographic regions resulting in subsidy levels that don’t match the local rental market.
- SAFMRs, in contrast, calculate the value of a voucher based on zip codes and therefore capture more granular discrepancies in rents across neighborhoods.
- SAFMRs open up lower poverty neighborhoods to voucher families that were formerly unaffordable.

# History of the Small Area FMR



**2007:** ***Inclusive Communities Project (ICP) v. HUD*** – challenged discriminatory and segregative effects of using a single FMR for the entire Dallas metro area.

From the complaint:

> "HUD sets the maximum ceiling rent for the Section 8 program without regard for market rents in rental housing markets in the Dallas area but instead uses the rents in predominantly minority and low-income concentrated areas to set the maximum rents for use in predominantly White and non-low-income concentrated areas. HUD uses this manipulated maximum ceiling rent to steer Black DHA Section 8 participants away from dwellings that should be available for use by Section 8 families in modest but decent units in predominantly White Dallas metropolitan area rental housing markets."

# History of the Small Area FMR

**2010 *ICP v. HUD* settlement agreement**

HUD begins annual publication of national SAFMRs and announces launch of the Small Area FMR demonstration (including implementation of Small Area FMRs in the Dallas metro).

Initial results from SAFMR demonstration study show promise*

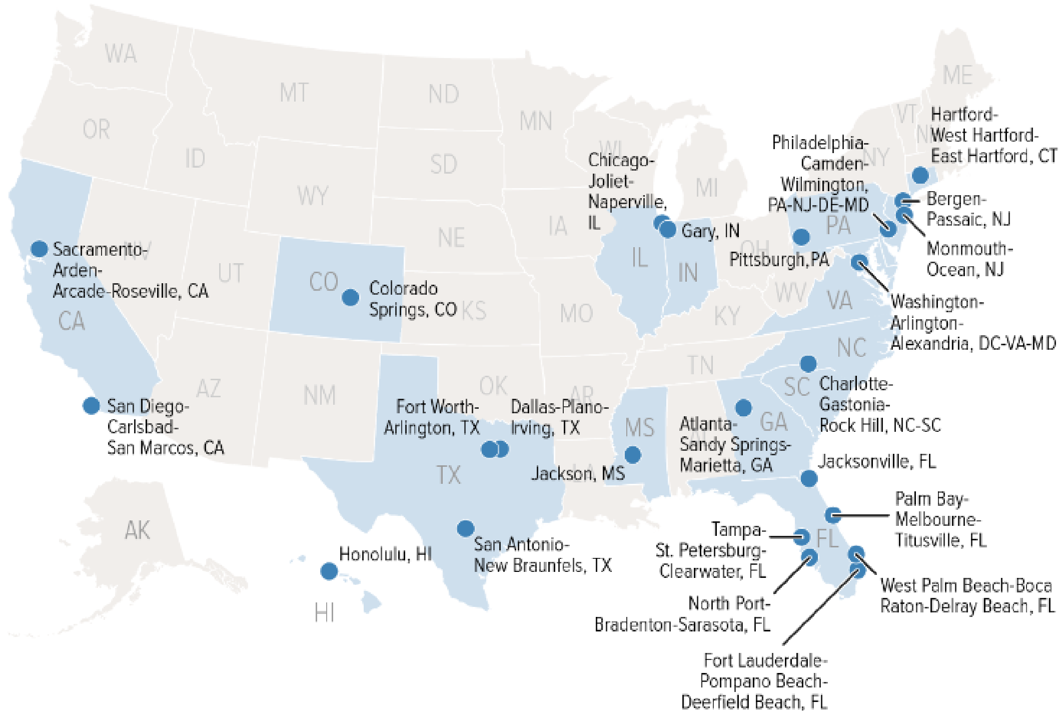
June 2016 Proposed SAFMR rule
November 2016 Final SAFMR rule: 24 metropolitan areas

August 2017: Secretary Ben Carson suspends SAFMR rule

October 2017: ***Open Communities Alliance v. Carson*** filed*
December 2017: Preliminary injunction reinstates rule

# History of the Small Area FMR

April 2018: Small Area FMRs implemented in in 24 metro areas




October 2023: Expansion of mandatory Small Area FMRs to 41 additional metro areas (almost half of all voucher families)

2024: HUD technical assistance to new sites & opportunity for advocacy

January 2025: Implementation to begin in new metro areas

## How did the initial SAFMR rollout influence family choices and locations?

**Effects for new voucher recipients**

In comparison with similar non-SAFMR areas,* new voucher recipients in SAFMR metros were around 7.5 percentage points more likely to move to a lower poverty ZIP Code than where they started. New voucher recipients were also about 5 percentage points less likely to move to a higher poverty ZIP Code than where they started (Ellen et al, forthcoming)

(comparable to SAFMR demonstration findings)

# Research on implementation of SAFMRs

PRRAC
Poverty & Race
Research Action Council

## How did the initial SAFMR rollout influence family choices and locations?

**Effects for existing voucher families**

Existing voucher holders experienced smaller, but significant increased moves to lower poverty areas (Eriksen et al, forthcoming)

(comparable to SAFMR demonstration findings, but smaller impact)

Note substantial heterogeneity in access to lower poverty SAFMR areas across different metro areas (Eriksen et al, 2021) – future research will explore these regional differences

# Research on implementation of SAFMRs

PRRAC
Poverty & Race
Research Action Council

**Effects on PHA budgets**

Average per unit cost did not rise more quickly in SAFMR metro areas than in comparable non-SAFMR areas (HUD, 2023)

(consistent with SAFMR demonstration, which found average per unit cost declined)*

**Effects on lease-ups**

Small Area FMRs did not affect voucher success rates – even for those originating in lower rent neighborhoods! (Ellen et al forthcoming)

(but note more port-outs in PHAs with primarily lower-rent neighborhoods)

# Research on implementation of SAFMRs



**Effects on housing markets?**

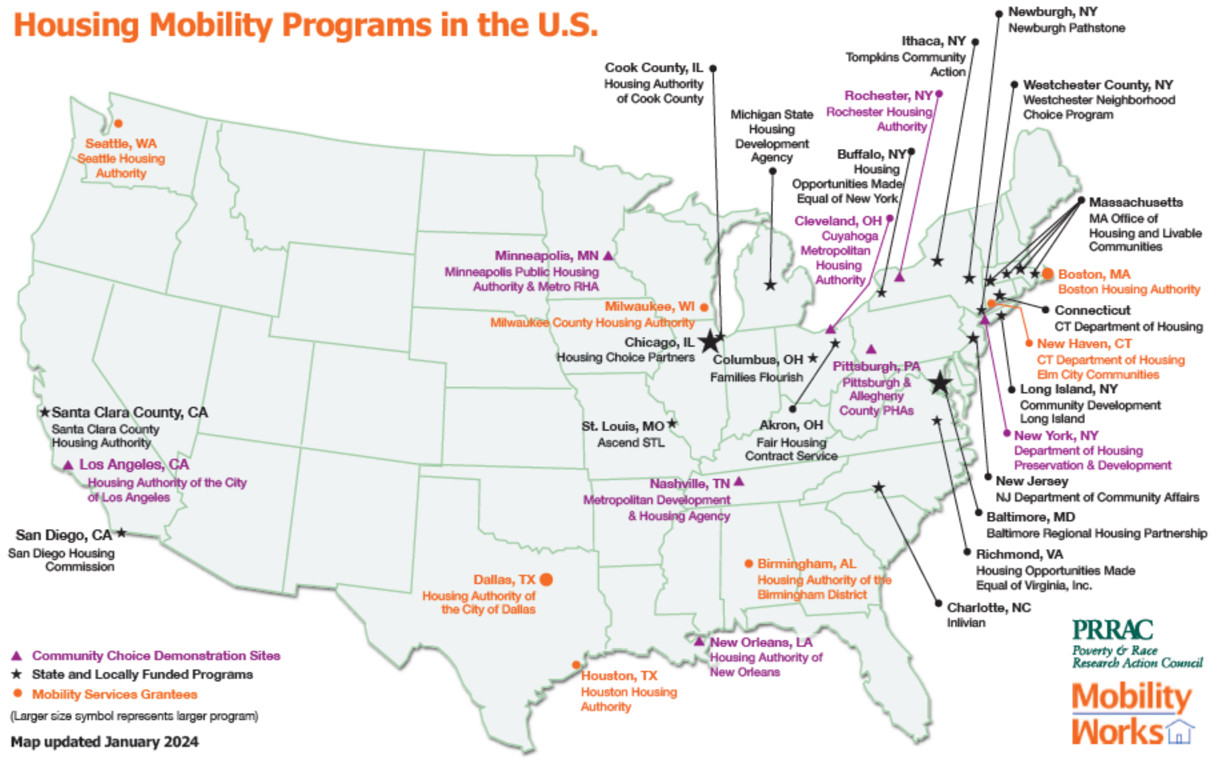
In comparison with similar non-SAFMR areas, implementation of SAFMRs appears to decrease rent levels for non-voucher families in lower rent neighborhoods with SAFMRs lower than regional FMRs.  In higher rent areas, overall rent levels appear to increase slightly with SAFMR implementation. (Park, 2024)

# Research on implementation of SAFMRs

PRRAC
Poverty & Race
Research Action Council

## Relation to housing mobility programs

Only 4 of the 24 2018 mandatory SAFMR metro areas had an established mobility program – i.e., the positive location results in recent studies did <u>not</u> depend on any kind of housing search assistance or other housing mobility supports (but SAFMRs much more successful where a mobility program is in place.*

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Almost all of the existing 44 mobility programs in the U.S. have adopted voluntary exception payment standards (usually based on SAFMRs) to permit access to higher cost communities

# PHA actions to limit impact of SAFMRs

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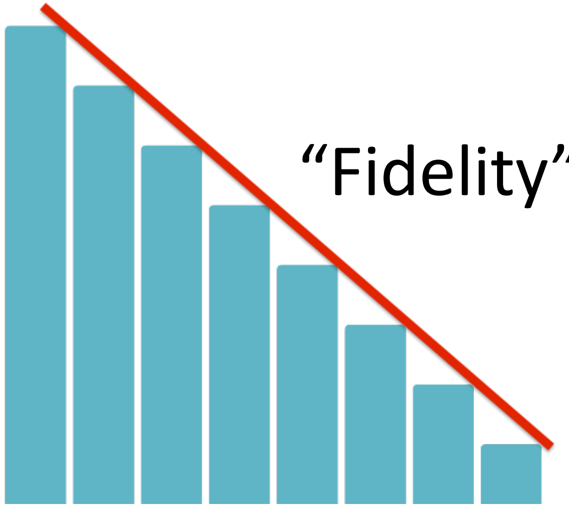
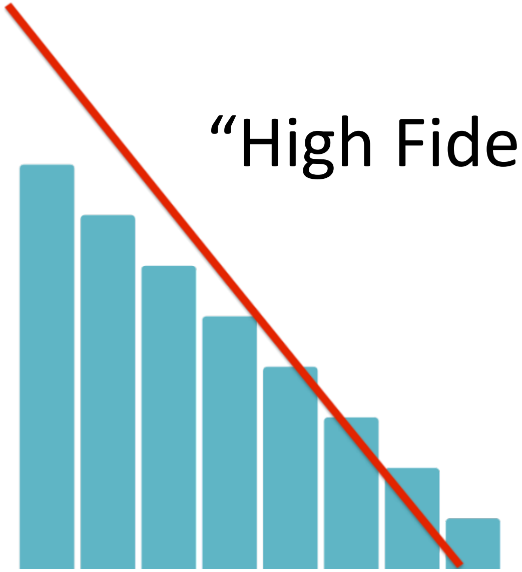
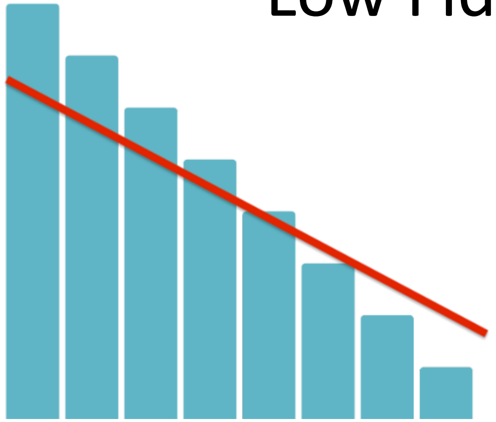


“Fidelity” to policy goals of SAMFR



“High Fidelity”



“Low Fidelity”

# Key Advocacy Points

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- **All PHAs can implement SAFMRs**, even if not in a mandatory region (and it is very easy for PHAs to establish EPS for a zip code up to 110% SAFMR by notifying HUD. See 24 C.F.R. 504(b)(1)(iii)).
- Advocates can help ensure that safeguards are in place to protect tenants so they don't experience rent increases as a result of SAFMR. Advocates should seek a **100% hold harmless policy** (see next slide for sample language). Phase-in also allowed.
- **PHAs should provide notice** of the new and old payment standards to all participant families. Advocates should request to review the notices before they go out.
- **Review all new payment standards to avoid "low fidelity" issues, especially at MTW agencies.**
- Carefully scrutinize rent-setting methods that use groupings, which can minimize impacts.
- Monitor PHA exemptions to SAFMRs (PHAs can opt out due to "adverse rental housing market conditions")
- Consider whether to advocate for application of SAFMRs to new PBVs.

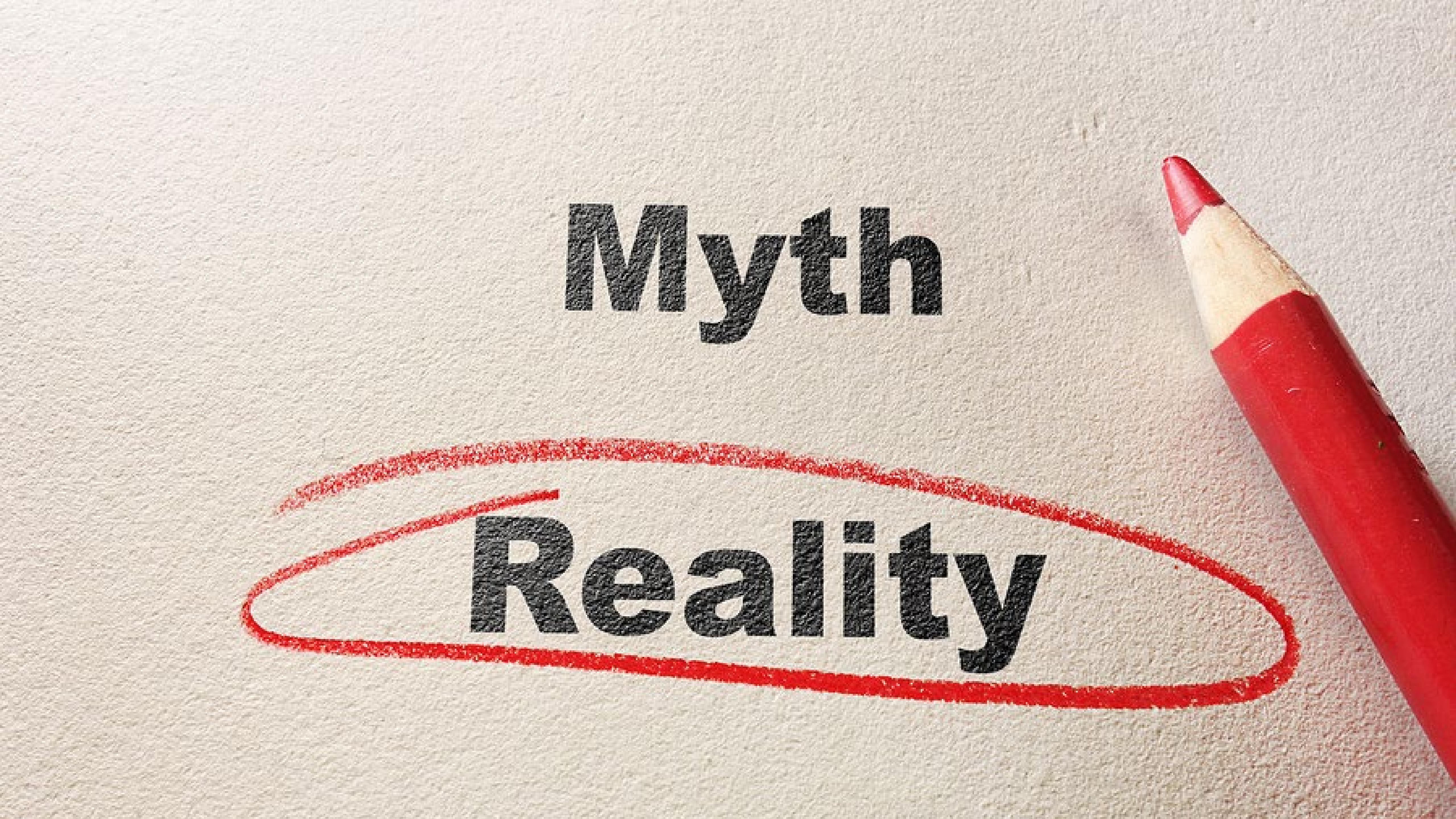
# Sample PHA Plan Language

PAYMENT STANDARDS FOR THE VOUCHER PROGRAM (24 C.F.R. Part 982.503)

The Payment Standard is used to calculate the housing assistance payment for a family. In accordance with HUD regulations, and at the PHA's discretion, the Voucher Payment Standard amount is set by the PHA between 90% and 110% of the HUD-published FMR. This is considered the basic range. The PHA reviews the appropriateness of the Payment Standard annually when the FMR is published. In determining whether a change is needed, the PHA will ensure that the Payment Standard is always within the range of 90%-110% of the new FMR or SAFMR, unless an exception payment standard has been approved by HUD. Where the new FMRs are decreasing, the PHA will hold the families harmless who are already living in the area with a HAP contract and the PHA will apply the existing payment standard to the family.

Where the new FMRs are increasing, the PHA will implement the change at the next annual recertification.

The PHA may approve a higher payment standard within the basic range, if required as a reasonable accommodation for a family that includes a person with disabilities. If the request is for a Payment Standard above 120%, the request must be approved by HUD.


Myth
Reality

# SAFMR Myths and Facts

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**PHA MYTH: We can't adopt SAFMRs because they are too expensive to implement.**

**FACT:** Average per unit cost did not rise more quickly in SAFMR metro areas than in comparable non-SAFMR areas (HUD, 2023). PHAs also receive extra Admin fees for implementation.

**PHA MYTH: If we adopt SAFMRs we will have to serve less families.**

**FACT:** There is no evidence that SAFMRs cause PHAs to serve less people.

**PHA MYTH: There isn't any housing available to voucher families in higher-rent, higher-resourced areas anyway.**

**FACT:** PHAs should be doing outreach to landlords in higher opportunity neighborhoods and generally expanding efforts to promote housing opportunities (through mobility counseling and other services, see PIH Notice 2024-05). Also, the mandatory SAFMR areas were selected, in part, because they are metro areas that include a significant number of rental units in higher cost areas.

# MTWs and SAFMRs

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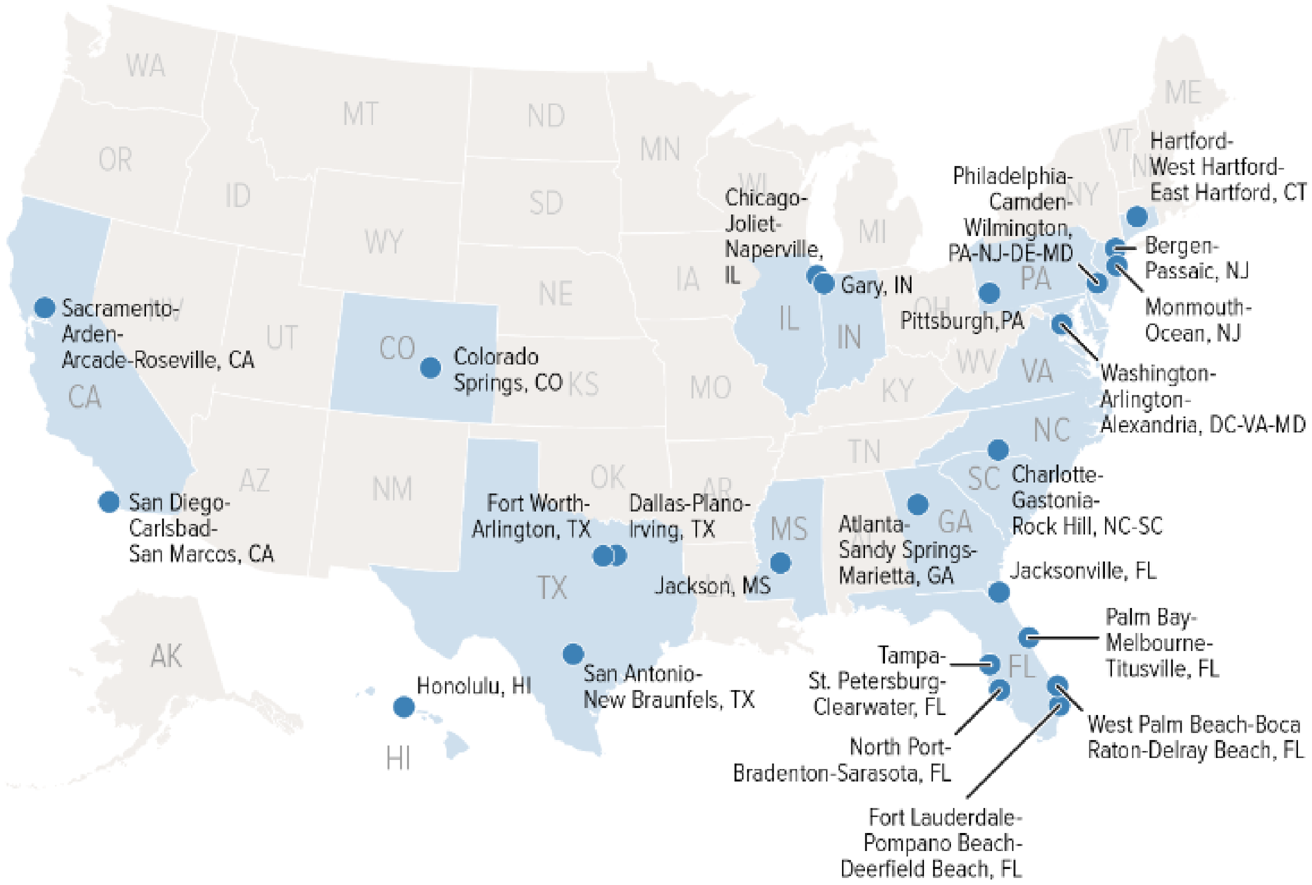
## MTWs among the original 24 SAFMR metro areas:




Atlanta
Charlotte
Chicago
Delaware
Fairfax County
Philadelphia
Pittsburgh
San Antonio
San Diego
Washington DC

# MTWs and SAFMRs



MTWs among the 41 new SAFMR metro areas:

- Akron Metropolitan Housing Authority (OH)
- Fort Wayne Housing Authority (IN)
- Harrisburg Housing Authority (PA)
- Knoxville Community Development Corporation (TN)
- Louisville Metro Housing Authority (KY)
- Orlando Housing Authority (FL)
- Sanford Housing Authority (FL)
- Santa Clara County Housing Authority / Hsing Auth of the City of San Jose (CA)
- Seattle Housing Authority (WA)

# MTWs and SAFMRs



- The intent of the SAFMR program is to increase mobility so that voucher families have access to higher opportunity neighborhoods. The SAFMR regulation allows MTW agencies to adopt alternative rent policies, but these policies should be consistent with the spirit of the rule and the PHA’s AFFH obligations.

  - Watch out for payment standards that are below 100% of the SAFMR in opportunity ZIP codes.
  - Watch out for broad “tiers” of ZIP codes grouped together that have the effect of depressing payment standards.
  - Watch out for MTW agencies that use old FMRs and SAFMRs to set their payment standards (yes this has really happened!)

- Where alternate rents are set below the SAFMR in high opportunity neighborhoods, advocates should demand specific justification from the PHA and consider raising the issue with HUD

- High capacity PHAs should be encouraged to use data more granular than zip codes (census tracts or block groups) to better reflect local neighborhood variances within ZIP codes (D.C., Pittsburgh, Charlotte, Baltimore are examples)

# Implementation Timeline and Process

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- PHAs in new mandatory areas will be required to use SAFMRs by January 1, 2025.
- Selection criteria:
  - (1) at least 2,500 HCVs must be under lease in the metropolitan FMR area;
  - (2) at least 20 percent of the standard quality rental stock within the metropolitan FMR area is in small areas (ZIP codes) where the Small Area FMR is more than 110 percent of the metropolitan FMR;
  - (3) the percentage of voucher families living in concentrated low-income areas within the area must be at least 25 percent;
  - (4) the measure of the percentage of voucher holders living in concentrated low-income areas relative to all renters within these areas over the entire metropolitan area exceeds 155 percent (or 1.55); and
  - (5) the vacancy rate for the metropolitan area is higher than 4 percent

# Implementation Timeline and Process



- Implementation guidance, Notice PIH 2018-01, remains in effect. HUD plans to make non-substantive updates.
- PHAs in new SAFMR areas will receive $10,000 to offset admin costs of transition to SAFMR
- PHA Plans:
  - ALL PHA admin plan must state how they will handle decreases in payment standards for families under HAP contract
  - Mandatory SAFMR PHAs- do not need to amend their admin plan to indicate they will adopt SAFMR
  - Opt-in PHAs- if HUD approves request, they must amend its admin plan to indicate it will operate according to SAFMR
- Advocates can and should be involved in the PHA plan process.

# Additional Resources



- NHLP/PRRAC one-pagers on SAFMR mandatory and voluntary implementation.
- NHLP memo on the SAFMR Expansion
- HUD Exchange SAFMR webpage, for PHA implementation guidance (i.e. Guidebook, sample documents, etc.)
- PRRAC Resources, Housing Mobility & the Housing Choice Voucher Program webpage

# Additional Resources

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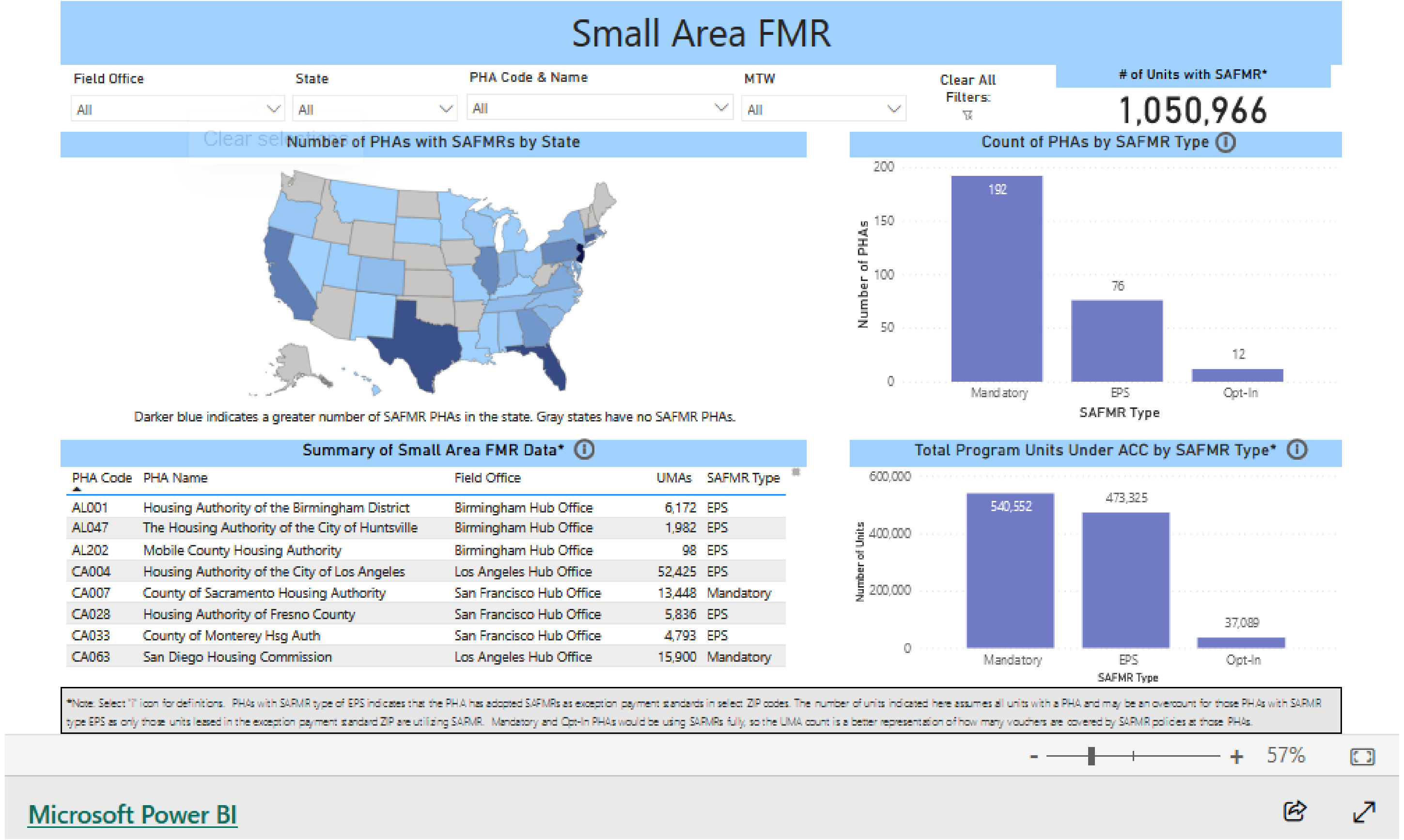
## SAFMR Dashboard

The Small Area Fair Market Rent (SAFMR) Dashboard shows which PHAs have adopted small area FMRs and how many HCV program units are associated with SAFMRs nationally. The dashboard allows the user to drill down to the state and PHA-level. The dashboard data with respect to program units is updated monthly with the most current and relevant data from HUD administrative systems. The classification of PHAs with SAFMRs is updated as soon as they are identified as such to HUD.

The SAFMR dashboard is accessible both internally to HUD employees and externally to the public. The public-facing dashboard is embedded below and accessible via this link.

*This dashboard displays best in Chrome and Firefox.*




| PHA Code | PHA Name | Field Office | UMAs | SAFMR Type |
|---|---|---|---|---|
| AL001 | Housing Authority of the Birmingham District | Birmingham Hub Office | 6,172 | EPS |
| AL047 | The Housing Authority of the City of Huntsville | Birmingham Hub Office | 1,982 | EPS |
| AL202 | Mobile County Housing Authority | Birmingham Hub Office | 98 | EPS |
| CA004 | Housing Authority of the City of Los Angeles | Los Angeles Hub Office | 52,425 | EPS |
| CA007 | County of Sacramento Housing Authority | San Francisco Hub Office | 13,448 | Mandatory |
| CA028 | Housing Authority of Fresno County | San Francisco Hub Office | 5,836 | EPS |
| CA033 | County of Monterey Hsg Auth | San Francisco Hub Office | 4,793 | EPS |
| CA063 | San Diego Housing Commission | Los Angeles Hub Office | 15,900 | Mandatory |

Available at: https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/safmr

# Case Studies

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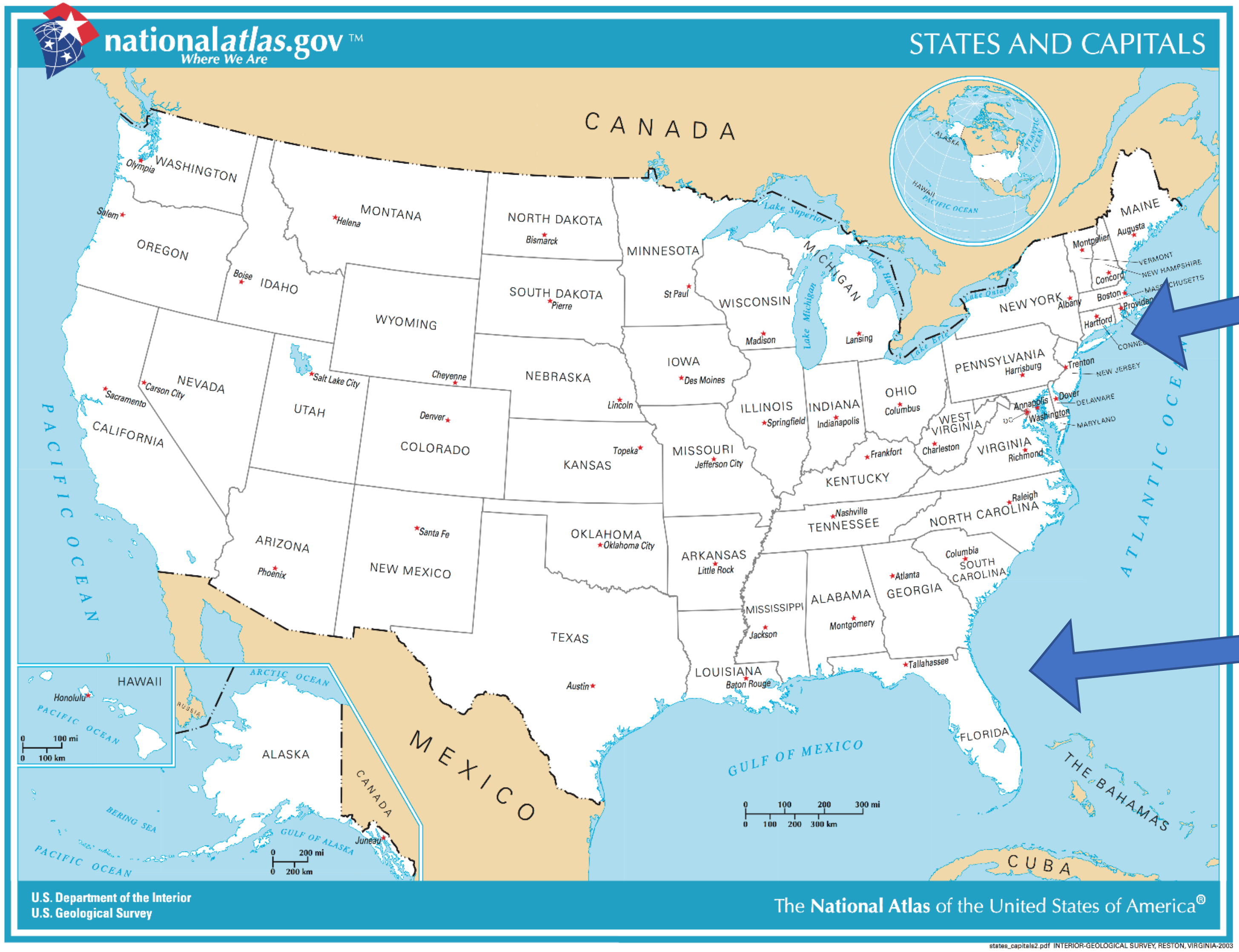

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COAST TO COAST LEGAL AID SOUTH FLORIDA

# From Fear to Confusion to Success:

# The Story of Broward County, Florida

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# The Fear of Change

- Concerns of increased costs
- Issuing Fewer Vouchers
- Fear of budget shortfalls

# The Confusion Around Implementation

- Unclear if rule was going to go live or be suspended
- Discretion from HUD
- Questions about how to best implement the SAFMR rule

**RELATED PAGES**

- Landlord's Login
- Payment Standards
- Fair Housing Act
- Lead Base Paint
- Security Deposits

**CHANGES TO HOUSING CHOICE VOUCHER PROGRAM PAYMENT STANDARDS**

**Dear Owners/Property Managers:**

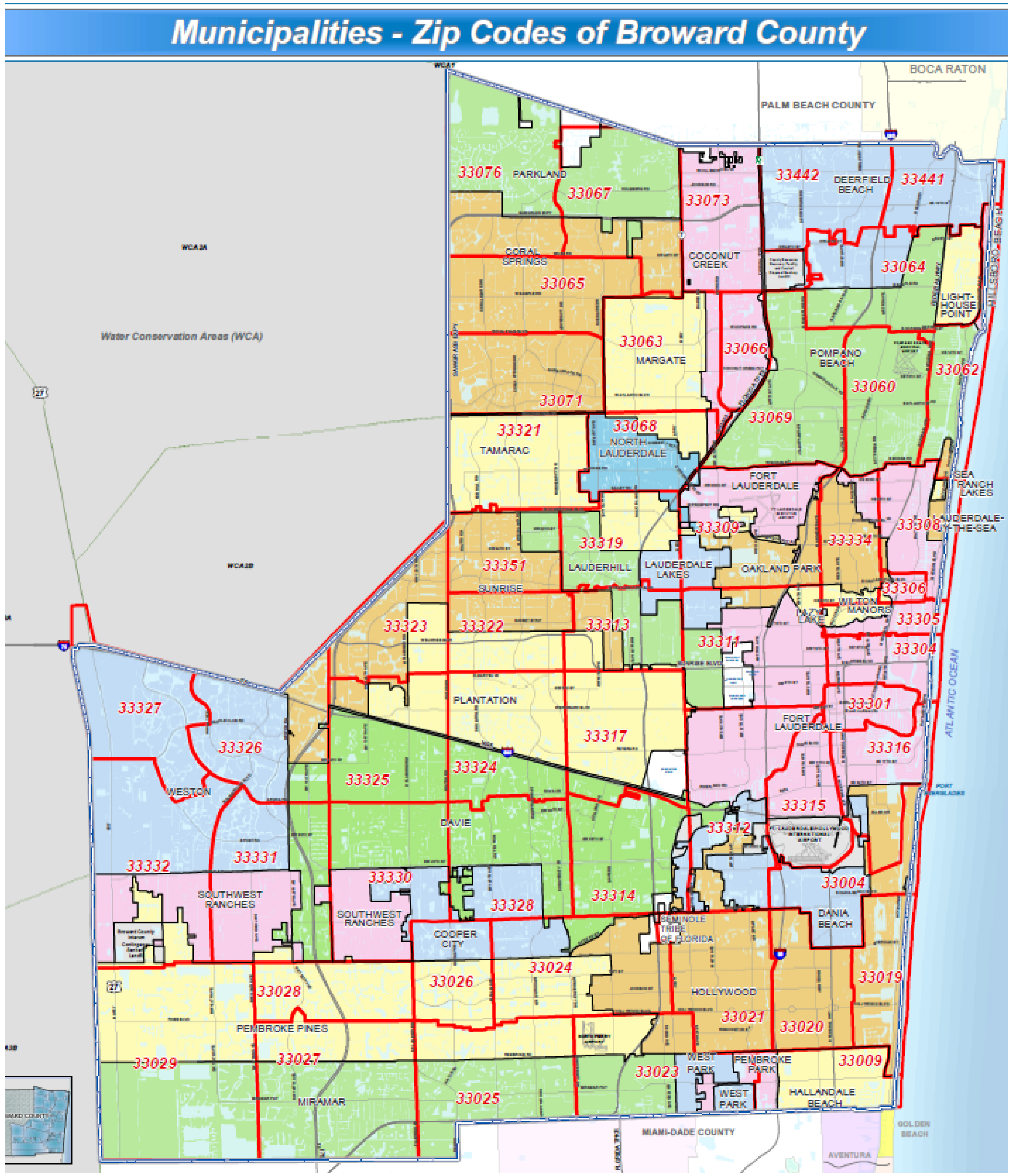
**The Housing and Urban Development (HUD) has passed a regulation changing how Housing Choice Vouchers Payment Standards are calculated. Previously, payment standards were based on the HUD established fair market rent for the County. Going forward rents will be based on zip codes, or like zip codes combined into zones. The purpose of this change is to allow families to have the opportunity to access higher-cost housing in more communities. This will provide renters to access safer communities, better schools, and closer proximity to job centers.**

# Broward County's Unique Landscape

- 75 ZIP codes

- 6 Housing Authorities

- All 6 Housing Authorities in Broward decided to group zip codes into “Zones”



BROWARD county · housing authority

## Broward County Housing Authority

## Small Area Payment Standards by Zip Codes

Effective January 1, 2020

| | Efficiency | 1 Bedroom | 2 Bedroom | 3 Bedroom | 4 Bedroom | 5 Bedroom | 6 Bedroom |
|---|---|---|---|---|---|---|---|
| **Group 1**<br>33305<br>33306<br>33311<br>33313<br>33316<br>33060<br>33066 | $864 | $1008 | $1276 | $1848 | $2244 | $2580 | $2917 |
| **Group 2**<br>33004 33310<br>33008 33312<br>33020 33314<br>33022 33315<br>33023 33318<br>33061 33319<br>33064 33320<br>33065 33329<br>33069 33334<br>33074 33335<br>33075 33338<br>33077 33339 | $936 | $1089 | $1377 | $1989 | $2421 | $2784 | $3147 |

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# The “Zone” Strategy

- Each Housing Authority drew its map a little differently
- No consistency
- The same apartment could have 6 different payment standards depending on which Housing Authority was administering the voucher

# Setting payment standards between 90% and 110% of the Small Area Fair Market Rents.

The general trend in Broward:

- Raise rent caps in low-income neighborhoods
- Lower rent caps in higher-income neighborhoods
- Result was the opposite of the goal:

  kept people in low-income neighborhoods; &
  made it harder to move into high-income neighborhoods.

| zone | zip | PS 0 | PS 1 | PS 2 | PS 3 | PS 4 | PS 5 | PS 6 | PS 7 | PS 8 | PS 9 | PS/ FMR 0 | PS/ FMR 1 | PS/ FMR 2 | PS/ FMR 3 | PS/ FMR 4 | PS/ FMR 5 | PS/ FMR 6 | PS/ FMR 7 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 33306 | **825** | **1010** | **1298** | **1859** | **2275** | **2619** | **2950** | **3300** | **3600** | **3900** | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 |
| 1 | 33311 | 825 | 1010 | 1298 | 1859 | 2275 | 2619 | 2950 | 3300 | 3600 | 3900 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 |
| 1 | 33305 | 825 | 1010 | 1298 | 1859 | 2275 | 2619 | 2950 | 3300 | 3600 | 3900 | 1.06 | 1.06 | 1.07 | 1.06 | 1.06 | 1.06 | 1.06 | 1.06 |
| 1 | 33316 | 825 | 1010 | 1298 | 1859 | 2275 | 2619 | 2950 | 3300 | 3600 | 3900 | 1.06 | 1.06 | 1.07 | 1.05 | 1.06 | 1.06 | 1.06 | 1.06 |
| 1 | 33060 | 825 | 1010 | 1298 | 1859 | 2275 | 2619 | 2950 | 3300 | 3600 | 3900 | 1.03 | 1.03 | 1.04 | 1.02 | 1.03 | 1.04 | 1.03 | 1.03 |
| 1 | 33066 | 825 | 1010 | 1298 | 1859 | 2275 | 2619 | 2950 | 3300 | 3600 | 3900 | 0.99 | 1.00 | 1.01 | 0.99 | 1.00 | 1.00 | 1.00 | 1.00 |
| 1 | 33313 | 825 | 1010 | 1298 | 1859 | 2275 | 2619 | 2950 | 3300 | 3600 | 3900 | 0.99 | 1.00 | 1.01 | 0.99 | 1.00 | 1.00 | 1.00 | 1.00 |
| 2 | 33004 | **890** | **1086** | **1307** | **1883** | **2303** | **2648** | **2994** | **3339** | **3685** | **4031** | 1.06 | 1.05 | 1.00 | 0.99 | 1.00 | 1.00 | 1.00 | 1.00 |
| 2 | 33315 | 890 | 1086 | 1307 | 1883 | 2303 | 2648 | 2994 | 3339 | 3685 | 4031 | 1.05 | 1.05 | 0.99 | 0.98 | 0.99 | 0.99 | 0.99 | 0.99 |
| 2 | 33020 | 890 | 1086 | 1307 | 1883 | 2303 | 2648 | 2994 | 3339 | 3685 | 4031 | 1.03 | 1.03 | 0.98 | 0.97 | 0.98 | 0.98 | 0.98 | 0.98 |
| 2 | 33319 | 890 | 1086 | 1307 | 1883 | 2303 | 2648 | 2994 | 3339 | 3685 | 4031 | 1.03 | 1.03 | 0.98 | 0.97 | 0.98 | 0.98 | 0.98 | 0.98 |
| 2 | 33312 | 890 | 1086 | 1307 | 1883 | 2303 | 2648 | 2994 | 3339 | 3685 | 4031 | 1.02 | 1.02 | 0.97 | 0.96 | 0.97 | 0.97 | 0.97 | 0.97 |
| 2 | 33064 | 890 | 1086 | 1307 | 1883 | 2303 | 2648 | 2994 | 3339 | 3685 | 4031 | 1.02 | 1.01 | 0.96 | 0.95 | 0.96 | 0.96 | 0.96 | 0.96 |
| 2 | 33179 | 890 | 1086 | 1307 | 1883 | 2303 | 2648 | 2994 | 3339 | 3685 | 4031 | 1.01 | 1.01 | 0.95 | 1.03 | 1.05 | 1.05 | 1.05 | 1.05 |
| 2 | 33309 | 890 | 1086 | 1307 | 1883 | 2303 | 2648 | 2994 | 3339 | 3685 | 4031 | 1.01 | 1.01 | 0.95 | 0.94 | 0.95 | 0.95 | 0.95 | 0.95 |
| 2 | 33314 | **890** | **1086** | **1307** | **1883** | **2303** | **2648** | **2994** | **3339** | **3685** | **4031** | 1.00 | 1.01 | 0.95 | 0.94 | 0.94 | 0.94 | 0.94 | 0.94 |

# Setting payment standards between 90% and 110 % of the Small Area Fair Market Rents.

- Reduction in Payment Standards

- Displacement of long-term residents

# SAFMR Implementation Across Florida

- Tampa area adopted similar policies
- The North Port area set all of their Payment Standards at 100%
- On the other end of the scale, the Palm Bay area set all of their Payment Standards at 90%

# Original Mandatory Jurisdictions in Florida

- Great results from terrific advocacy by Jacksonville Area Legal Aid, including "Legend" Don Freeman.
- From the beginning, Jacksonville set a payment standard for each individual zip code; &
- Adopted a strong "hold harmless" policy.

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# Housing Authorities Responsive to Advocacy

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## Memorandum 2018 -04 (CEO)

**To:** Board of Commissioners

**From:** Ann Deibert, Chief Executive Officer

**Date:** April 10, 2018

**Subject:** **Small Area Fair Market Rent**

In February I made a presentation on the Small Area Fair Market Rents (SAFMRs). Briefly, Broward County has been designated by the Department of Housing and Urban Development (HUD) as a "Designated" Small Area FMR area requiring all agencies in Broward to adopt "Payment Standards" calculated at the zip code level rather than for the entire metropolitan region.

Small Area FMRs are FMRs calculated by zip code. The intended effect of Small Area FMRs is to decrease subsidies in low-opportunity (low-rent) neighborhoods and increase subsidies in high-opportunity (high-rent) neighborhoods to incentivize families to move from low-opportunity neighborhoods to high-opportunity neighborhoods.

BCHA established nine (9) zones, which I have attached for your review. Each zone represents a grouping of zip codes and the Payment Standard established for each zone. This was a labor intensive and tedious process which was determined based on the following criteria:

- Funding availability – Impact the new rents will have on the budget and the number of families to be served.
- Rent burden of participating families – The purpose of the Small Area Fair Market Rent is to provide families with the opportunity to move from high poverty areas to areas of opportunity, where they have access to neighborhoods with good schools and rents tend to be higher. While

# Effective Advocacy Strategies

- Meeting with Director of the Housing Choice Voucher Department (& keeping open lines of communication)
- Attending Housing Authority Board Meetings (and giving Public Comments)
- Public Records Requests

# Successes and Positive Changes in Broward County

HOLLYWOOD HOUSING AUTHORITY

About Holl

## Zip Code: 33325

| | |
|---|---|
| Efficiency | $1,793 |
| One-Bedroom | $1,947 |
| Two-Bedroom | $2,431 |
| Three-Bedroom | $3,399 |
| Four-Bedroom | $4,136 |
| Five-Bedroom | $4,756 |

# Empowering Voucher Holders

- Development of clear, understandable materials on SAFMRs
- Encouraging moves to higher opportunity areas

**Finding the Rent for your Unit**

When the Landlord reviews the Voucher Sheet:

- Look at the eligible bedroom size (B) to confirm Participant qualifies for your unit. Confirm the voucher is still active and has not expired.
- Find the zip code (D) for your unit. To the right of the zip code is the Max Contract rent the Participant can pay.
- If the unit rent is equal to or less than the Max Contract Rent for the zip code, complete the remaining Voucher package & give to the Participant, or return to JH.

# Philadelphia

NATIONAL HOUSING LAW PROJECT

PHA PHILADELPHIA HOUSING AUTHORITY OPENING DOORS TO OPPORTUNITIES

## PAYMENT STANDARD SCHEDULE BY NEIGHBORHOOD ZIP CODE

The payment standard generally sets the maximum subsidy payment a household can receive from PHA each month and is based on Small Area Fair Market Rents (SAFMRs) published annually by HUD. When searching for and selecting a prospective HCV unit, always keep in mind that our Payment Standard used for analysis is dictated by Voucher Size, not unit bedroom size.

For example: You have a current voucher size of 2, but you elect to lease a 3 bedroom unit. The payment standard used as a basis for our rent calculations will be a payment standard size of 2, not 3. This means that your new landlord will be less likely to accept a rent offer from PHA.

Thus it's always best to match your voucher size with the bedroom size of your prospective new home. This rule will help produce a rent offer that your new landlord is more likely to accept.

Also keep in mind that you are allowed to spend a maximum of 40% of total household income towards the following, per month: tenant's portion of the contract rent + tenant's total utilities costs (see Utilities Schedule flyer for applicable values).

If you have questions regarding payment standards or rent analyses, please reach out to your HCV service representative.

PHA Payment Standard Schedule effective October 1, 2023 Payment Standards

| SAFMR Group | Type | SRO | 0 BR | 1 BR | 2 BR | 3 BR | 4 BR | 5 BR | 6 BR | 7 BR | 8 BR |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Basic Rents | $828 | $1,104 | $1,236 | $1,476 | $1,788 | $2,064 | $2,373 | $2,683 | $2,992 | $3,302 |
| 2 | Traditional Rents | $990 | $1,320 | $1,476 | $1,764 | $2,136 | $2,460 | $2,829 | $3,198 | $3,567 | $3,936 |
| 3 | Mid Range Rents | $1,197 | $1,596 | $1,776 | $2,124 | $2,568 | $2,964 | $3,408 | $3,853 | $4,297 | $4,742 |
| 4 | Opportunity Rents | $1,449 | $1,932 | $2,160 | $2,580 | $3,120 | $3,600 | $4,140 | $4,680 | $5,220 | $5,760 |
| 5 | High Opportunity Rents | $1,584 | $2,112 | $2,352 | $2,820 | $3,408 | $3,936 | $4,526 | $5,116 | $5,707 | $6,297 |

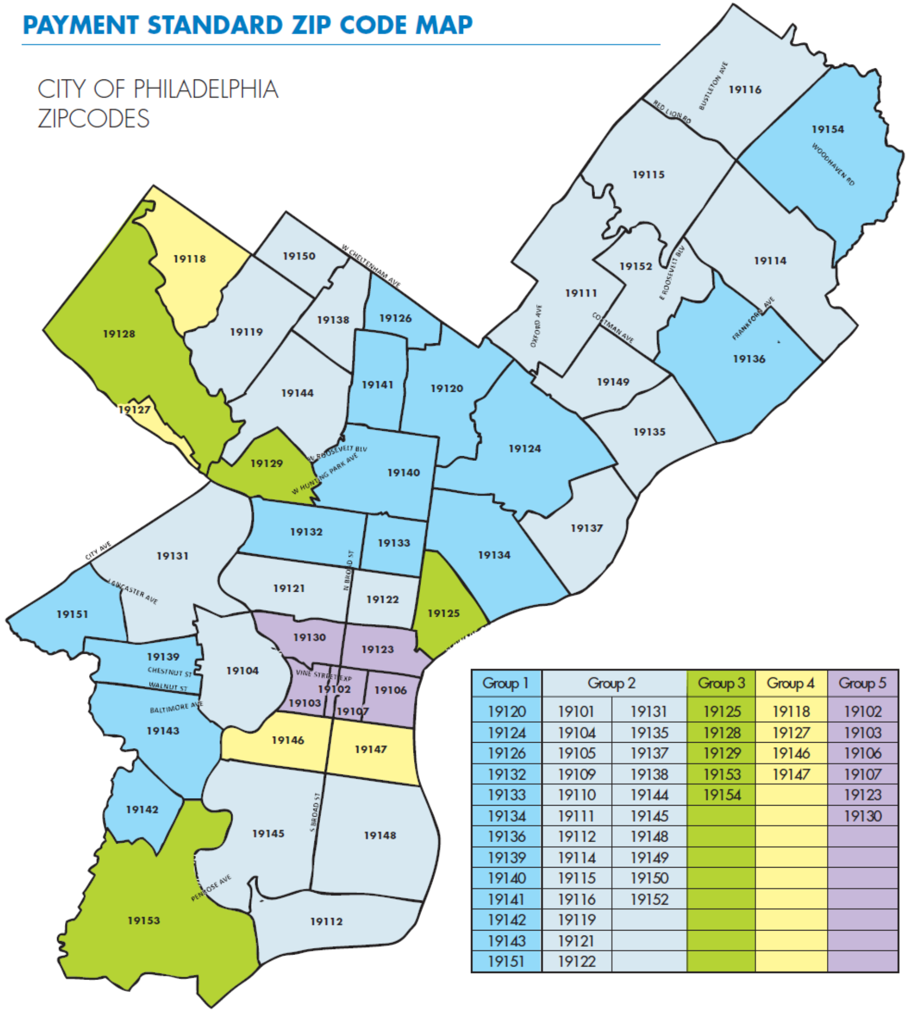
| Group 1 | Group 2 | | Group 3 | Group 4 | Group 5 |
|---|---|---|---|---|---|
| 19120 | 19101 | 19131 | 19125 | 19118 | 19102 |
| 19124 | 19104 | 19135 | 19128 | 19127 | 19103 |
| 19126 | 19105 | 19137 | 19129 | 19146 | 19106 |
| 19132 | 19109 | 19138 | 19153 | 19147 | 19107 |
| 19133 | 19110 | 19144 | 19154 | | 19123 |
| 19134 | 19111 | 19145 | | | 19130 |
| 19136 | 19112 | 19148 | | | |
| 19139 | 19114 | 19149 | | | |
| 19140 | 19115 | 19150 | | | |
| 19141 | 19116 | 19152 | | | |
| 19142 | 19119 | | | | |
| 19143 | 19121 | | | | |
| 19151 | 19122 | | | | |

Application of Payments Standards

| Action type | Payment standard to apply: |
|---|---|
| Initial lease | PHA's current SAFMR Payment standard in effect when the lease is approved and executed by the tenant and owner. |
| Recertification | PHA's current Payment Standard in effect when all recertification documents have been received and processed in Elite UNLESS the current payment standard applicable to the household is LOWER than the payment standard applied at last regular recertification, if the household family size increases or decreases the new household voucher size must be used to determine the payment standard for the household when completing the recertification. |
| Interim | Payment standard in effect at last regular recertification. |

# PAYMENT STANDARD ZIP CODE MAP

CITY OF PHILADELPHIA
ZIPCODES




| Group 1 | Group 2 | | Group 3 | Group 4 | Group 5 |
|---|---|---|---|---|---|
| 19120 | 19101 | 19131 | 19125 | 19118 | 19102 |
| 19124 | 19104 | 19135 | 19128 | 19127 | 19103 |
| 19126 | 19105 | 19137 | 19129 | 19146 | 19106 |
| 19132 | 19109 | 19138 | 19153 | 19147 | 19107 |
| 19133 | 19110 | 19144 | 19154 | | 19123 |
| 19134 | 19111 | 19145 | | | 19130 |
| 19136 | 19112 | 19148 | | | |
| 19139 | 19114 | 19149 | | | |
| 19140 | 19115 | 19150 | | | |
| 19141 | 19116 | 19152 | | | |
| 19142 | 19119 | | | | |
| 19143 | 19121 | | | | |
| 19151 | 19122 | | | | |

## OTHER FACTORS DETERMINING RENT

However, Payment Standards are not the only factor when determining the rent PHA can offer. Below are three other factors that determine the rent PHA offers to a landlord:

**Requested Rent and Utility Responsibility -** The proposed rent and the utilities the tenant will be responsible for are listed on the RFTA. The prospective tenant must sign this document prior to submitting to PHA.

**Market Analysis -** The rent amount the unit would receive from an unsubsidized tenant. PHA conducts a market analysis through a third party vendor and determines the amount the unit could receive in the private market.

**Participant income (affordability) -** Participants may not pay more than 40% of their monthly-adjusted income when moving into a new unit.

If a unit is selected in which the cost of rent and utilities is higher than the payment standard, you will be required to pay the additional amount above the applicable payment standard.

## DETERMINING AFFORDABLE RENT

PHA will determine the minimum amount you must contribute toward rent and utilities. This amount is called a total tenant payment or TTP. Your TTP is calculated using a formula based on your income. The RFTA form and lease will identify the utility bills you need to pay. Your TTP will be the higher of the following:

The below table provides the guidelines for TTP; however, your TTP will never be less than PHA's $50 minimum rent. The minimum amount of rent you will pay is $50 a month. If you do not have a rental portion based on your income the $50 will be deducted from your utility allowance.

Your TTP is a percentage of your monthly adjusted income based on your family size:

| Household Size | Total Tenant Payment |
|---|---|
| 1 - 2 persons | 28% of adjusted monthly income |
| 3 - 5 persons | 27% of adjusted monthly income |
| 6+ persons | 26% of adjusted monthly income |

If you are a participant of the VASH or Mainstream programs you will pay 30% of monthly adjusted income.

Questions?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