BHA SAFMR FAQs  
May 15, 2019

**Why does BHA and the City want to implement Small Area Fair Market Rents?**
Mayor Walsh and the Boston Housing Authority want to promote fair housing and provide voucher holders choices in selecting the communities in which they want to live. Currently, voucher holders are not able to rent in some areas due to higher level rent levels; utilizing SAFMRs will allow the BHA to more closely match the payment standards to actual rent levels, thus providing voucher holders with more access to their community of choice.

**How does implementing Small Area Fair Market Rents achieve that goal?**
Small Area Fair Market Rents will allow voucher holders to afford rents in communities previously unaffordable because of high rent levels. It will also maintain more affordable rent levels in some other communities, which is important for all families looking for housing.

It should be emphasized that the BHA is taking full advantage of a hold harmless provision meaning that no current tenants will be negatively affected by these changes. Furthermore, in areas where payment standards would have decreased as a result of SAFMRs, the BHA will increase the payment standard to 110% to virtually eliminate this reduction ensuring that all Boston neighborhoods continue to be accessible to BHA voucher holders (payment standards may be an average of $30 lower in only two zip codes in Boston).

**Have other housing authorities implemented Small Area Fair Market Rents?**
BHA will be the first housing authority to voluntarily implement Small Area Fair Market rents – if we implement this year it will expand choice for voucher holders without any impacts regarding displacement; nobody will have to move but voucher holders will have the option to move to many more communities in and around Boston based on what is best for their families.

In 2017, the US Department of Housing and Urban Development (HUD) mandated the use of Small Area Fair Market Rents in 24 metropolitan areas throughout the country.

**How are BHA’s Fair Market Rents Set now?**
The FMR is a HUD estimate of the cost for modest housing within an entire metropolitan area. US Department of Housing and Urban Development (HUD), has traditionally required that BHA set one payment standard for each bedroom size within 90 and 110 percent of the HUD Fair Market Rent (FMR) for the entire metropolitan area where it administers vouchers. For example, the current FMR and payment standard is the same for Dorchester and Beacon Hill and for towns such as Acton, Arlington and Belmont, among many others.

The BHA’s current Payment Standard chart can be found [here](#).

Due to the large variation in rents across all the municipalities and neighborhoods in Greater Boston, in some areas the fair market rent matches the current rent, but in many
areas it is too low to match the current rent, and in some areas it is too high.

How are SAFMRs different than what we do now?
Small area fair market rents (SAFMRs) mean that the maximum subsidy levels for Section-8 voucher holders will be set for each zip code, rather than for the entire metropolitan area. As a result, subsidies or “payment standards” will much more accurately reflect rents in neighborhoods in Boston and Greater Boston.

What is a payment standard?
Payment standards are used to determine the maximum subsidy amount (paid by BHA) and the tenant’s portion of the monthly contract rent. Payment Standards are not an indication or guarantee of the rent that will be approved for a unit.

What’s the alternative?
Due to a rent study, undertaken by the BHA, confirming dramatic increases in Boston area rents, HUD has just approved much higher FMRs and SAFMRs for the Boston metro area. If BHA introduces a single universal new payment standard in all of its metropolitan area zip codes based on this higher FMR, this new payment standard would be much higher than market rents in some neighborhoods like Roxbury, Dorchester, Mattapan, East Boston, and other communities outside of Boston where the BHA administers its voucher program. This risks allowing voucher holders to pay too high a rent in some zip codes and, as a result, encouraging landlords in those areas to raise their rents in hopes of getting a voucher tenant. This could restrict housing opportunities for low-income families without vouchers and artificially drive neighborhood rents up.

Why does it matter?
The BHA is proposing to expand housing choices for our voucher families throughout Greater Boston while also avoiding artificially inflating market rents in Boston for non-voucher holders by adopting Small Area Fair Market Rents for our Housing Choice Voucher Program. The use of SAFMRs will allow for expanded housing options in many communities currently inaccessible to our voucher holders while avoiding the negative impact of artificially inflating rents in others.

What happens if the payment standard /FMR changes while I’m actively looking for an apartment with my voucher?
You will have to use the new payment standard if you rent an apartment whose lease begins after the effective implementation date of SAFMRs, estimated to be July 1st, 2019. The BHA will work with tenants to ensure the new payment standards are as clear as possible.

What happens if I’m living in an area where the Fair Market Rent goes down? Will I have to move?
These changes will not affect any current tenants. The rules regarding implementation of SAFMRs allow the BHA to hold families with current leases in place harmless against such change. Furthermore, if you do live in a zip-code where rent subsidies will slightly decline
in the future, remember that rental subsidy is only the *maximum* rent in the neighborhood. It is very likely your current rent is already below that maximum and as a result you will be unaffected by this change.

**Will the percent of my income that I pay for rent as a voucher holder change?**
Tenants will continue to pay approximately 30% of their income towards rent. As with Section-8 vouchers under the previous set of payment standards, tenants may rent apartments above the payment standard, but they must pay the extra rent on top of that amount and can pay no more than 40% of their monthly income towards rent and utilities at initial occupancy.

**How many vouchers does the BHA administer?**
The BHA administers approximately 11,000 tenant based vouchers within Massachusetts.