

May 8, 2019

The BHA is seeking public comment on its proposal to implement Small Area Fair Market Rents (SAFMRs) effective July 1, 2019.

Summary

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. Historically, housing authorities have been limited by the US Department of Housing and Urban Development (HUD) to one payment standard (Fair Market Rent) for each metropolitan area. However under new HUD regulations, we can now adjust our FMR's for each zip code where we assist families, therefore setting a rent structure in much more specific geographic areas. In short, 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.

Background

Several years ago, HUD authorized housing authorities to apply SAFMRs, which are different payment standards for every zip code based on actual market rent in that zip code. BHA did not implement at that time because it would have decreased payment standards in certain areas (Roxbury, Dorchester, Mattapan, East Boston, etc.) and would then have financially penalized voucher-holder families in these areas by decreasing BHA rent subsidies to them. This would have required them to choose between paying more of their limited income for rent or to move out of their neighborhoods. The BHA rejected this approach, refusing to financially burden our voucher holders or to exacerbate displacement in these communities.

However, BHA now has a unique opportunity to better serve low- income families by setting payment standards at a zip code level while also avoiding the above mentioned impacts to the program. 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. If BHA introduces one universal new payment standard in all of its zip codes based on one FMR, the 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 paying too much subsidy 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.

If the BHA implements SAFMRs in order to match actual market rents in its administrative area, communities with lower FMRs will not see rents spike due to the implementation of this policy. This will also allow families to afford to live in areas in and around Boston that they could not previously afford. Furthermore, the BHA has the authority to keep the payment standard the same for all current families in areas where there is a small decline in payment standard under the SAFMR.

Hold Harmless Provision

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.

Project Based Voucher Program

The BHA proposes to exclude the Project Based Voucher (PBV) program from the SAFMR implementation. Applying SAFMRs to the PBV portfolio would not make any new units accessible to voucher-holders. SAFMRs will only apply to mobile vouchers. The BHA's PBV program will continue to rely on the FMR as it does now.

Conclusion

Our goal with this policy change is 1) to prevent displacement of families with or without vouchers and 2) to significantly expand neighborhood choices for low-income voucher-holders. Implementing SAFMRs now will accomplish these goals and will confirm Boston's housing policy leadership at the state and national level, and it represents the right move at this juncture to maximize housing access and equity for our lowest-income residents.

For zip codes where the BHA administers its voucher program outside of Boston, BHA is seeking guidance through the public comment period to promote as much consistency as possible. **The full details of the proposed payment standards are in the attached chart.**

It is our hope that other organizations that administer Housing Choice Vouchers in the region follow BHA's lead. If they do not make this change, they too run the risk of accelerating displacement in some neighborhoods in and around Boston. In addition to its voucher residents and landlords, the BHA also seeks comments and guidance from its regional partners where a lower payment standard may actually be sufficient to continue to allow access to apartments for a Housing Choice Voucher family.

The public comment period will begin at 9:00 am on May 10, 2019 and will end at 4:00 pm on June 24, 2019. A public hearing will be held at the Copley Square Branch of the Boston Public Library, Commonwealth Salon, on June 11 at 6:00 pm. Comments may be submitted by mail or email to David Gleich, Chief of Leased Housing Programs, Boston Housing Authority, 52 Chauncy Street, Boston MA, 02111 or at david.gleich@bostonhousing.org.

Sincerely,

Bill McGonagle
Administrator

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