



SMALL AREA FAIR MARKET RENTS

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On April 1, 2018, as mandated by HUD, the Tampa Housing Authority will be implementing Small Area Fair Market Rents (SAFMRs) to determine the payment standards applicable to the Housing Choice Voucher (HCV) program.

What are SAFMRs?

SAFMR stands for “Small Area Fair Market Rent.” SAFMRs are estimates of the typical rent for different unit sizes in a specific ZIP code. They are determined by the U.S. Department of Housing and Urban Development (HUD) each year, based on the distribution of all rents for standard quality housing within that ZIP code.

Zip codes in higher opportunity areas will have higher payment standards; whereas zip codes in lower opportunity areas will have lower payment standards.

What are payment standards?

Payment standards are used to calculate the maximum subsidy the PHA will pay toward rent and utilities for rental units leased to families with HCVs. Under the HCV program, families are generally required to pay 30 percent of their adjusted income toward rent and utilities. The PHA then pays the difference between the family’s required contribution and the lower of (a) the payment standard and (b) the gross rent (rent plus estimated utilities) of the unit. HCV families may choose to pay more to live in a unit whose rent and utilities exceed the payment standard, but may not pay more than 40 percent of their adjusted income for rent and utilities when initially signing a lease.

Effective April 1, 2018 the PHA will use different payment standards for different ZIP codes in its jurisdiction. The payment standard will be set as a percent of the SAFMRs for that ZIP code.



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What are high opportunity areas:

HUD defines higher opportunity areas as places with greater access to employment, transportation and better educational opportunities

What's new about this approach?

Up until this year, HUD required housing authorities to base payment standards on Fair Market Rents calculated for the entire metropolitan area, rather than for specific ZIP codes. This meant that payment standards may have been too low to enable HCV families to rent units in higher-cost/higher opportunity areas and may have been higher than market rents in lower-cost areas.

Under the new approach, the payment standard is based on the localized rent for each ZIP code. If your property is located in a high opportunity area, it is likely that the share of the rent and utilities paid on behalf of the tenant will decrease under the new approach. At the same time, the payment standards in many low-opportunity areas will likely be reduced, meaning tenants may be responsible for a greater share of rent and utility payments, depending on the amount of the rent.

How will I be impacted?

The degree to which you will be impacted by the switch to SAFMRs depends on the location of the property. The change in methodology used to calculate payment standards means that families with vouchers may now be able to afford units in higher opportunity areas. If you own units in these areas, please consider opening your doors to HCV families.

As annual reexaminations of income and eligibility for current HCV and VASH tenants are conducted, the housing assistance payment provided by THAFL will be determined using the **new payment standards**.

At annual reexamination, if the payment standard is lower due to the implementation of the SAFMRs, it will become effective at the family's second annual reexamination.



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THA has adjusted the SAFMRs between 90-110% to lessen the impact on families and owners; however, in some cases families may be responsible to pay a larger portion of the rent.

What else do I need to know?

Please be aware that all Housing Assistance Payment contracts will remain subject to rent reasonableness determinations, including in areas where payment standards increase. Rent must be considered reasonable for the area the unit is located.

Example of when the Payment Standards Increase.

Tenant portion may decrease and HAP payment increases:

Zip code 33511

Current Payment Standard:	\$842
Current Gross Rent:	\$875 (rent plus utility allowance)
Tenant Portion:	\$170
Housing Payment:	\$621
New SAFMR:	\$900
Gross Rent:	\$875
Tenant Portion	\$137
Housing Payment	\$654



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Example of when the Payment Standards Decrease

Tenant portion increases and Housing Assistance Payment decreases:

Zip code 33527

Current Payment Standard	\$842
Current Gross Rent:	\$875 (rent plus utility allowance)
Rent to Owner:	\$800
TTP (30% of income):	\$50
Tenant Portion:	\$8
Housing Payment:	\$792
New SAFMR:	\$803
Gross Rent:	\$875
Rent to Owner	\$800
TTP (30% of income)	\$50
Tenant Portion	\$47
Housing Payment	\$753