



SMALL AREA FAIR MARKET RENTS: FREQUENTLY ASKED QUESTIONS

Housing Choice Voucher Families

On April 1, 2018, the U.S. Department of Housing and Urban Development (HUD) **required** the Sacramento County Public Housing Authority (PHA) to begin using Small Area Fair Market Rents (SAFMRs) instead of metropolitan – wide Fair Market Rents (FMRs) to calculate the payment standard for determining rental assistance in the Housing Choice Voucher (HCV) program. This handout answers some basic questions about this change.

What are FMRs?

HUD publishes Fair Market Rents (FMRs) annually for regions throughout the region. For Sacramento, this region includes all of El Dorado, Placer, Sacramento and Yolo Counties. FMRs are used to establish payment standards.

What are SAFMRs?

SAFMR stands for “Small Area Fair Market Rent” where payment standards are established from the SAFMRs on a ZIP code basis for each bedroom size. The Sacramento County PHA is mandated to utilize SAFMRs HUD establishes and publishes the SAFMRs annually.

What are payment standards?

Payment standards are used to calculate the maximum subsidy that the PHA will pay for a rental unit in the HCV program. Under the HCV program, a family is generally required to pay 30 percent of their adjusted income for rent and utilities. The PHA then pays the difference between the family’s portion of the rent and either (a) the payment standard or (b) the gross rent (rent plus estimated utilities) of the unit – whichever is lower. If the HCV families choose to pay more to live in a unit where rent and utilities exceed the payment standard, the PHA may approve to pay the difference if they have sufficient income.

HUD allows the PHA to establish the payment standards as a percentage of the SAFMRs for each ZIP code. For more information on the payment standards by ZIP code [click here](#).

What’s new about this approach?

Until now, the amount the PHA paid toward rent for families with vouchers was based on rental rates (by bedroom size) across the entire metropolitan area. Under the new approach the payment standard is based on the localized rent in each ZIP code (the SAFMRs) providing opportunities to voucher families to access all communities in the region including higher opportunity areas. Use of this new approach is required by HUD for all PHAs in the Sacramento metropolitan area.





How will I be affected?

As a HCV participant, you will still be able to choose the unit that meets your needs (subject to PHA requirements). However, with the SAFMRs you will be able to use your voucher in more places than would have been possible before – including neighborhoods that have high-performing schools, reduced crime, access to grocery stores, parks, medical facilities, child care, transportation and other amenities.

Please go to www.shra.org for information on school districts, transportation, and much more as you seek housing that meets your family's needs and fits within your budget. Resources to help you find a suitable home include <http://sacramento.gosection8.com> to find listings of available rental units as well as the [affordability worksheet](#) to know how much rental assistance is available in each zip code.

Please refer to www.shra.org for additional information or contact 916.440.1390.

