



FREQUENTLY ASKED QUESTIONS Housing Choice Voucher Owners

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 United States. Typically, these are published in October every year and must be implemented within 90 days. FMRs are calculated at the 40th percentile of rents (including basic utilities) 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 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 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.





Will I be impacted by this change?

The degree to which you will be impacted by the transition to SAFMRs depends on the zip codes of the properties that you own (refer to [Payment Standards table](#)). The change in methodology used to calculate payment standards enables families with vouchers to afford additional units in Sacramento County.

If you own rental units and aren't part of the program, please consider opening your doors to HCV families. If you currently rent to individuals and families with vouchers the new payment standards will be effective April 1, 2018 when families move in to a home or complete their annual recertification of eligibility.

What else do I need to know?

Please be aware that all Housing Assistance Payment contracts will remain subject to rent reasonableness determinations.

How can I learn more about SAFMRs?

If you need additional clarification please feel free to attend any of the following briefings

- Tuesday, April 3, 2018 1:00 p.m. -2:00pm
- Tuesday, April 10, 2018 1:00 p.m. -2:00pm
- Tuesday, April 17, 2018 1:00 p.m. -2:00pm

Location: HCV Office at 630 I Street, Briefing Room

Feel free to visit our website at www.shra.org or contact us at 916-440-1390 for additional information.

