



## D. New Tenant Frequently Asked Questions: Small Area Fair Market Rents

On April 1, 2018, the Manchester Housing Authority began using Small Area Fair Market Rents (SAFMRs) to calculate rental assistance in the Housing Choice Voucher (HCV) program. This handout answers some basic questions about SAFMRs and opportunities under this approach.

### What are SAFMRs?

SAFMR stands for “Small Area Fair Market Rent.” SAFMRs are typical rent levels (including the cost of utilities, except telephone), within a ZIP code, for rental units with different numbers of bedrooms. SAFMRs are established by the U.S. Department of Housing and Urban Development (HUD) each year.

### What are payment standards?

Payment standards are used to calculate the maximum subsidy that the PHA will pay for your rental unit. Under the HCV program, you are generally required to pay 30 percent of your adjusted income for rent and utilities. The PHA then pays the difference between your required contribution and either (a) the payment standard or (b) the gross rent (rent plus estimated utilities) of the unit – whichever is lower. For more information about this calculation, contact your housing specialist.

Effective April 1, 2018, the Manchester Housing Authority will use different payment standards for different ZIP codes in its jurisdiction. You can use the attached SAFMR Payment Standard Look-Up Tables and ZIP Code Area Map to determine the payment standard in any neighborhood.

#### Sample subsidy calculation

If the payment standard for a ZIP code is:	<b>\$600</b>
And the gross rent (rent + utilities) for a unit you're interested in is:	<b>\$800</b>
And your rent contribution 30% of adjusted income) is:	<b>\$500</b>
The payment standard (\$600) <i>minus</i> your rent contribution (\$500) is:	<b>\$100</b>
The gross rent (\$800) <i>minus</i> your rent contribution (\$500) is:	<b>\$300</b>

**\$100 is less than \$300, so the PHA will pay \$100 toward rent.**

### What's new about this approach?

Until now, the amount the PHA would pay toward rent for families with vouchers was based on rental rates across the entire metropolitan area. The new approach uses the localized rent in each ZIP code (the SAFMR) to determine how much assistance families with vouchers are eligible to receive.

### How will I be affected?

As a new voucher family, you will still be able to choose the unit that meets your needs (subject to PHA requirements). However, you will be able to use your voucher in more places than would have been possible before – including neighborhoods with higher rents that may have high-performing schools, low levels of poverty, and access to grocery stores, parks, and other amenities. If you choose to rent in a high-cost neighborhood, you will likely receive more assistance toward rent and utilities than you would have under the old approach. If you choose to rent in a neighborhood



where rents are low, you may receive less assistance toward rent and utilities under the new approach. The Manchester Housing Authority hopes that you will make the most of this new approach to choose housing in an area that offers the most benefits for you and your family.

### How can the PHA help me access high-cost neighborhoods?

Your housing specialist is available to help you find housing that meets your family's needs and fits within your budget. He or she can provide you with details about neighborhoods that you may be unfamiliar with.

