

AGENDA

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To: Brookline Housing Authority Board of Commissioners
Fr: Carlos Hernandez, Director of Leased Housing & Applications
Re: Sec. 8 Administrative Plan – Amendments for Small Area FMRs
Dt: October 18, 2019

We recommend that the Board vote to approve amendments to the BHA's Sec. 8 Administrative Plan to allow for the use of Small Area Fair Market Rents (SAFMRs) as a basis for setting BHA Payment Standards. The amendments revise Administrative Plan policies in: Chapter 12 "Rent Reasonableness", Chapter 15 "Payment Standards and Utility Allowances", and Chapter 18 "Portability".

We collaborated with our Sec. 8 consulting firm, Edgemere, to craft the amendments, which are summarized in the tables attached.

Housing authorities set Payments Standards annually, generally between 90 and 110% of the HUD-published FMRs. In November 2016 HUD issued regulations that expanded the uses of SAFMRs. Attached is an "Overview of SAFMRs" published by HUD. Up until recently, housing authorities were limited to setting Sec. 8 Payment Standards based on a single set of Fair Market Rents for their entire metropolitan areas. Under the 2016 regulations, housing authorities can utilize HUD-published FMR's for each zip code (SAFMRs) where they assist families. Because they are based on zip-codes rather than wide metro regions, SAFMRs allow for a wider range of housing options in many higher-rent areas, while avoiding artificially inflating rents in areas where rents are lower.

Housing authorities like Brookline may utilize SAFMRs in any or all of the zip codes that they serve. The Brookline Housing Authority serves the 02445 (south Brookline), 02446 (north Brookline), and 02467 (Chestnut Hill) zip codes (map of 02445 and 02446 attached).

Housing authorities also have the choice of applying SAFMRs to just resident-based assistance or to both resident-based and project-based assistance.

The **2020 Brookline SAFMRs** are much higher than the metro area 2019 FMRs and solidly in the range of actual market rents – for example \$3,470 in 02446 v. \$2,194 for a two bedroom. HUD methodology is generally designed to set SAFMRs at the 40th percentile of market rents.

The **2020 Boston metro area FMRs** are somewhat higher than the 2019 metro area FMRs – for example \$2,311 v. \$2,194 for a two bedroom.

Boston, Cambridge, and other housing authorities surrounding Brookline have already adopted SAFMRs. The Boston and Cambridge Payment Standards are attached. Their higher rent zip codes are similar to the proposed Brookline SAFMRs.