August 15, 2016

Helen R. Kanovsky, General Counsel
Regulations Division, Office of General Counsel
Department of Housing and Urban Development
451 7th Street, SW, Room 10276
Washington, DC 20410-0500

Re: "Establishing a More Effective Fair Market Rent System; Using Small Area Fair Market Rents in Housing Choice Voucher Program Instead of the Current 50th Percentile FMRs," 81 Fed. Reg. 39218 (June 16, 2016)

Dear Ms. Kanovsky and colleagues,

We are writing to support HUD's proposal to implement Small Area Fair Market Rents (SAFMRs) in selected metropolitan areas, and to offer our suggestions for improving the proposed rule from the perspective of a housing mobility program that has been operating in an extremely high cost county (Westchester County, NY) for over two decades. Our experience with a pilot implementation of SAFMRs over the past two years is that the published SAFMR rent levels are insufficient to give our clients meaningful access to many high opportunity areas of the County. Accordingly, our comments are primarily focused on the importance of providing an easy and flexible approach to adjusting exception payment standards within SAFMRs.

Exception payment standards up to 120% of SAFMR: For exception payment standard requests between 110% to 120% of the SAFMRs, the only program justification required should be inability to secure housing, and HUD should be open to any rental survey/study that statistically justifies this exception. This is because in many suburban communities rents vary within zip codes, even within as little as 1/8 of a mile. HUD should approve any study that can verify rents in each area of the zip code -- there are actually different neighborhoods in zip codes so we will need rent studies that can verify the rent differences in these neighborhoods.

Exception payment standards above 120%. Hardship justification should be removed because it is a Catch-22: hardship is impossible to prove because no one can lease-up in the areas due to the rents being unaffordable. The alternative to hardship would be to show that the rent costs exceed 120% of the FMR, using an easily replicable methodology that relies on actual rental listings over a 2-3 month period.

Zip codes that have limited numbers of rental units: These zip codes are often the most expensive in the area, yet it is almost impossible to do a rental study. Instead of using the metropolitan area as the basis for the SAFMR calculation, we would suggest linking rents to a nearby zip code with comparable rental units.

Need for improved rent-setting methodology: HUD should look at alternatives to their current rent study methodology, because their recent studies have not picked up current market trends and are, therefore, flawed. Here in Westchester County there have been two recent decreases in the FMRs even though there have been substantial rent increases in the county. In addition the

2016 SAFMRs generally decreased and, in most cases, are still below our 2009 120% rent exceptions.

Thank you for the opportunity to comment on the proposed rule. Feel free to contact us for any further documentation of these points.

Sincerely,

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