July 18, 2023

Regulations Division
Office of General Counsel
Department of Housing and Urban Development
451 7th Street SW, Room 10276
Washington, DC 20410–0001

**Re: Proposed Changes to the Methodology Used for Calculating Fair Market Rents, Docket No. FR-6401-N-01**

Dear Colleagues,

We are writing to express support for proposed changes to methods used for computing fair market rents. PRRAC is a civil rights law and policy organization which focuses much of its reform agenda on improvements to the Housing Choice Voucher program to ensure that all families have fair access to higher-opportunity and resource-rich neighborhoods. Access to these lower-poverty areas requires that payment standards reflect current market conditions in these higher-rent areas. PRRAC has long supported necessary policy reforms, such as Small Area Fair Market Rents, that see to it that payment standards better correspond to rent levels in higher opportunity parts of metro areas.

In recent years, many voucher families we encounter through our housing mobility technical assistance are finding it increasingly difficult to rent units in higher-opportunity neighborhoods. As considerable recent research shows, increases in rental costs have rapidly accelerated across the country and PHA payment standards have not kept adequate pace. For instance, the Joint Center for Housing Studies notes that rent growth accelerated through 2021 to a 6 percent peak by the end of 2022. They further point out that two-thirds of low-income renters (as well as more than half of all renters) report being very stressed by increases in rents.[1] Similarly, a new analysis by the Federal Reserve Bank of New York finds that owners and renters expect rents to rise over the next year.[2]

PRRAC supports both changes to the calculation of FMRs: (1) the redefinition of "recent mover" to consider rents of households having moved into their unit in the last ACS year, and (2) the retention and expansion of the use of private sector sources to compute rent inflation factors. Both of these changes should make FMRs and SAFMRs more reflective of current market conditions, including in higher-opportunity tracts, potentially resulting both in higher success rates as well as lease-ups in resource-rich neighborhoods. Higher and more accurate payment standards will also assist PHAs in meeting their obligations under the proposed Affirmatively

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[1] Whitney Airgood-Obrycki and Peyton Whitney, "Inflation Pressures Are Stressing Renter Households," *Joint Center for Housing Studies of Harvard University* (April 17, 2023).

[2] Andrew Haughwout et al., "Elevated Rent Expectations Continue to Pressure Low-Income Households," *Federal Reserve Bank of New York* (June 22, 2023). See also: Ashfaq Khan et al., "The Rental Housing Crisis Is a Supply Problem That Needs Supply Solutions," *Center for American Progress* (August 22, 2022); Peter J. Mateyka and Jayne Yoo, "Share of Income Needed to Pay Rent Increased the Most for Low-Income Households From 2019 to 2021," *United States Census Bureau* (March 2, 2023).

Furthering Fair Housing rule. HUD should incorporate these material changes to their calculations of FMRs going forward.

Thank you for the opportunity to offer these comments, and we would also be happy to give additional input outside of the rulemaking process.

Sincerely,

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