



To: Danielle Bastarache, Deputy Assistant Secretary, Office of Public Housing and Voucher Programs
Steven Durham, Director, Office of Voucher Programs
Alison Bell, Policy Advisor, Voucher Program

From: NHLP/PRRAC

Date: February 5, 2024

Re: MTW and SAFMR

Thank you for the opportunity to provide recommendations for MTW agencies in mandatory SAFMR jurisdictions that choose to use an alternative rent policy. The suggestions are based on our past experience working closely with advocates, PHAs, and other stakeholders on the first round of SAFMR implementation.

Nine MTW agencies participated in the initial roll-out of SAFMRs. Most of these agencies waived the implementation of SAFMR using their MTW authority. Of those PHAs that waived SAFMRs, we saw a range of alternative rent policies, many of which did not set payment standards in a way that would achieve the same or similar goals of SAFMRs (i.e. open up neighborhoods of opportunity for voucher families while lowering payment standards in higher poverty neighborhoods). We request that HUD provide additional oversight to MTW agencies in SAFMR regions so that the MTW agencies included in the SAFMR expansion do not repeat the patterns from the initial roll-out.

One particularly troubling trend at MTW agencies during the initial SAFMR roll-out was that they set their payment standards higher in low rent neighborhoods (typically more than 100% SAFMR) and lower in high-rent neighborhoods (lower than 100% SAFMR). By doing so, the PHAs negated any benefit that families would receive from SAFMR implementation.

We also saw some innovation with respect to alternative rents at MTW PHAs including a few policies discussed below. We urge HUD to elevate these best practices and make the following additional recommendations to MTW PHAs in mandatory SAFMR regions via guidance or other communication:

- HUD should remind PHAs that the intent of the SAMFR program is to increase mobility so that voucher families have access to higher opportunity neighborhoods. HUD should require that alternative rent-setting policies fundamentally reflect this principle.
- A PHA should be prohibited from setting their payment standards below 100% SAFMR in high rent areas and above 100% SAFMR in low rent areas. Alternatively, where the alternate rents are set below the SAFMR in high opportunity neighborhoods, MTW PHAs should be required to provide specific justification to HUD for the alternative rent policy.
- HUD should closely scrutinize tiered rents as an alternative rent policy and analyze whether the tiers open up access to higher rent neighborhoods/zip codes.

- PHAs should be required to at least be using the most recent FMR or SAFMR data in their alternative rent policy.
- HUD should encourage the use of data more granular than zip codes as two MTW PHAs did during the initial round (D.C. and Pittsburgh) and elevate this policy as a best practice for MTW agencies.
- HUD should generally encourage higher payment standards in higher opportunity neighborhoods particularly where there are voucher landlords, through exception payment standards or other methods available to PHAs (Charlotte adopted this policy in the initial roll-out).

Please reach out to Deborah Thrope (dthrope@nhlp.org) or Phil Tegeler (ptegeler@prrac.org) with additional questions. Thank you.