

**Re: Implementation of Small Area Fair Market Rents**

Attention Housing Choice Voucher Program Landlords,

New regulations enacted by the US Department of Housing and Urban Development (HUD) require PHA to modify its HCV Payment Standard policies for the tenant-based voucher program. Historically, HUD has published a single schedule of Fair Market Rents (FMR) annually that applies to the entire city of Philadelphia. The FMR schedule is used to set the Payment Standard for each unit size under the HCV program. The Payment Standard, which is required to be set by PHA between 90-110% of the FMR, determines the maximum allowable subsidy levels for HCV tenant based voucher assisted units.

Under the new HUD rules, a single citywide FMR schedule has been replaced by multiple FMR schedules that are based on smaller, zip code areas. PHA is one of only twenty-four (24) metropolitan areas nationwide that are required to implement the new zip code-based system of Small Area Fair Market Rents (SAFMR). HUD and PHA hope that the new system will help provide tenants with greater ability to move into higher opportunity neighborhoods with access to jobs, public transportation, services and better schools, while also reducing the concentration of vouchers in poverty-impacted areas.

To streamline program administration under the new regulations, HUD allows PHA to establish a smaller number of Payment Standard "groupings". Effective on April 1, 2018, PHA will implement new Payment Standards for the HCV tenant-based program that are organized into three (3) groups. The Payment Standards for each group, based on bedroom size, are shown on the following chart:

PHA Payment Standard Schedule effective April 1, 2018											
City Wide FMR		\$662	\$883	\$1,047	\$1,266	\$1,587	\$1,787	\$2,055	\$2,323	\$2,591	\$2,859
Group	Type	SRO (75% 0 of BR)	0-Bdrm	1-Bdrm	2-Bdrm	3-Bdrm	4-Bdrm	5-Bdrm	6-Bdrm	7-Bdrm	8-Bdrm
1	Group 1 - Traditional Rents	\$570	\$760	\$900	\$1,090	\$1,360	\$1,520	\$1,748	\$1,976	\$2,204	\$2,432
2	Group 2 - Mid Range Rents	\$668	\$891	\$1,053	\$1,278	\$1,602	\$1,800	\$2,070	\$2,340	\$2,610	\$2,880
3	Group 3 - Higher Range Rents	\$824	\$1,098	\$1,305	\$1,575	\$1,980	\$2,223	\$2,556	\$2,890	\$3,223	\$3,557

A map of Philadelphia is attached that shows which zip codes are in each group.

Please note that this change only effects new leases effective on or after April 1, 2018. Current leases will not be impacted, and landlords with existing leases entered into before April 1 will not experience a rent or subsidy decrease solely as a result of this policy. Similarly, no tenant will experience a rent increase as a result of the new policy.

PHA wants to remind all HCV landlords that the Payment Standard is *only one of four factors* that PHA considers when determining the rent PHA can offer under the HCV tenant-based voucher program. While

the Payment Standard defines the maximum amount of subsidy PHA can provide a family under the HCV tenant-based program, PHA also is required to consider the following when determining if the rent is reasonable under federal guidelines:

- **Requested Rent** - PHA reviews the rent amount requested by the landlord on the PHA Request for Tenancy Approval, which must also be signed by the prospective tenant.
- **Market Analysis** - PHA utilizes third party software to analyze the requested rent, comparing it to other non-assisted units in the private market.
- **Participant income** – PHA assesses whether the rent is affordable to the prospective tenant. Participants may not pay more than 40% of their monthly-adjusted income when moving into a new unit.

The attached documents provide additional information on PHA's new Payment Standard groupings. If you have any questions or need additional information on the policy, please contact us at 215-684-5596 or via email at [hcvlandlords@pha.phila.gov](mailto:hcvlandlords@pha.phila.gov).

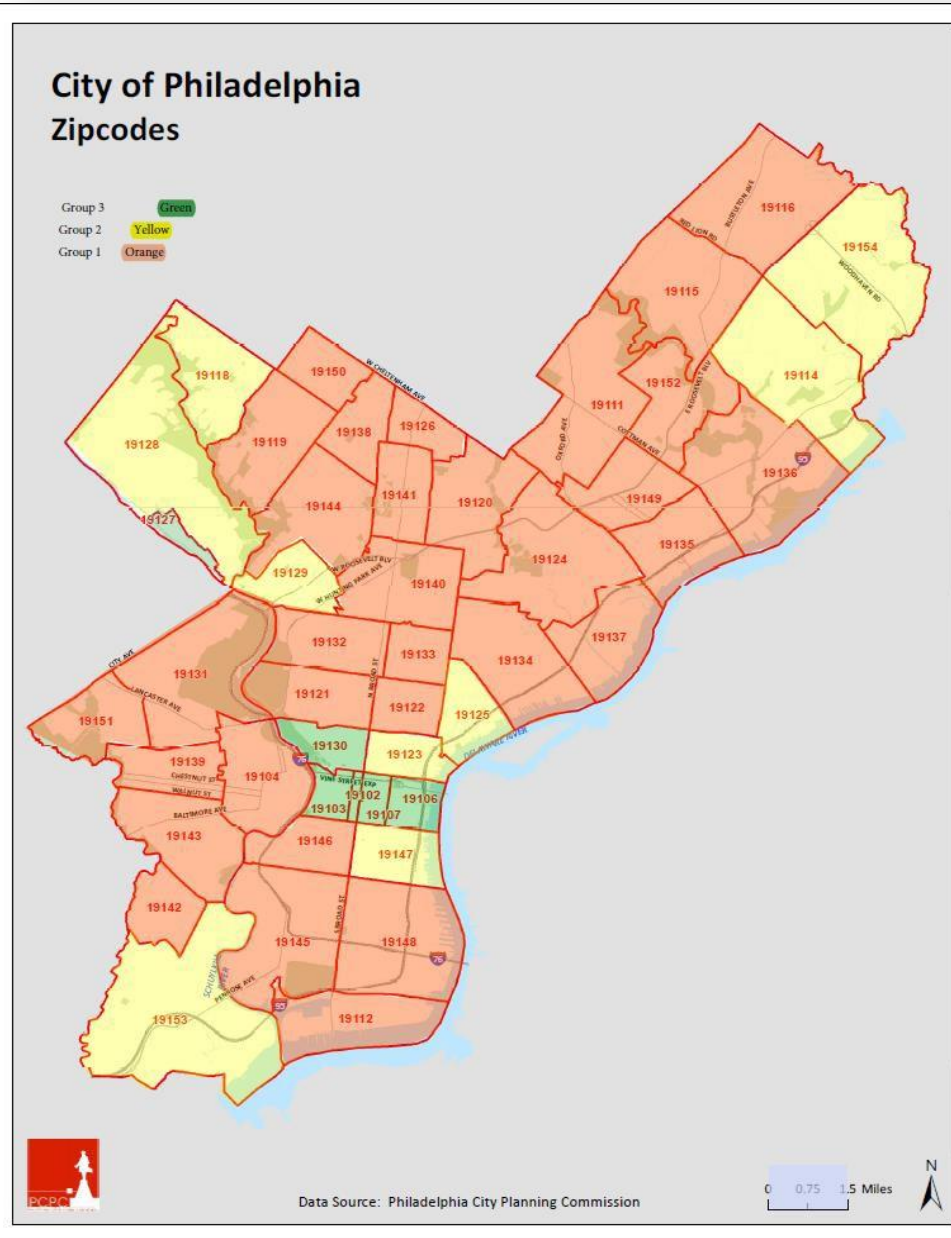
Sincerely,



Bret Holden  
Vice President-Leased Housing

# Housing Choice Voucher

## PAYMENT STANDARD ZIP CODES



Group 1		Group 2	Group 3
19104	19136	19114	19102
19111	19137	19118	19103
19112	19138	19123	19106
19115	19139	19128	19107
19116	19140	19129	19127
19119	19141	19147	19130
19120	19142	19153	
19121	19143	19154	
19122	19144		
19124	19145		
19125	19146		
19126	19148		
19131	19149		
19132	19150		
19133	19151		
19134	19152		
19135			



# Housing Choice Voucher

## PAYMENT STANDARD SCHEDULE for TENANT BASED VOUCHERS

PHA Payment Standard Schedule effective April 1, 2018

Group	Type	SRO (75% 0 of BR)	0-Bdrm	1-Bdrm	2-Bdrm	3-Bdrm	4-Bdrm	5-Bdrm	6-Bdrm	7-Bdrm	8-Bdrm
1	Traditional Rents	\$570	\$760	\$900	\$1,090	\$1,360	\$1,520	\$1,748	\$1,976	\$2,204	\$2,432

<i>Zip Code</i>	<b>19104</b>	<b>19111</b>	<b>19112</b>	<b>19115</b>	<b>19116</b>	<b>19119</b>	<b>19120</b>	<b>19121</b>	<b>19122</b>	<b>19124</b>	<b>19125</b>
<i>Neighborhood</i>	University City/Mantua	Oxford Circle	Navy Yard	Bustleton	Somerton	Mt. Airy	Olney	Sharswood	Temple	Frankford	Fishtown
<i>Zip Code</i>	<b>19126</b>	<b>19131</b>	<b>19132</b>	<b>19133</b>	<b>19134</b>	<b>19135</b>	<b>19136</b>	<b>19137</b>	<b>19138</b>	<b>19139</b>	<b>19140</b>
<i>Neighborhood</i>	East Oak Lane	Wynnefield/Belmont	Strawberry Mansion	Kensington/Fairhill	Port Richmond	Tacony	Holmesburg	Bridesburg	West Oak Lane	West Phila	Hunting Park
<i>Zip Code</i>	<b>19141</b>	<b>19142</b>	<b>19143</b>	<b>19144</b>	<b>19145</b>	<b>19146</b>	<b>19148</b>	<b>19149</b>	<b>19150</b>	<b>19151</b>	<b>19152</b>
<i>Neighborhood</i>	Logan Ogontz	Elmwood	Cobbs Creek	Germantown	Girard Estates	Grays Ferry/Point Breeze	South Philadelphia	Mayfair	Stenton	Overbrook	Rhawnhurst

Group	Type	SRO (75% 0 of BR)	0-Bdrm	1-Bdrm	2-Bdrm	3-Bdrm	4-Bdrm	5-Bdrm	6-Bdrm	7-Bdrm	8-Bdrm
2	Mid-Range Rents	\$668	\$891	\$1,053	\$1,278	\$1,602	\$1,800	\$2,070	\$2,340	\$2,610	\$2,880

<i>Zip Code</i>	<b>19114</b>	<b>19118</b>	<b>19123</b>	<b>19128</b>	<b>19129</b>	<b>19147</b>	<b>19153</b>	<b>19154</b>
<i>Neighborhood</i>	Northeast Philadelphia	Chestnut Hill	Northern Liberties/Poplar	Roxborough	East Falls	Queen Village/ Paasyunk	Southwest Philadelphia	Millbrook/ Northeast Philadelphia

Group	Type	SRO (75% 0 of BR)	0-Bdrm	1-Bdrm	2-Bdrm	3-Bdrm	4-Bdrm	5-Bdrm	6-Bdrm	7-Bdrm	8-Bdrm
3	Higher Range Rents	\$824	\$1,098	\$1,305	\$1,575	\$1,980	\$2,223	\$2,556	\$2,890	\$3,223	\$3,557

<i>Zip Code</i>	<b>19127</b>	<b>19102</b>	<b>19103</b>	<b>19106</b>	<b>19107</b>	<b>19130</b>
<i>Neighborhood</i>	Manayunk	Center City	Center City	Center City	Center City	Fairmount

