

Comments and Responses to the BHA FY 2019 Annual Plan Amendment #1 – Boston Housing Authority’s Implementation of Small Area Fair Market Rents

The following document contains the comments and responses received on the BHA's FY 2019 Annual Plan Amendment #1. BHA staff met with the Resident Advisory Board in June to discuss the Annual Plan amendment process and documents and sent copies of the amendment to the RAB. The Annual Plan amendment was put out for public comment on May 10, 2019. The comment period closed on June 24, 2019. A public hearing was held on June 11, 2019 at 6 PM at the Boston Public Library in Copley Square.

The BHA took several steps to notify the public of the FY 2019 Annual Plan Amendment #1 and the opportunity to comment. The BHA placed an advertisement in the Boston Globe. The BHA also sent letters to many local elected officials and advocacy groups. The Annual Plan amendment was made available for review at BHA's headquarters at 52 Chauncy St., and on its website www.bostonhousing.org. The BHA also scheduled meetings with several City Officials, including City Councilors and representatives of the Department of Neighborhood

Development, which resulted in impactful feedback.

In response to the comments received during the public comment period the BHA made some adjustments to its initial proposal.

Rather than opting-in entirely to Small Area Fair Market Rents (SAFMRs), the BHA will implement SAFMRs as exception payment standards in those zip codes where the HUD published SAFMR is greater than 110% of the HUD published FMR. BHA has also considered median rental data from craigslist from 2017 and 2018 in setting its payment standards to make neighborhoods as accessible as possible without having the detriment of artificially inflating rents. Where the HUD published SAFMR and rental data suggests a lower gross rent than the FMR provides, the BHA shall lower the FMR to the bottom of the metropolitan area FMR range (90%). Ultimately, BHA will set its payment standards by zip code using the most appropriate number after considering the factors above.

As this relates to PBVs, those zip codes which have a payment standard established in between 90 and 110% of the metropolitan area FMR, will continue have 110% of the metropolitan area FMR as a rent ceiling, while those zip codes that have an exception

payment standard based on the SAFMR will have that exception payment standard as the PBV rent ceiling. See 24 CFR 982.503.

In attempt to band together payment standards, reduce administrative burden, and reduce the potential for error, all payment standards will be rounded to the nearest \$100.

BHA’s final payment standard charts as well as a chart illustrating whether the payment standard is based on the metropolitan area FMR or the SAFMR are enclosed with the following responses to comments received during the public hearing.

Leased Housing Comments and Responses from June 11, 2018 Public Hearing.

Comment: Thank you very much. I’d like to say all the people in the entire section 8 program at the Boston Housing Authority. I’m very grateful that we receive that service. It’s just been so wonderful to be [inaudible phrase 20:47] have a decent place to live.

I wanted to mention though, not to forget African American people from generation to generation have been destabilized. One of the [overt 21:03] ways that you should be stabilize African American people and destroy their ability to fight for their

good, to have their children, have the same [inaudible 21:14], including education is dislocation, [now it's gentrification 21:23]. But, for instance when my mother moved, all the other men on the street helped her moved. [This is all in our 21:31] community. We can't form [inaudible 21:36] without living in our communities. We're not all interested in moving out when we're not going to see black faces, and we're not going to be able to move out ourselves.

Our [inaudible 21:49] me more money to continue doing what they're trying to do, such as [my family 21:57], which is keep their property up and keep their property. That would help stabilize our community and help us form a strong [power base 22:06] so that our children can have the same thing other people want for their children. I don't know if I put it well, but that's basically what I'm trying to say.

Response: Thank you for your comment. It is the BHA's intent not only to expand housing choices with this SAFMR implementation, but also to prevent displacement in existing neighborhoods. In response to this comment and others of a similar nature, the BHA has increased the floor of the payment standards from its previous proposal to ensure access to Boston neighborhoods for current tenants. In setting these rents,

we aimed to achieve the twin-policy goals of helping voucher holders stay in their current apartments by modestly increasing payment standards, while not increasing payment standards so much as to exacerbate rental inflation for non-voucher holder city residents.

Comment: Thank you. My name is Annissa Essaibi George. I'm [now inaudible 22:47] city councilor. I chair two committees on the council: The Committee on Education, as well as the Committee on Homelessness, Mental Health, and Recovery. For me, my interest lies in how do we support our families who are at risk and experiencing homelessness, especially our larger-sized families. So, I'm here to listen and to learn and to better understand what these changes might mean, both positively and negatively for residents across the city of Boston, especially those that rely on vouchers and subsidized housing.

Response: Thank you.

Comment: Isn't the Trump Administration going to chop all the funding if they can get away with it? And if they did...what's going to happen when that happens?

Response: We certainly hope not although we cannot anticipate what Congress will

appropriate for the HCV program from year to year.

Comment: You kind of raised the question, actually, when you were up there speaking, introducing stuff. My question was: How, to what extent, does the BHA – Boston Housing Authority – override or work in conjunction with other housing authorities? So, it is true that these multiple housing authorities across the state do work together in a very effective way pretty much...

Response: The BHA works closely with affordable housing industry groups and many housing authorities in the region to communicate regularly about things like payment standards and rents. Despite the regular communication, there are times when the value of a subsidy for one housing authority is different than the value of a subsidy for another housing authority, even though those two housing authorities operate in the same jurisdiction. Sometimes that can lead to landlords favoring one subsidy or one housing authority's voucher over another.

Comment: Wow! So the housing authorities do – here's an IT word – interface with each other to a pretty good extent, huh?

Response: We do interface. There are industry groups such as Mass NAHRO, the Section 8

Administrator's Association, and the Citizen Housing and Planning Association, and they have regular meetings and trainings which are well attended by housing authorities and industry stakeholders.

Comment: One comment. I think it's such a great idea that – well, the Dallas, Texas event really, as you said, started this...

I think it's a great idea, so I do thank the individuals and industries and organizations that have put together this idea of increasing the ability of more limited families to stretch out. So, that was more comment. I'm just glad to see this happen.

Response: Thank you. We appreciate the comment.

Comment: Again, I want to stress that language sounds really nice, but it hides a lot of different problems. And again, low income families in zip codes or in Roxbury, Dorchester, and Mattapan, they need that money to come into their communities. And they need for their landlords to be able to get that money. There's a lot of good talking in there. There's a lot of houses. There's a lot of people who own houses. And there's a lot of people who love their neighborhoods and they're forced out. And it's not good for us. It destabilizes our families. We can't see the people who are already connected to. On

the street that I live on now, the men all get together every summer and help the boys. They come in from other areas onto that street with their bikes and all different things, and teach them how to fix their bikes and everything, all for free! There's plenty of love and unity in our communities. It's not really put in the newspapers. So when you say that we would move to a better zip code with – and be able to merge with other people who are better in some way, and doing that – no! We're not doing so well because we do not have the resources.

Response: In response to this comment BHA would like to stress that this policy implementation has three main intentions: (1) to expand choice for voucher holders and decrease the concentration of vouchers in high poverty areas; (2) to preserve people's ability to remain where they are preventing displacement and the exacerbation of gentrification and (3) to minimize the effects of artificially inflating rent in the City of Boston.

Comment: I just – Metro Boston Housing Partnership, I can never remember the—Metro Housing Boston, yes. Yeah, but they're probably the largest other voucher issuer in the Boston area. I just wondered whether – have they been considering adopting a

small area for fair market rents or have there been any discussions on that?

Response: The BHA has been working closely with Housing Authorities that administer vouchers in the same jurisdiction, including MHB and DHCD, as an attempt to align payment standards as much as possible. We will continue our outreach effort going forward to bring consistency across the region. The door will remain open for others to adopt.

Comment: One final question. The comments that have been generated tonight for – and any of the other meetings – until things close down on the 24th, will these comments be included if they are worthy into the amendment piece of things?

Response: That's the purpose of the public comment period -- for the BHA is to receive comments and make adjustments to our initial proposal if necessary. Thanks again everybody. Appreciate your time. Thanks for coming out.

Responses to written comments received during the public Comment Period

Comment: Several written comments provided support of the SAFMR implementation as it will allow voucher holders to access to an expanded choice in neighborhoods and reduce

concerns of affordability for currently housed voucher holders.

Response: BHA agrees that this policy implementation will greatly expand the potential choices for voucher families and reduce rent burdens for families in existing tenancies. We appreciate the overwhelming support for this initiative.

Comment: One comment expressed concern over the large increase in the metro-wide area FMRs that would drive up market rents in Boston's lower rent neighborhoods, exacerbating gentrification, increasing rent burdens, and causing displacement of lower-income households without vouchers. Another comment noted that according to recent research, continuing to use the metropolitan area FMR would benefit landlords, but not voucher holder families.

Response: The BHA's decision to implement SAFMRs was in part based on the fact that the large increase in the metropolitan area FMR would have likely contributed to continued rental market increases in some of Boston's naturally occurring affordable neighborhoods. In setting payment standards by zip code the BHA is able to adjust according to the market in each zip code, ensuring that the payment standard is not so high

that it would contribute to rent inflation for non-voucher holders, but not so low that it would preclude voucher holders from accessing apartments in a particular zip code.

Comment: One comment noted that the BHA should ensure that effective communication regarding the change goes to current and future voucher holders.

Response: The BHA agrees that effective communication of this policy change is a critical component to its success. The BHA will send a letter to existing voucher holders and provide briefing materials to new voucher holders as they are enrolled into the program. The BHA is also developing a search tool and a rent affordability calculator that will help families navigate SAFMRs.

Comment: BHA received a comment that there is significant lag in the proposed SAFMR as compared to the current rental market.

Response: The BHA agrees that HUDs system of setting FMR and SAFMR typically lags behind the market, especially in period of substantial rental inflation. For that reason the BHA appealed the published FMR amounts in 2018. We have also adjusted the proposed SAFMR upwards in most cases to arrive at our final payment standards after closely

reviewing current local market rental data for assisted and unassisted families.

Comment: A public housing authority in the region submitted a comment in support of the SAMR concept, but was concerned that the agency did not have the administrative resources to implement such a policy.

Response: BHA recognizes that making a switch to SAFMRs is a significant administrative undertaking. BHA is willing to take on that burden for other smaller housing authorities in the region and are hopeful that most adopt our payment standards so as not to create competition amongst Section 8 tenants and landlords in the region.

Comment: One comment specifically noted the application of SAFMRs to Project Based Vouchers as a potential option to preserve a low income properties in the North End, Mercantile Wharf, and other properties as well.

Response: The BHA has identified four state assisted properties with expiring affordability restrictions. The BHA has put out a Request for Proposals that will allow owners to request PBVs from the BHA as a way to preserve those properties as affordable. The BHA will set its Payment Standards in those specific zip

codes in line with the market with the hopes of preserving the units as affordable. The BHA will be working closely with the owners of these properties, the City and the State to achieve our goal of preserving units as affordable and preventing displacement of low-income, elderly, disabled, and long term residents.

Comment: The BHA received some comments generally in favor of the SAFMR implementation, but that the application of the SAFMRs to the PBV program would be detrimental to development projects in those neighborhoods where the SAFMR resulted in a decrease in the Payment Standard. Other comments favored adoption of the SAFMRs as related to PBVs so as to encourage developments and preservation of affordable units.

Response: As a result of this comment and other comments about the SAFMRs in lower cost neighborhoods gleaned from meetings with City Officials, the BHA is setting the floor of its payment standards at 90% of the metropolitan area FMR. In those areas where market rents indicate that the Payment Standard should be set above 110% of the metropolitan area FMR, the BHA will utilize the SAFMR to set an exception Payment Standard. As this relates to PBVs, the rent for a PBV

property shall be an amount not to exceed the reasonable rent, the owner's request, or 110 percent of the applicable FMR (or any exception payment standard SAFMR) for the unit bedroom size minus any utility allowance. This policy implementation will protect current PBV developments and projects in process from any potential loss and potentially encourage preservation and new development of affordable housing in higher cost areas.

Comment: The BHA received a comment seeking a statement/analysis that the BHA did on comparing SAFMRs and MAFMRs and BHA's conclusion that the adoption is not likely to have an adverse effect on the availability of rental housing that is both affordable and available to program participants and applicants.

Response: See the explanation of the BHA analysis above preceding the responses to comments.

Comment: A comment suggested that existing families looking for housing with a voucher should be provided with both the old and the new payment standards where the search term will extend beyond the effective date of the new payment standard schedule.

Response: The BHA attempted to mitigate confusion at implementation through a

number of measures. An all staff training was conducted regarding SAFMRs, payment standard charts with potential utility charts were created by bedroom size, a mailing including bedroom size specific payment standards was completed to all existing voucher holders, a web-based affordability tool was created based on BHA's payment standards and utility charts (bha.cvrapps.com), a web based housing search tool is being developed, briefing materials have been updated to explain the change in policy, and existing owners were alerted of the changes through the monthly remittances that BHA sends out with payment.

Comment: A comment also noted that if BHA was doing variations in percentages by unit size for particular communities or across the board, it would be helpful to be explicit about that.

Response: Ultimately, the payment standards are varied in percentage by bedroom size and zip code. A chart reflecting the percentages is enclosed with the responses to comments.

Comment: A comment raised questions about the flat rents in public housing with respect to the SAFMR implementation.

Response: The BHA shall continue to set the flat rent at 80 percent of the FMR.

Comment: One comment questioned the change in the BHA's proposed Administrative Plan increasing the percentage decrease in FMR from 5 to 10 before requiring a review of rent reasonableness.

Response: The change to a 10% decrease in FMR on a required rent reasonableness was due to changes in HOTMA. By regulation, BHA can still determine rent reasonableness at any time it deems appropriate. BHA will also hold all families harmless upon a decrease in Payment Standard.

Comment: It appears that you're creating a new 17.2.4, entitled Small Area FMR (SAFMR), and that then the next section will be redesignated as 17.2.5, entitled "Revising the Payment Standard; Affordability Adjustments". However, this then has subsections (a), (b), and (d) (no subsection c), and the section that follows after is entitled 17.4, Periodic Review of Administration. What happened to 17.3? Also, within 17.2.5(b), it is not clearly written so that it's clear you're referring to HUD approvals for above 120% of FMR as a reasonable accommodation. It also may be helpful, throughout 17.2.5 (or whatever it's to be titled) to refer to Small Area FMR, since I

think otherwise people will be confused and think that you're pegging all of this to regular old SMSA FMR, as opposed to the fine-tuned SAFMRs.

Response: Thank you for this comment. These sections have been revised. Ultimately, the BHA implemented SAFMRs by adopting exception payment standards in zip codes where appropriate. As such, the new section required for a full opt-in of the SAFMRs was not required. Language was added to Section 17.2.4 for clarity related to setting payment standards by zip code. Section 17.3, which was excluded from recent versions of the Administrative Plan was added and marked as "omitted intentionally".