

SMALL AREA FAIR MARKET RENT (SAFMR) HCV Property Owner FAQ

Starting January 1, 2025, SCCHA will use Small Area Fair Market Rents (SAFMRs) to calculate rental assistance in the Housing Choice Voucher (HCV) program. This handout answers some basic questions about SAFMRs and opportunities under this approach. Visit www.scchousingauthority.org/paymentstandards for more information.

What are SAFMRs?

Small Area Fair Market Rents (SAFMRs) represent the typical rent for each bedroom size within a ZIP code. SAFMRs are established by the U.S. Department of Housing and Urban Development (HUD) each year, based on the distribution of all rents for standard quality housing within that ZIP code.

What are payment standards?

Payment standards are used to calculate the maximum rental assistance SCCHA will pay for rental units leased to families with HCVs. Under the HCV program, families are generally required to pay 30% of their monthly income towards the rent. SCCHA then pays the difference between the family's required contribution and the lower of (a) the payment standard or (b) the rent of the unit. Families may choose to pay more to live in a unit whose rent exceeds the payment standard, but may not pay more than 40% of their income towards rent when initially signing a lease.

Effective January 1, 2025, SCCHA will use different payment standards for different ZIP codes in its jurisdiction. The payment standard will be set as a percentage of the SAFMRs for that ZIP code. [Click here for the list of payment standards by ZIP code.](#)

What's new about this approach?

Up until now, HUD required SCCHA to set payment standards based on Fair Market Rents calculated for the entire county, rather than for a specific ZIP code. This meant that payment standards may have been too low to enable HCV families to rent units in higher-cost areas and may have been higher than market rents in lower-cost areas.

Under the new approach, the payment standard is based on the localized rent for each ZIP code, providing opportunities for voucher families to access all communities in the county. SCCHA is required by HUD to use this new approach.

How will I be impacted?

The degree to which you will be impacted by the transition to SAFMRs depends on the location of the

properties that you own. This change in calculating payment standards enables families with vouchers to afford additional units in Santa Clara County.

As reexaminations of income and eligibility for current HCV tenants are conducted, the housing assistance payments provided by SCCHA will be determined using the new payment standards. At that time, you will be notified of the change to the housing assistance payment and tenant's rent portion for your unit.

My rental unit is located in a ZIP code where payment standards increased – does that mean I can get a higher rent for my unit?

Higher payment standards allow SCCHA to approve higher *reasonable rents* than would otherwise be allowed under the previous payment standards due to tenant affordability requirements.

However, please be aware that all Housing Assistance Payment contracts remain subject to rent reasonableness requirements, including in areas where payment standards increase. SCCHA cannot approve owner-requested rents or rent increases if they exceed the reasonable rent, as determined by the rents of comparable unassisted units in the area.

How do I request a rent increase?

SCCHA may only approve a rent increase once every 12 months. Owners are encouraged to submit rent change requests through the [Owner Portal](#). You may also submit the request in writing to our Owner Service Specialist, via email at RentRequests@scchousingauthority.org, or drop it off in our office lobby. The request must meet these requirements:

- Submitted at least 60 days (but no more than 4 months) prior to when the rent change will be effective
- Include a copy of the notice to the tenant, which must include:
 - Owner/agent signature
 - Effective date of the rent change
 - The requested dollar amount