



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING

NOV 13 2018

Dear Executive Director:

First and foremost, thank you for your continued participation in the Housing Choice Voucher (HCV) Program, and for ensuring decent, safe, and affordable housing for the families most in need in your jurisdiction. This communication is intended for public housing agencies (PHAs) utilizing SAFMRs in the HCV program pursuant to the final rule, Establishing a More Effective Fair Market Rent (FMR) System; Using Small Area Fair Market Rents (SAFMR) in the HCV Program Instead of the Current 50th Percentile FMRs, 24 CFR Part 888, 982, 983, 985, Docket No. FR-5855-F-03, dated January 17, 2017. Included within this communication is specific guidance to PHAs on how Administrative Fee (Admin Fee) set-aside funding may be requested to cover general costs related to the implementation of SAFMRs.

Background:

The PIH Notice 2018-09 - Implementation of the Federal Fiscal Year (FFY) 2018 Funding Provisions for the Housing Choice Voucher (HCV) Program, announced to SAFMR PHAs the availability of Admin Fee set-aside funding for the reimbursement of costs associated with the adoption of the SAFMR. The notice conveyed to SAFMR PHAs that they can request reimbursements, (up to \$25,000) for costs directly related the mandatory adoption of SAFMRs, with the corresponding supporting documentation.

General costs could be related to activities may include, but are not limited to, the following:

- Additional outreach to families and landlords on new FMR methodology and how this affects the payment standards;
- Development of additional briefing materials for new housing markets;
- Hiring of additional staff;
- Staff training;
- Changes to rent reasonableness determinations methodology; and
- Required software modifications needed to accommodate the inclusion of the SAFMR.

Eligibility:

PHAs that were both mandated to implement SAFMRs and those that voluntarily implemented it are eligible to apply for funding. PHAs that participated in the SAFMR demonstration and received additional funding to address increased administrative costs are not eligible to receive additional funding under this letter. PHAs that are in the process of adopting the SAFMR are also eligible to apply for funding.

Requirements for Reimbursement Requests:

The SAFMR set-aside reimbursement requests **must** include the following:

1. Letter directed to Mr. Steven Durham, Director, Office of Housing Voucher Programs requesting Admin fee set-aside for the reimbursement of costs associated with the adoption of the SAFMR;
2. SAFMR Payment Standard Schedule;

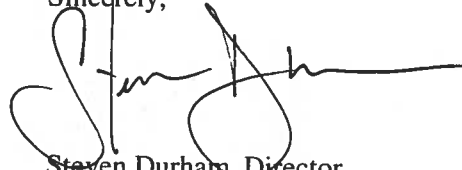
3. Board Resolution, confirming adoption of the SAFMR;
4. Supporting documentation showing expenses incurred (or estimated) for software or SAFMR associated costs in the form of a paid invoice (or bill).
5. Narrative describing how expenses shown on #4 tie to the PHA's adoption of the SAFMRs; and,
6. Certification Signature of the Executive Director at the bottom of Attachment A.

Applications Due Date:

SAFMR PHAs must submit electronic applications for Admin Fee set-aside by no later than 3:00 p.m. Eastern Standard Time (EST) on Friday, December 31, 2018. All applications must be sent to the Housing Voucher Financial Management Division (FMD) at PIH.Financial.Management.Division@hud.gov, and the email **subject** line must include the **PHA code** and **SAFMR – Special Fee Request** *Example: WA123 – SAFMR Special Fee Request*. HUD reserves the right to contact the SAFMR PHAs for additional information as deemed necessary.

Should you have any questions, please do not hesitate to contact the FMD using the same mailbox above and using the following subject line: **PHA Code - SAFMR Special Fee Inquiry**.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven Durham", with a long horizontal flourish extending to the right.

Steven Durham, Director
Office of Housing Voucher
Programs

Attachment A - CY 2018 Housing Choice Voucher Program

Small Area Fair Market Rents (SAFMR)

Application for SAFMR Administrative Fee Set-aside

Name of PHA: _____

PHA Number: _____

Executive Director: _____

_____ A checkmark on the line prior to this sentence indicates that the PHA is applying for the SAFMR administrative fee.

As identified by the instructional letter, please make sure to include the following required documentation and information with your application by 3:00 p.m. EST on Friday, November 30, 2018:

1. ___ Letter directed to Mr. Steven Durham, Director, Office of Housing Voucher Programs requesting Admin fee set-aside for the reimbursement of costs associated with the adoption of the SAFMR;
2. ___ SAFMR Payment Standard Schedule;
3. ___ Board Resolution, confirming adoption of the SAFMR;
4. ___ Supporting documentation showing expenses incurred for software or general startup costs in the form of a paid invoice;
5. ___ Narrative describing how expenses shown on #4 tie to the PHA's adoption of the SAFMRs; and,
6. ___ Certification Signature of the Executive Director at the bottom of Attachment A.

This certification must be signed by the appropriate PHA official and returned.

Certification: I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3279, 3802)

Signature of Executive Director and Date

Contact Name and Phone Number