NEW VOUCHERS INCREASE OPPORTUNITIES FOR RENTERS AND LANDLORDS

On September 23, 2022, HUD Secretary Marcia Fudge announced the award of more than 19,000 new housing choice vouchers (HCV) to nearly 2,000 public housing agencies (PHAs) in the United States. At the event, she spoke with families who had used vouchers to rent with landlords of market-rate units.

"HUD is committed to ensuring people have access to the resources and tools they need to get a decent and safe home." - Secretary Marcia Fudge

Making market-rate housing affordable for lower-income families is one essential element of how HUD is addressing the housing affordability crisis. Recent awards and new Fair Market Rent announcements (See page 2 of this newsletter) are examples of how HUD is committed to providing more vouchers for renter families who need them and increasing the value of those vouchers to make more homes in more communities affordable. These actions also create opportunities for landlords to participate with more of their units.

These 19,000 vouchers are part of the nearly 100,000 new vouchers that the Administration has been appropriated under the American Rescue Plan and Fiscal Year 2022 budget. This is the greatest expansion of federal rental assistance in 20 years, which is part of the Administration’s express goal of helping households gain quality and stable housing.

Click for a list of the PHAs receiving the new vouchers. Click for additional information on the most recent vouchers.
PRIVATE MARKET DATA DRIVES 2023 FAIR MARKET RENT INCREASES

Fair Market Rents (FMRs) for Fiscal Year 2023 will rise an average of approximately 10% effective October 1, 2022. FMRs, published annually, are an estimate of the amount of money that would cover 40th percentile gross rents (rent and utility expense) on standard quality units within a metropolitan area or nonmetropolitan county.

HUD calculated this year’s FMRs using a methodology different than in years past because the pandemic disrupted usual data sources. HUD incorporated feedback from landlords, PHAs, industry groups, and affordable housing advocates to develop this methodology that, for the first time, supplemented public data with private market data.

PHAs have up to 90 days to incorporate new FMRs into their payment standards.

Voucher holders have faced challenges finding suitable housing with their vouchers recently, and the voucher’s purchasing power not keeping up with market rents is one often cited factor. These new FMRs will allow PHAs to adjust their payment standards to meet the market. HUD Secretary Marcia L. Fudge said, “These new FMRs will make it easier for voucher holders facing this challenge to access affordable housing in most housing markets, while expanding the range of housing opportunities available to households. HUD and the Biden-Harris Administration recognize the burdens of housing costs and are committed to expanding access to affordable housing through a wide range of necessary efforts, from boosting housing supply to providing more vouchers to help households with higher housing costs.”

While the national average increase is approximately 10%, metropolitan areas with large rent increases recently will have large increases to FMRs. For example, 33% in Phoenix; 23% in Tampa; 20% in Atlanta; 15% in Charlotte; 15% in Miami.

Click to read the full press release on the FMRs.

Click to find the 2023 FMRs for your county.

HUD GUIDANCE SUPPORTS LANDLORD-RELATED ACTIVITIES

Public housing agencies (PHAs) are allowed to spend their administrative fees on some landlord-related activities according to recent HUD guidance in PIH Notice 2022-18. (Administrative fees, also known as admin fees, are the funds that HUD provides PHAs to manage and operate their HCV programs.) If the PHA has available funds and chooses to, the PHA may spend admin fees on activities to recruit and retain owners to participate in the HCV program under the category of “other eligible costs.”
The guidance lists the following activities related to the leasing of units and recruitment/retention of landlords:

- Owner incentive such as signing bonus/retention payments
- Security deposit assistance
- Utility deposit assistance/utility arrears payments
- Application fees/non-refundable administrative or processing fees
- Fees/refundable application deposit assistance/broker fees
- Holding fees
- Renter’s insurance, if required by the lease

With each of these activities, the PHA may impose limits or conditions to the amounts, receipt of, or return of funds. The PHA must adopt policies detailing the use of these activities, their limits, and conditions, if any. Payments such as retention payments are not intended to be regular and may not be paid with the Housing Assistance Payment.

For more detail, see PIH Notice 2022-18. Ask your PHA if they offer any landlord incentives.

CONTINUED WAIVERS BOOST AFFORDABILITY

In recognition of the continuing challenges in the economy, HUD recently provided guidance that continues some pandemic-era waivers to support rental housing affordability through December 31, 2023. HUD will continue to allow PHAs to have the option to:

- Increase the payment standard for the family at any time after the effective date of the increase, rather than waiting for the next regular reexamination.
- Increase their payment standards up to 120% of the applicable Fair Market Rent or Small Area Fair Market Rent for fiscal year 2023.

Another way that PHAs directly or indirectly support landlords can be when they use admin fees to provide voucher tenants with housing search assistance activities. These include pre-move counseling, helping a family identify and visit potentially available units during their housing search, helping a family find a unit that meets the household’s disability-related needs, providing transportation and directions, and assisting with the completion of rental applications.

Admin fees may be used for post-lease up activities including post-move counseling and landlord/tenant mediation.

PHAs may spend admin fees on the costs associated with materials or webpages specifically geared to owners, as well as landlord liaison staff and associated expenses.
Increasing these payment standards will help landlords in communities that have seen rents rise substantially and may allow landlords to offer more of their housing portfolio to voucher families.

If your PHA is currently operating under one or both of the waivers, it must request an extension of the waiver no later than December 31, 2022. PHAs that did not previously request these waivers may make a new request using a streamlined waiver process. New waiver requests must be submitted by September 30, 2023.

For more information about these waivers, see PIH Notice 2022-30.

**SAN ANTONIO LANDLORD SUMMIT**

The HUD San Antonio Field Office invites San Antonio and Bexar County landlords in Texas to participate in a free event about renting to HCV recipients. The Landlord Summit will take place in-person on Thursday, October 27, 2022, from 8:30 am to 4 pm. The summit includes a morning session for landlords who have never participated in the program, a lunch time expert panel discussion, and an afternoon session for landlords who are currently renting to HCV tenants.

For more information and to sign up: [bit.ly/3dUxr6E](https://bit.ly/3dUxr6E)

**RESOURCES**

For additional information on the HCV Program and resources for landlords and PHAs, please visit the [HUD HCV Landlord Resources webpage](https://www.hud.gov). Click [here](https://www.hud.gov) to join the HCV Landlord mailing list.