

BANKER & TRADESMAN

THE
WARREN
GROUP
Since 1872
Real Estate & Financial Information

THE FINANCIAL SERVICES AND REAL ESTATE WEEKLY FOR MASSACHUSETTS

HOUSING MATTERS

A Change in HUD Voucher Rules Improves Families' Lives

A Change in HUD Voucher Rules Improves Families' Lives

BY SUSAN GITTELMAN
SPECIAL TO BANKER & TRADESMAN



It isn't often that an old policy or way of doing things gives way to a better one.

But after a few years of working out the details, a small shift in federal housing policy is yielding results that have the potential to better the lives of hundreds of thousands of low-income families by creating new housing choice options for them in higher-cost neighborhoods.

We know that where people live greatly influences their quality of life and that of their children. It impacts their access to transportation, jobs, good schools and adequately funded public services. Research has shown that low-income families, like those who have federal Department of Housing and Urban Development vouchers that pay their rent over 30 percent of the family's income, by and large do better if they can access the benefits of higher-income and better resourced neighborhoods.

A major barrier these low-income families face in moving to these neighborhoods is that the rent for private housing is higher. HUD, which through local housing authorities funds Section 8 housing choice vouchers that assist families with their rent, has conventionally

based what it will pay per family on an entire metropolitan area's median income. That has meant that a family with these so-called "mobile vouchers" don't have the purchase power to relocate from a weaker rental market to one where rents are significantly higher.

"Vouchers weren't being used in these high-rent areas."

– Michael Alperin, executive director, Brookline Housing Authority

Last month the Boston Globe noted a welcome change in the calculation of how much HUD will pay, a program called Small Area Fair Market Rents, or SAFMRs. A "tweak to a popular rent voucher program ... is reshaping where people live," the article said.

A Powerful Choice for Millions

The change is fairly simple. Rather than subsidizing rents in units in private housing whose owners are charging only up to the median of the broad metro area, HUD now considers the specific median rents in smaller geographic areas – that is, by ZIP code.

In Brookline, a one-bedroom apartment leases for about \$3,000 a month, an amount much higher than what a voucher-holding fami-

lies under the previous structure could pay.

"Vouchers weren't being used in these high-rent areas," said Michael Alperin, executive director of the Brookline Housing Authority, which adopted SAFMRs in 2020. "Overall, this is a very good program for high-cost rental markets, to help individuals and families gain access to housing in these neighborhoods."

This choice is a powerful option.

According to HUD, more than 5 million people in 2.3 million low-income families use mobile vouchers nationwide. In Massachusetts about 87,000 families use housing choice vouchers. Thus far a handful of the commonwealth's 243 housing authorities have adopted SAFMRs, but the number is expected to grow.

The SAFMRs program was conceived late in the Obama administration, along with other elements to strengthen fair housing regulations. But it didn't get implemented formally in Boston until 2018, when Kenzie Bok, now a Boston city councilor, was working on policy at the Boston Housing Authority.

She and others recognized that there was resistance to using government funds to pay one neighborhood more than another. But, coincidentally at that time, HUD guidelines on vouchers, based on market rents, were out of date. A study proved that HUD's contribution to rents in the entire metro area needed to be increased.

Continued on Page 2

“We were the first region to do this voluntarily, after a few areas were required to do it in 2016,” Bok said.

Time to Share the Wealth

SAFMRs are one of a number of tools designed to address a larger goal, which is furthering fair housing goals by addressing inequities, promoting integration and reducing segregation.

Individual families will opt to do what is best for them, and having real choices is essential. But particularly in Massachusetts the choices are more limited for low-income families, in-

cluding families of color. Though they may have the ability to access housing in higher-cost neighborhoods, they find themselves unwelcome in some communities.

We should share the wealth that exists in our affluent suburban neighborhoods by opening them to all who would benefit. But we must also invest in market and affordable solutions in neighborhoods in so-called weak markets that have suffered generations of neglect.

It will take systemic investment in all communities in things like schools, roads, broadband and public services, as well as targeted tools like mobile vouchers and SAFMRs, to cre-

ate real options for families.

SAFMR housing choice vouchers change the life trajectory of people in poverty. As Councilor Bok describes it, they can be transformative for places like Boston and the region’s “stubbornly segregated residential landscape.”

That is one way to help ensure there are real choices for all. ◀

Susan Gittelman is the executive director of B’nai B’rith Housing, a nonprofit affordable housing developer currently working in Boston, MetroWest and the North Shore.