October 1, 2018

Dear Voucher Holder,

In accordance with the U.S. Department of Housing and Urban Development (HUD) regulations, the Housing Authority of the County of San Diego (HACSD) implemented Small Area Fair Market Rents (SAFMRs) effective October 1, 2018. SAFMRs are typical rent levels (including the cost of utilities, except telephone), within a ZIP code, for rental units with different numbers of bedrooms. SAFMRs are established by HUD each year.

HACSD is required to utilize SAFMRs to establish its Payment Standards. Payment Standards are used to calculate the maximum subsidy that the HACSD will pay for your rental unit. Under the HCV program, you are generally required to pay 30 percent of your adjusted income for rent and utilities. The HACSD then pays the difference between your required contribution and either (a) the payment standard or (b) the gross rent (rent plus estimated utilities) of the unit – whichever is lower. Under this new approach, the standard we use to determine the maximum subsidy for a rental unit is based on rent estimates for each ZIP code. Use of this new approach is required by HUD for all PHAs in the San Diego metropolitan area.

What does this mean to you?

As a voucher holder, you will still be able to choose the unit that meets your needs (subject to HACSD requirements). However, you will be able to use your voucher in more places than would have been possible before – including neighborhoods with higher rents that may have high-performing schools, low levels of poverty, and access to grocery stores, parks, and other amenities. If you choose to rent in a high-cost neighborhood, you will likely receive more assistance toward rent and utilities than you would have under the old approach. If you choose to rent in a neighborhood where rents are low, you may receive less assistance toward rent and utilities under the new approach. HACSD hopes that you will make the most of this new approach to choose housing in an area that offers the most benefits for you and your family.

When searching for suitable housing it is recommended that you find a unit where the gross rent (rent plus utilities) is equal to or below the new payment standard applicable to the ZIP code where the new unit is located. While you may choose to pay more to live in a unit whose rent and utilities exceed the payment standard, you may not pay more than 40 percent of your adjusted income for rent and utilities when initially signing a lease. Please refer to the enclosed SAFMR Payment Standards table to find the appropriate payment standard in any neighborhood.

If you have any questions, please contact your Housing Representative.