

Commonwealth of Massachusetts

EXECUTIVE OFFICE OF HOUSING & LIVABLE COMMUNITIES

Maura T. Healey, Governor ◆ Kimberley Driscoll, Lieutenant Governor ◆ Edward M. Augustus Jr., Secretary

To: Regional Administering Agencies

From: Karlene Maiolino, Assistant Director, Federal Programs

Date: November 21, 2024

Re: Updated Payment Standards and Hold-Harmless Policy for Federal Voucher Programs

EOHLC will reduce our payment standards for most federal mobile voucher programs from 120% to 110% of Small Area Fair Market Rents (SAFMR) when updating payment standards based on the 2025 HUD Fair Market Rents (FMR). EOHLC will make this change to ensure the fiscal sustainability of the Moving to Work program in an environment of slow federal revenue growth and continued increase in market rents in Massachusetts.

This memo provides updated guidance on payment standards for specific voucher types and introduces a limited hold-harmless policy to support participants in existing leases through these changes. Please review the following standards, which will be effective February 1, 2025.

<u>Updated Payment Standards for Federal Voucher Programs</u>

Program	Payment Standard Policy
Mobile MTW	110% of Small Area Fair Market Rent
Boston Metro Area*	120% of 2024 SAFMR (temporary)
Mainstream	110% of SAFMR
VASH	110% of SAFMR
FUP	110% of SAFMR
EHV	110% of SAFMR
Stability Vouchers	110% of SAFMR
EA Exit Vouchers	120% of the higher of SAFMR or Large Area FMR
SNO Mass	120% of the higher of SAFMR or Large Area FMR
LHAND	100% of 2024 Large Area FMR
Lower Cape, Outer Cape, Islands	110% of 2025 Large Area FMR

^{*}Note that the request for reevaluation of the Boston metro area FMRs is still under appeal, and the 2024 FMRs are frozen for all federal programs/vouchers in the Boston area until HUD issues a determination. At that point, EOHLC will move forward with implementing 110% of that FMR determination.

EOHLC is in the process of updating our payment standard spreadsheets and the rent calculator worksheet to reflect these changes and will notify the RAAs shortly when we complete that update.

Hold-Harmless Policy for Decreases in Payment Standard

To ease the transition to these updated payment standards, EOHLC is implementing a limited hold-harmless policy to minimize the impact on existing tenancies and delay reductions in subsidy due to these changes. After this period, participants will transition to the updated standards outlined above.

For households staying in their current units with a continuing lease and the same voucher size, RAAs should use the **higher of** the household's gross rent (as of the effective date of this policy) or 110% of the SAFMR as the payment standard for any regular recertifications to be effective through January 1, 2026 This will ensure that, for one year, a family's effective payment standard will not decrease. If the payment standard increases, the increase will apply as per regular EOHLC policy (see HCVP <u>Administrative Plan</u> § 7.15.1).

In accordance with 24 CFR 982.505(c)(3)(iii), PHAs must provide families with at least 12 months' written notice of any reduction in the payment standard amount that will affect the family if the family remains in place. EOHLC will send participants a notice prior to the end of 2024 so that the limited hold-harmless policy will conclude, and for regular recertifications effective February 1, 2026 or later, RAAs will apply the updated payment standard policy.

This approach ensures that participants are not subject to immediate, unexpected tenant share increases due to payment standard changes. These changes will instead adjust their tenant share only after appropriate notice, offering a more predictable timeline for adjustments.

EOHLC's regular payment standard policy will apply at the earliest of:

- Move/relocation;
- Voucher size change; or
- Recertifications effective February 1, 2026 or later.

EOHLC's MTW policy and procedures for reasonable accommodations to increase a payment standard remain the same.

Implementation

Please ensure that all related documentation and systems are updated to reflect these standards. Staff should communicate the hold-harmless policy to participants to promote transparency and understanding. EOHLC will hold a Q&A session on November 26, 2024 to facilitate the transition. Please submit questions to Karlene by November 25.

- Retain HUD-50058 Forms: EOHLC recommends that RAAs keep copies of both the previous and current HUD-50058 forms, as well as the corresponding rent calculator worksheets.
- **30-Day Notice Requirement**: If the family's share of rent will increase due to the adjustment, RAAs must, as always, provide a proper 30-day written notice to the family.

Questions

For questions or clarification, please contact Karlene Maiolino, Assistant Director, Federal Programs, at karlene.maiolino@mass.gov.

Thank you for your attention to this update and for your continued dedication to serving our participants effectively.