

October 8, 2015

Regulations Division
Office of General Counsel
Department of Housing and Urban Development
451 Seventh Street SW., Room 10276
Washington, DC 20410-0001

Re: Proposed Fair Market Rents for the Housing Choice Voucher Program, Moderate Rehabilitation Single Room Occupancy Program and Other Programs; Fiscal Year 2016 Notice of Proposed Fiscal Year (FY) 2016 Fair Market Rents (FMRs) Docket No. FR-5885-N-01

Dear Sir or Madam:

On behalf of the undersigned organizations, please find our comments on the above-referenced Notice of Proposed Fair Market Rents (FMRs) for the Housing Choice Voucher Program for Fiscal year 2016 (FY2016). Our organizations represent thousands of firms involved in the multifamily rental housing industry, including the building, operation, and management of affordable rental properties. Several of our organizations are also affiliated with local associations that work with HUD field offices and public housing authorities (PHAs).

We applaud HUD's efforts to improve reliability regarding FMR estimates, thereby decreasing the amount of year-to-year fluctuations that occurred this fiscal year when compared to last year, as well as HUD's continued usage of 50th percentile rents instead of a switch to Small Area Fair Market Rents (SAFMRs).

In our September 2014 comment on the HUD Notice regarding FY2015 FMRs, we expressed concerns about the statistical reliability of the methodology employed to estimate FMRs. Our concerns centered on procedures HUD could implement to reduce the number of large year-to-year fluctuations in FMRs. While a 50 percent margin of error is still large, we appreciate that HUD has made an effort to improve reliability of fair market rent estimates.

We also encourage HUD to publish information (as noted in our July 2015 comment letter) regarding the "The Small Area FMR Demonstration" found in HUD's 2013 Cityscape (Volume 15, Number 1) prior to moving forward to the proposed rule phase. We also encourage HUD to provide industry stakeholders an opportunity to review the demonstration's findings ahead of any proposed rule public comment period.

Finally, we would like to commend HUD on adding additional details regarding what is necessary to file a FMR appeal, as well as the continued delivery of an Excel file that allows stakeholders to easily analyze proposed FMRs.

We greatly appreciate the opportunity to comment on the Fair Market Rents for Fiscal Year 2016. If you have any questions, please contact Paul Emrath, pemrath@nahb.org at the National Association of Home Builders or Caitlin Walter, cwalter@nmhc.org at the National Multifamily Housing Council.

Sincerely,

Council for Affordable and Rural Housing
Institute of Real Estate Management
National Affordable Housing Management Association
National Apartment Association
National Association of Home Builders
National Association of Housing Cooperatives
National Leased Housing Association
National Multifamily Housing Council