

takes this approach to recognize the potential life-changing impacts of helping individuals move from unemployment to high-paying jobs. Such impacts are captured in looking at average earnings growth, but might be missed in looking only at the median growth. It is appropriate in this context to use averages, or should HUD switch to medians instead?

3. Has HUD adequately accounted for variations in local economic conditions? If not, what further adjustments should be made? The earnings performance measure accounts for local economic conditions by comparing the earnings growth for FSS participants at a PHA to the earnings growth for non-FSS participants at the same PHA with similar characteristics. The assumption underlying this approach is that earnings growth for non-FSS participants will be higher in areas with stronger job markets than in areas with weaker job markets. To attain the same earnings performance measure, a PHA in an area with a strong job market would thus need to demonstrate a higher level of earnings growth among FSS participants than would a PHA in an area with a weaker job market. After calculating the difference between earnings growth for FSS and non-FSS participants at a PHA, the proposed system makes no further adjustments. Should HUD further adjust its system to account for variations in local economic conditions, and if so, how should HUD make this adjustment? For example, HUD could divide the earnings performance measure by the average starting earnings for a PHA's FSS participants and then compare the resulting percentages across PHAs. Further, HUD could adjust the earnings performance measures by an index that accounts for local economic conditions.

4. HUD currently allows a PHA to count FSS participants living in multifamily FSS programs toward the minimum number of participants required to be served in order to qualify for FSS funding. The PIC data system, however, does not capture information on multifamily FSS participants. HUD requests suggestions on how best to capture information on multifamily FSS participants being served by a PHA's FSS coordinator to determine a PHA's participation rate.

5. HUD currently permits, and funds, FSS programs in Tribes and Tribally Designated Housing Entities (TDHEs). However, Tribes and TDHEs do not report into the PIC data system. HUD requests suggestions on how to best capture information on tribal FSS participants to determine a score.

6. HUD currently permits, and funds, FSS programs at MTW agencies. However, MTW agencies are only required to report select FSS data fields into the PIC system. HUD requests suggestions on how to best capture information on MTW FSS participants to determine a score.

7. How should HUD evaluate FSS programs offered by HUD-assisted multifamily properties with Section 8 contracts? These programs are very new and currently submit quarterly spreadsheets rather than an FSS addendum integrated into a HUD data reporting system.

#### VIII. Environmental Impact

This notice does not direct, provide for assistance or loan and mortgage insurance for, or otherwise govern or regulate, real property acquisition, disposition, leasing, rehabilitation, alteration, demolition, or new construction, or establish, revise or provide for standards for construction or construction materials, manufactured housing, or occupancy. Accordingly, under 24 CFR 50.19(c)(1), this notice is categorically excluded from environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321).

Dated: December 5, 2017.

**Dominique Blom,**

*General Deputy Assistant Secretary, Office of Public and Indian Housing.*

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#### DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-6070-N-01]

#### Notice for Suspension of Small Area Fair Market Rent (Small Area FMR) Designations; Solicitation of Comment

**AGENCY:** Office of Public and Indian Housing, HUD.

**ACTION:** Notice; solicitation of comment.

**SUMMARY:** On August 10, 2017, pursuant to the authority provided in regulation, HUD suspended for two years the designation for the mandatory use of Small Area Fair Market Rents (Small Area FMRs) for certain metropolitan areas that had previously been designated for Small Area FMR use (Suspension). After HUD provided notice of this suspension, interested persons requested an opportunity to review and comment on the Suspension. While HUD is not required to post the Suspension for public comment, this notice solicits comment

for a period of 30 days. At the expiration of the 30-day period, HUD will review the comments and consider if any further changes to the Suspension are necessary.

**DATES:** Comment Due Date: January 11, 2018.

**ADDRESSES:** Interested persons are invited to submit comments regarding this notice, and HUD's temporary suspension of the use of Small Area FMRs, to the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street SW, Room 10276, Washington, DC 20410-0500.

Communications must refer to the above docket number and title. There are two methods for submitting public comments. All submissions must refer to the above docket number and title.

#### *Submission of Comments by Mail.*

Comments may be submitted by mail to the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street SW, Room 10276, Washington, DC 20410-0500.

#### *Electronic Submission of Comments.*

Interested persons may submit comments electronically through the Federal eRulemaking Portal at [www.regulations.gov](http://www.regulations.gov). HUD strongly encourages commenters to submit comments electronically. Electronic submission of comments allows the commenter maximum time to prepare and submit a comment, ensures timely receipt by HUD, and enables HUD to make comments immediately available to the public. Comments submitted electronically through the [www.regulations.gov](http://www.regulations.gov) website can be viewed by other commenters and interested members of the public. Commenters should follow the instructions provided on that site to submit comments electronically.

**Note:** To receive consideration as public comments, comments must be submitted through one of the two methods specified above. Again, all submissions must refer to the docket number and title of the notice.

*No Facsimile Comments.* Facsimile (fax) comments are not acceptable.

*Public Inspection of Public Comments.* All properly submitted comments and communications submitted to HUD will be available for public inspection and copying between 8 a.m. and 5 p.m. weekdays at the above address. Due to security measures at the HUD Headquarters building, an appointment to review the public comments must be scheduled in advance by calling the Regulations Division at 202-708-3055 (this is not a toll-free number). Individuals with

speech or hearing impairments may access this number via TTY by calling the Federal Relay Service at 1-800-877-8339 (this is a toll-free number). Copies of all comments submitted are available for inspection and downloading at [www.regulations.gov](http://www.regulations.gov).

**FOR FURTHER INFORMATION CONTACT:**

Todd M. Richardson, Deputy Assistant Secretary, Office of Policy Development, Office of Policy Development and Research, Department of Housing and Urban Development, 451 7th Street SW, Room 4130, Washington, DC 20410, 202-708-1537, ext. 5706 (this is not a toll-free number).

**SUPPLEMENTARY INFORMATION:** Since October 2011, all Public Housing Agencies (PHAs) operating the Housing Choice Voucher (HCV) program in the Dallas, TX HUD Metro FMR Area have been using Small Area Fair Market Rents (Small Area FMRs). The use of Small Area FMRs was intended to give HCV families access to areas of high opportunity and lower poverty by providing a subsidy that is adequate to cover rents in those areas, thereby reducing the number of voucher families that reside in areas of high poverty concentration. The PHAs in Dallas began using Small Area FMRs as the result of a legal settlement.

HUD announced the commencement of the Small Area FMR demonstration in November 2012. Five PHAs participated voluntarily in this demonstration, which sought to assess the effect on families of using FMRs published at the U.S. Postal Service ZIP code level (*i.e.*, Small Area FMRs) in lieu of FMRs published at the metropolitan area level.<sup>1</sup>

In 2015, HUD awarded a cooperative agreement to Abt Associates to evaluate the use of Small Area FMRs by the five PHAs that voluntarily participated in the demonstration, as well as two PHAs operating the voucher program in the Dallas, TX HUD Metro FMR Area. Abt was charged with examining whether and to what extent providing higher subsidies in ZIP code areas where rents are higher, and lower subsidies in ZIP code areas where rents are lower, helps HCV families to better access areas of opportunity. HUD also requested that the evaluation examine how the transition from metropolitan-wide to Small Area FMRs affected families and landlords, and the impact of Small Area FMRs on HCV subsidy and administrative costs.

<sup>1</sup> Four of the five demonstration PHAs requested and were permitted by HUD to continue using Small Area FMRs in the operation of their HCV programs after the demonstration ended.

On November 16, 2016, HUD published its “Establishing a More Effective Fair Market Rent System; Using Small Area Fair Market Rents in the Housing Choice Voucher Program Instead of the Current 50th Percentile FMR” final rule (81 FR 80567). This final rule required the use of Small Area FMRs in certain metropolitan areas instead of the 50th percentile rent previously used. On the same day, HUD published a notice listing areas in which the use of Small Area FMRs is mandatory beginning on October 1, 2017 (81 FR 80678).

On April 26, 2017, HUD received Abt’s Small Area Fair Market Rent Demonstration Evaluation Interim Report.<sup>2</sup> The Interim Report examines changes in outcomes from 2010 to 2015 and documents several findings that HUD finds concerning. In addition, it indicates that further research is needed to address several critical questions with respect to the potential harm to HCV families (both participants and applicants) and PHAs in areas transitioning to Small Area FMRs.

On August 10, 2017, pursuant to the authority provided in regulation, HUD suspended the designation for the mandatory use of Small Area FMRs for 23 of the 24 metropolitan areas that would become subject to the requirement on October 1, 2017 (Suspension).<sup>3</sup> The Suspension was made pursuant to 24 CFR 888.113(c)(4), which provides that HUD may suspend the Small Area FMR designation for a metropolitan area when HUD by notice makes a documented determination that such action is warranted. Specifically, § 888.113(c)(4) provides:

HUD will designate Small Area FMR areas at the beginning of a Federal fiscal year, such designations will be permanent, and [HUD] will make new area designations thereafter as new data becomes available. HUD may suspend a Small Area FMR designation from a metropolitan area, or may temporarily exempt a PHA in a Small Area FMR metropolitan area from use of the Small Area FMRs, when HUD by notice makes a documented determination that such action is warranted. Actions that may serve as the basis of a suspension of Small Area FMRs are:

i. A Presidentially declared disaster area that results in the loss of a substantial number of housing units;

<sup>2</sup> The Small Area Fair Market Rent Demonstration Evaluation Interim Report may be found at <https://www.huduser.gov/portal/sites/default/files/pdf/SAFMR-Interim-Report.pdf>.

<sup>3</sup> The Small Area FMR designation remains in effect for the Dallas-Plano-Irving, TX Metro Division (also referred to as the Dallas, TX HUD Metro FMR Area). All PHAs administering the HCV program in the Dallas-Plano-Irving, TX Metro Division have been using Small Area FMRs since 2011 as a result of a legal settlement.

ii. A sudden influx of displaced households needing permanent housing; or  
iii. *Other events as determined by the Secretary* (emphasis added).

Based on the findings in Abt’s Small Area Fair Market Rent Demonstration Evaluation Interim Report, summarized above, HUD has concerns that the mandatory use of Small Area FMRs, without sufficient preparation and mitigation of potential unintended consequences, could put some PHAs at risk of causing an adverse rental housing market condition. Accordingly, after careful consideration, HUD issued the Suspension of the Small Area FMR designation for 23 of the 24 metropolitan areas that had previously been designated for mandatory Small Area FMR use. The Suspension was for two Federal fiscal years (FYs), becoming effective at the beginning of FY 2020 (October 1, 2019) instead of FY 2018. To provide notice to affected PHAs, HUD sent letters to more than 200 PHAs in the 23 metropolitan areas noted in the Suspension. Additionally, HUD posted an article regarding the Suspension on its website.<sup>4</sup>

The delayed implementation of mandatory Small Area FMR adoption will provide HUD with reasonable time to analyze the final findings of the demonstration and determine what measures are necessary to mitigate negative effects, if possible. For example, the delay may allow HUD to develop guidance and technical assistance that is informed by the lessons learned from the demonstration.

Notwithstanding the exercise of this authority, the Small Area FMR Rule permits any PHA that voluntarily seeks to adopt SAFMRs to do so. The program regulations at 24 CFR 888.113(c)(3) provide that a PHA administering an HCV program in a metropolitan area not subject to the mandatory application of Small Area FMRs may opt to use Small Area FMRs by seeking approval from HUD’s Office of Public and Indian Housing (PIH) through written request to PIH. In light of the findings of Abt’s Small Area Fair Market Rent Demonstration Evaluation Interim Report referenced above, should HUD receive a request under this provision, HUD will consider in its approval determination a PHA’s ability to provide reasonable assurance that adoption of Small Area FMRs will not result in an adverse housing market condition.

With this notice, HUD seeks public comment on the Suspension. While

<sup>4</sup> See HUD, *Giving Public Housing Agencies More Time to Succeed*, PD&R Edge, <https://www.huduser.gov/portal/pdredge/pdr-edge-fmr-asst-sec-082817.html>.

HUD is not required to post the Suspension for public comment, this notice solicits comment for a period of 30 days. At the expiration of the 30-day period, HUD will review the comments and consider if any further changes to the Suspension are necessary. Interested parties can find the Suspension in the Supporting Documents section of the docket associated with this notice, at [www.regulations.gov](http://www.regulations.gov), and on HUD's website at <https://www.huduser.gov/portal/datasets/fmr/smallarea/index.html>.

Dated: December 1, 2017.

**Dominique Blom,**

*General Deputy Assistant Secretary, Office of Public and Indian Housing.*

[FR Doc. 2017-26695 Filed 12-11-17; 8:45 am]

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## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR 6069-N-01]

### Advanced Notice of EnVision Center Demonstration

**AGENCY:** Office of the Secretary, HUD.

**ACTION:** Notice.

**SUMMARY:** Through this notice, HUD solicits comment on a demonstration designed to test the effectiveness of collaborative efforts by government, industry, and nonprofit organizations to accelerate economic mobility of low-income households in communities that include HUD-assisted housing through EnVision Centers, centralized hubs for supportive services focusing on the four pillars of Economic Empowerment, Educational Advancement, Health and Wellness, and Character and Leadership. Approximately 10 communities, selected from across the country, are anticipated to participate in the demonstration. The purpose of the demonstration is to explore the potential of a new service-delivery mechanism to provide HUD-assisted households the ability to benefit from life-changing opportunities that the advancement of the four pillars affords.

**DATES:** Comment Due Date: February 12, 2018.

**ADDRESSES:** Interested persons are invited to submit comments responsive to this notice to the Office of General Counsel, Regulations Division, Department of Housing and Urban Development, 451 7th Street SW, Room 10276, Washington, DC 20410-0001. All submissions should refer to the above docket number and title. Submission of public comments may be carried out by hard copy or electronic submission.

1. *Submission of Hard Copy Comments.* Comments may be submitted by mail or hand delivery. Each commenter submitting hard copy comments, by mail or hand delivery, should submit comments to the address above, addressed to the attention of the Regulations Division. Due to security measures at all federal agencies, submission of comments by mail often results in delayed delivery. To ensure timely receipt of comments, HUD recommends that any comments submitted by mail be submitted at least 2 weeks in advance of the public comment deadline. All hard copy comments received by mail or hand delivery are a part of the public record and will be posted to <http://www.regulations.gov> without change.

2. *Electronic Submission of Comments.* Interested persons may submit comments electronically through the Federal eRulemaking Portal at <http://www.regulations.gov>. HUD strongly encourages commenters to submit comments electronically. Electronic submission of comments allows the commenter maximum time to prepare and submit a comment, ensures timely receipt by HUD, and enables HUD to make comments immediately available to the public. Comments submitted electronically through the <http://www.regulations.gov> website can be viewed by other commenters and interested members of the public. Commenters should follow instructions provided on that site to submit comments electronically.

*No Facsimile Comments.* Facsimile (fax) comments are not acceptable.

*Public Inspection of Comments.* All comments submitted to HUD regarding this notice will be available, without charge, for public inspection and copying between 8 a.m. and 5 p.m., Eastern Time, weekdays at the above address. Due to security measures at the HUD Headquarters building, an advance appointment to review the public comments must be scheduled by calling the Regulations Division at 202-708-3055 (this is not a toll-free number). Individuals with speech or hearing impairments may access this number through TTY by calling the Federal Relay Service at 800-877-8339 (this is a toll-free number). Copies of all comments submitted are available for inspection and downloading at <http://www.regulations.gov>.

**FOR FURTHER INFORMATION CONTACT:**

Ariel Pereira, Associate General Counsel for Legislation and Regulations, Office of General Counsel, Department of Housing and Urban Development, 451 Seventh Street SW, Room 10282,

Washington, DC 20410-7000, telephone number 202-402-5132 (this is not a toll-free number). Persons with hearing or speech impairments may access this number through TTY by calling the Federal Relay Service at 800-877-8339 (this is a toll-free number).

**SUPPLEMENTARY INFORMATION:**

#### I. Background

Under the leadership of President Donald J. Trump, the Administration is committed to reforming government services and expanding opportunities for more Americans to become self-sufficient. The EnVision Center demonstration focuses on empowering people to leave HUD-assisted housing through self-sufficiency to become responsible homeowners and renters in the private market. By doing so, HUD will be able to make those resources available to others and help more Americans.

The EnVision Centers demonstration is premised on the notion that financial support alone is insufficient to solve the problem of poverty. Intentional and collective efforts across a diverse set of organizations are needed to implement a holistic approach to foster long-lasting self-sufficiency. EnVision Centers will provide communities with a centralized hub for support in the following four pillars: (1) Economic Empowerment, (2) Educational Advancement, (3) Health and Wellness, and (4) Character and Leadership. The Economic Empowerment pillar is designed to improve the economic sustainability of individuals residing in HUD-assisted housing by empowering them with opportunities to improve their economic outlook. The Education pillar seeks to bring educational opportunities directly to HUD-assisted housing and includes partnering with public and private organizations that approach education in non-traditional ways on non-traditional platforms. The Health and Wellness pillar is designed to improve access to health outcomes by individuals and families living in HUD-assisted housing. The Character and Leadership pillar is designed to enable all individuals and families residing in HUD-assisted housing, especially young people, to reach their full potential as productive, caring, responsible citizens by encouraging participation in volunteer and mentoring opportunities.

Through results-driven partnerships with federal agencies, state and local governments, non-profits, faith-based organizations, corporations, public housing authorities (PHAs), tribal designated housing entities (TDHEs) and housing finance agencies, EnVision Centers will leverage public and private