



Compton Housing Authority  
700 N. Bullis Road  
Compton, CA 90221  
(310) 605-3080

## **Owner Notification of Program Changes**

### **RE: Changes in Payment Standards for the Housing Choice Voucher Program and Notice of Potential Impact**

Dear Owners/Landlords,

Thank you for participating in the Housing Choice Voucher (HCV) Program. Your ongoing participation helps ensure low-income families have a safe and stable place to call home.

Beginning on January 1, 2025, the U.S. Department of Housing and Urban Development (HUD) made an important change in the way the Compton Local Housing Authority operates the HCV Program. In this approach, the payment standard used to determine the maximum subsidy amount provided by the public housing agency (PHA) is now based on Fair Market Rents (FMRs) determined at the ZIP code level instead of the broader metropolitan area level. These ZIP code-specific rent estimates are called **Small Area Fair Market Rents (SAFMRs)**.

SAFMRs mean payment standards will now be based on the localized rent for each ZIP code as opposed to typical rent levels across the entire metropolitan area. This change promotes a more effective system that allows HCV-assisted families to access higher-cost housing in low-poverty areas. As a result, the payment standard for units you rent through the HCV Program may change. Depending on the ZIP code in which your rental units are located, your tenant's voucher and payment standard may increase, stay the same, or decrease. Please see the attached table, which lists payment standard amounts for all ZIP codes **effective January 1, 2025**.

**The payment standard for your ZIP code is decreasing, effective January 1, 2025. However, Compton Housing Authority (CHA) has adopted a "hold harmless" policy concerning a decrease in payment standards. This means that CHA will use the payment standard that was in effect prior to the decrease when determining your tenant's assistance as long as the family continues to reside in the assisted unit.**

**This letter is not a notification of a change in your rent amounts. The CHA chose not to reduce the payment standard amount if your family resides in the current unit receiving assistance. Therefore, if your tenant(s) remain in your unit, assistance will not be affected by the decrease in payment standard for your ZIP code.**

As annual reexaminations of income and eligibility for current HCV participants are conducted, the Housing Assistance Payment (HAP) provided by the Compton Local Housing Authority will be determined using the new SAFMR payment standards. At that time, you will be given additional information about impacts on participants who rent units in your properties.

If you have questions about this change or would like additional information, please visit our website at [www.comptoncity.org](http://www.comptoncity.org), or contact the Compton Local Housing Authority at (310) 605-3080.

## **Frequently Asked Questions Small Area Fair Market Rents (SAFMR)**

### ***What are SAFMRs?***

Small Area Fair Market Rates (SAFMRs) are estimates of the typical rent for different unit sizes in a specific ZIP code. They are determined by the U.S. Department of Housing and Urban Development (HUD) each year, based on the distribution of all rents for standard quality housing within that ZIP code.

### ***What are payment standards?***

Payment standards are used to calculate the maximum subsidy the public housing agency (PHA) will pay toward rent and utilities for rental units leased to families with HCVs. Under the HCV Program, families are generally required to pay 30% of their adjusted income toward rent and utilities. The PHA then pays the difference between the family's required contribution and either the payment standard or the gross rent (rent plus estimated utilities) of the unit, whichever is lower. HCV families may choose to pay more to live in a unit where rent and utilities exceed the payment standard but may not pay more than 40% of their adjusted income for rent and utilities when initially signing a lease. Effective January 1, 2025, the PHA will use the new payment standard at 120% of the SAFMRs for the designated ZIP codes associated with the areas from which the Compton Housing Authority covers. Owners and tenants can use the attached **Payment Standard Tables** to see how much the new payment standards will be.

### ***What's new about this approach?***

Previously, HUD required the PHA to base payment standards on Fair Market Rents (FMRs) calculated for the entire metropolitan area. This meant that payment standards may have been too low to enable HCV families to rent units in certain areas of opportunity and may have been higher than market rents in others. Under the new approach, the payment standard is based on the localized rent for each ZIP code. If your property is in a neighborhood where rents tend to be on the higher end of the metropolitan area, it is likely that the share of the rent the Compton Housing Authority will pay on behalf of the tenant will increase. At the same time, the payment standards in many low-cost areas may likely be reduced, meaning the tenant's share of the rent and utility could increase, depending on the amount of the rent.

***How will I be impacted?***

How you will be impacted by SAFMRs depends on the location of the properties that you own. The change in methodology used to calculate payment standards means that families with vouchers may now be able to afford units in parts of town with higher rents. If you own units in these areas, please consider opening your doors to HCV families as voucher amounts will be comparable to the market. If you currently rent to individuals and families with HCVs, you will receive a letter from the PHA with details about how your properties will be impacted by changing payment standards. As annual reexaminations of income and eligibility for current HCV tenants are conducted, the Housing Assistance Payment (HAP) provided by Compton Housing Authority will be determined using the new payment standards based on the policy outlined in the HCV Administrative Plan. Additional information about impacts on tenants who rent units in your properties will be shared as their reexaminations are completed.

***What else do I need to know?***

Please be aware that all HAP Contracts will remain subject to rent reasonableness determinations and tenant affordability, including in areas where payment standards increase.

# PAYMENT STANDARDS

IMPORTANT NOTE: The amount a family pays for rent under the Housing Choice Voucher Program will depend on the size of the unit (2 person per bedroom) and the rent charged by the owner for the unit.



Payment standards are used to calculate the maximum subsidy the public housing agency (PHA) will pay for your rental unit. Under the HCV Program, you are generally required to pay 30% of your adjusted income for rent and utilities. The PHA covers the difference between your required contribution and the lower amount of either the payment standard or the gross rent (which includes rent plus estimated utilities) of the unit.

The amount of rent an owner can receive is determined by the family income, voucher size and comparable rents being charged for similar units in the area of the subject property. There is no guarantee that the owner will get the exact amount per unit size. All proposed rents will undergo Rent Reasonableness. Approval rents will also depend on tenant's income, condition of the unit and utility allowances.

**EFFECTIVE: 01/01/2025**

<b>BEDROOM SIZE</b>	<b>0-BR</b>	<b>1-BR</b>	<b>2-BR</b>	<b>3-BR</b>	<b>4-BR</b>	<b>5-BR</b>
<b>PAYMENT STANDARD</b>	\$1920	\$2172	\$2748	\$3528	\$3888	\$4471
<b>2025 SAFMRs</b>	\$1600	\$1810	\$2290	\$2940	\$3240	\$3726
<b>% OF FMRs &amp; LHA</b>	<b>120%</b>	<b>120%</b>	<b>120%</b>	<b>120%</b>	<b>120%</b>	<b>120%</b>