HHSC MEMORANDUM - NEIGHBORHOOD RESOURCES - Memo No. HD26-32

DATE: October 14, 2026

TO: Housing and Human Services Commission

THRU: Riann Balch, Neighborhood Resources Director

FROM: Larissa Gorski, Acting Housing and Redevelopment Senior Manager

SUBJECT: Briefing Item for the 2027 Payment Standards for the Housing Choice Voucher Program (Section 8 Program).

Background:

The U.S. Department of Housing and Urban Development (HUD) allows Public Housing Authorities (PHAs) to set the payment standards for the Housing Choice Voucher Program (Section 8 Program). Payment standards are used to calculate the housing assistance payment that the PHA pays to the landlord on behalf of the family leasing the unit. Family contribution to rent is set at 30 to 40 percent of the family's adjusted income. Each PHA has latitude in establishing its schedule of payment standard amounts by bedroom size. The range of possible payment standard amounts is based on HUD's published Small Area Fair Market Rents (SAFMRs) schedule for the zip code in which the PHA has jurisdiction. The PHA may set its Payment Standard amounts from 90 to 110 percent of the published SAFRMs.

Discussion:

The City of Chandler PHA has been designated by HUD as a SAFMR PHA and, in accordance with (24 CFR 982.503), is required to implement and annually update payment standards based on HUD- published SAFMRs by zip code.

The approved City of Chandler's 2027 Payment Standards Schedule (Exhibit A) reflects adjustments to the current 2026 payment standards based on the estimated 2027 SAFMRs and the PHA's evaluation of local rental market conditions and program financial sustainability. The approved payment standards established rates at either 100% or 110% of the applicable SAFMR, depending on ZIP code.

For 2027, the PHA will maintain payment standards at 110% of SAFMR for ZIP codes 85224 and 85225, while establishing payment standards at 100% of SAFMR for ZIP codes 85226, 85248, 85249, and 85286. As a result, the approved schedule generally represents a reduction from the current 2026 payment standards across the service area.

The approved adjustments are intended to align payment standards more closely with updated HUD SAFRMs while maintaining sufficient subsidy levels to support reasonable housing choice for Housing choice Voucher participants. The approved reductions also provide for prudent management of federal HCV resources by limiting unnecessary increases in Housing Assistance Payment (HAP) expenditures and supporting the long-term financial sustainability of the program.

The approved payment standards will be effective January 1, 2027, and will continue to be evaluated annually based on HUD-published SAFMRs, local rental market conditions, voucher utilization, and the financial position of the HCV program.

Financial Implications:

All costs associated with the Housing Choice Voucher Program are funded by HUD.

Attachments: Exhibit A - Payment Standards