

Statement Regarding Housing Choice Voucher Payment Standard Adjustment

The Columbus Metropolitan Housing Authority (CMHA) is facing a projected funding shortfall within the federal Housing Choice Voucher (HCV) Program due to insufficient federal appropriations. As a result, CMHA will be reducing its payment standard from 110% of Fair Market Rent (FMR) to 100% of FMR. This action is available to all housing authorities and a standard/permitted process to reduce the amount of housing assistance payments paid out. In addition, HUD has directed that all housing authorities reduce their payment standards if they are trending in a shortfall position. This is happening all over the country.

This adjustment is not the result of any action taken by CMHA, nor is it a reflection of local program management. Rather, it is a direct consequence of federal funding levels that have failed to keep pace with rising rental costs and Housing Assistance Payment (HAP) expenses. CMHA is experiencing a projected HCV funding shortfall because renewal funding from the U.S. Department of Housing and Urban Development (HUD) is not keeping pace with increasing rents and subsidy costs in today's housing market, and CMHA is limited by law to the funding limits authorized by HUD. Housing authorities across the country are facing similar financial pressures, and many are being forced to make difficult decisions to ensure the long-term sustainability of their voucher programs.

WHAT THIS MEANS FOR CURRENT PARTICIPANTS

CMHA's goal is to minimize disruption to families currently receiving rental assistance. In most cases, this change will not require landlords to reduce existing contract rents. However, some participating families may experience an increase in their portion of the rent over time as annual recertifications and program calculations are completed under the revised payment standard.

While each household's circumstances are different, some voucher holders may be required to contribute a greater share of their income toward housing costs as a result of the funding shortfall and payment standard adjustment.

WHAT THIS MEANS FOR LANDLORDS

For many current HCV-assisted units, existing contract rents may not be immediately affected. However, the revised payment standard may impact future rent determinations, rent increase requests, and newly leased units entering the program.

For new units being leased under the HCV program, landlords may encounter limitations on the maximum subsidy that can be provided. Although units must continue to meet HUD's rent reasonableness requirements, CMHA's ability to approve rents will be constrained by the lower payment standard. In situations where a rent reasonableness determination supports a higher rent amount, the rent may still need to be capped to ensure compliance with HUD affordability requirements and participant contribution limits.

Under HUD regulations, a family may generally pay up to 40% of its adjusted monthly income toward housing costs at initial lease-up. As a result, some units that may have previously qualified under the 110% payment standard may no longer be affordable under the 100% payment standard, potentially requiring lower approved rents, higher tenant contributions, or making it more difficult for some units to qualify for the program.

CMHA'S COMMITMENT

CMHA remains committed to preserving housing stability for current participants, maintaining strong partnerships with landlords, and serving as many families as possible with the resources provided. We will continue to advocate for adequate federal funding and work closely with HUD, elected officials, housing providers, and community stakeholders to address the growing gap between available funding and the cost of providing affordable housing assistance.

The Housing Choice Voucher Program is one of the nation's most effective tools for preventing homelessness and expanding housing opportunities. Ensuring its long-term viability requires federal funding levels that reflect current market conditions and the true cost of housing.

CMHA will continue to communicate transparently with participants and landlords as additional guidance becomes available and as implementation plans are finalized.