

Payment Standards, Cost Projections, and Planning of Expenses Fact Sheet

OVERVIEW

The U.S. Department of Housing and Urban Development's (HUD) Tool-of-Tools (ToT) and Payment Standard Tool (PST) can be used to project a future year's per-unit Housing Assistance Payment (HAP) costs and housing cost burdens for assisted families. By doing so, a public housing agency (PHA) can model possible future Small Area Fair Market Rent (SAFMR)-based payment standards to balance its voucher program goals and regulatory requirements in a mandatory SAFMR area, utilize its HAP funds, and avoid going into shortfall.

SAFMRs are FMRs calculated at the ZIP code level rather than for the entire metropolitan region; setting payment standards based on SAFMRs can help PHAs better achieve voucher program goals by helping voucher holders access a broader range of dwelling units and neighborhoods, including higher opportunity neighborhoods.

PHAs may also request payment standards outside of the basic range:

- **Lower than basic range:** Request HUD approval
- **Higher than 110% of the SAFMR:** Reference HUD's established criteria to submit a request

COMPARE PAYMENT STANDARDS USING THE TWO-YEAR TOOL

Before a PHA uses HUD's PST to project per-unit HAP costs and housing cost burdens stemming from possible future SAFMR-based payment standards, the data from HUD's Two-Year Tool (TYT) **PUC.RB. Worksheet tab** and **Open SAFMR Detailed Analysis page** (cells AN4 to A07) help PHAs develop ideas on how to set future payment standards by ZIP code or other geography.

1. First, use the TYT to compare FMRs and SAFMRs.
2. On the **PUC.RB Worksheet tab**, select the **Open Detailed SAFMR Analysis** button to generate a table that compares the SAFMRs and FMRs for each ZIP code, whether SAFMRs are over or under the FMRs, and the number and percentage of voucher-assisted families in each ZIP code.
3. Arrange this table into higher and lower cost ZIP codes by sorting the column labeled **Maybe SAFMR Exception?** Note that this column is designed to help guide future exception payment standard SAFMR PHAs identify ZIP codes where they could apply that authority.
4. Insert a column with the current two-bedroom (2BR) payment standard amounts. Add another column comparing those values to fiscal year (FY) 2024 two-bedroom SAFMRs, expressed as a percentage. To start, PHAs may want to use the same percentage of their current FMR-based payment standard for the percentage of the SAFMRs (100%, 105%, 110%, etc.) PHAs that currently vary percentages of FMR-based payment standards or use a combination of FMR and SAFMR-based payment standards may use



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the same approach by starting with the same percentages in their analysis with FY 2024 2BR SAFMRs.

- Sort between ZIP codes in the **Yes** and **No** areas and create formula-driven averages of all columns to make an initial overall assessment.

ZIP Code	Metro FMR Area Name	Required SAFMR?	FMR: 2024 Two-Bedroom	SAFMR: 2024 Two-Bedroom	SAFMR/FMR: 2024 Two-Bedroom	Maybe SAFMR Exception ?	PHA Code	~ # HCV Families	~ % Program	PHA Payment Standard at 110% FY 2024 FMR (2BR)	110% of FY 2024 SAFMR (2BR)	110% of FY 2024 FMR (2BR) as % of 110% FY 2024 SAFMRs
85641	Tucson, AZ	N	\$1,337	\$2,010	150.3%	Yes!	AZ004	1	0.0%	\$1,471	\$2,211	-33%
85739	Tucson, AZ	N	\$1,337	\$1,980	148.1%	Yes!	AZ004	2	0.0%	\$1,471	\$2,178	-32%
85737	Tucson, AZ	N	\$1,337	\$1,980	148.1%	Yes!	AZ004	2	0.0%	\$1,471	\$2,178	-32%
85629	Tucson, AZ	N	\$1,337	\$1,980	148.1%	Yes!	AZ004	3	0.1%	\$1,471	\$2,178	-32%
85720	Tucson, AZ	N	\$1,337	\$1,972	147.5%	Yes!	AZ004	15	-0.3%	\$1,471	\$2,169	-32%
85743	Tucson, AZ	N	\$1,337	\$1,880	140.6%	Yes!	AZ004	5	0.1%	\$1,471	\$2,068	-29%
85742	Tucson, AZ	N	\$1,337	\$1,820	136.1%	Yes!	AZ004	10	0.2%	\$1,471	\$2,002	-27%
85658	Tucson, AZ	N	\$1,337	\$1,760	131.6%	Yes!	AZ004	1	0.0%	\$1,471	\$1,936	-24%
85748	Tucson, AZ	N	\$1,337	\$1,680	125.7%	Yes!	AZ004	4	0.1%	\$1,471	\$1,848	-20%
85645	Tucson, AZ	N	\$1,337	\$1,640	122.7%	Yes!	AZ004	1	0.0%	\$1,471	\$1,804	-18%
85749	Tucson, AZ	N	\$1,337	\$1,620	121.2%	Yes!	AZ004	5	0.1%	\$1,471	\$1,782	-17%
85736	Tucson, AZ	N	\$1,337	\$1,620	121.2%	Yes!	AZ004	3	0.1%	\$1,471	\$1,782	-17%
85653	Tucson, AZ	N	\$1,337	\$1,610	120.4%	Yes!	AZ004	12	0.3%	\$1,471	\$1,771	-17%
85741	Tucson, AZ	N	\$1,337	\$1,610	120.4%	Yes!	AZ004	23	0.5%	\$1,471	\$1,771	-17%
85756	Tucson, AZ	N	\$1,337	\$1,610	120.4%	Yes!	AZ004	65	1.4%	\$1,471	\$1,771	-17%
85321	Tucson, AZ	N	\$1,337	\$1,570	117.4%	Yes!	AZ004	15	0.3%	\$1,471	\$1,727	-15%
85704	Tucson, AZ	N	\$1,337	\$1,530	114.4%	Yes!	AZ004	31	0.7%	\$1,471	\$1,683	-13%
85715	Tucson, AZ	N	\$1,337	\$1,500	112.2%	Yes!	AZ004	34	0.8%	\$1,471	\$1,650	-11%
85750	Tucson, AZ	N	\$1,337	\$1,490	111.4%	Yes!	AZ004	3	0.1%	\$1,471	\$1,639	-10%
85757	Tucson, AZ	N	\$1,337	\$1,460	109.2%	Yes!	AZ004	14	0.3%	\$1,471	\$1,606	-8%
85614	Tucson, AZ	N	\$1,337	\$1,460	109.2%	Yes!	AZ004	8	0.2%	\$1,471	\$1,606	-8%
85746	Tucson, AZ	N	\$1,337	\$1,450	108.5%	Yes!	AZ004	128	2.8%	\$1,471	\$1,595	-8%
85735	Tucson, AZ	N	\$1,337	\$1,450	108.5%	Yes!	AZ004	8	0.2%	\$1,471	\$1,595	-8%
85718	Tucson, AZ	N	\$1,337	\$1,430	107.0%	Yes!	AZ004	3	0.1%	\$1,471	\$1,573	-7%
85701	Tucson, AZ	N	\$1,337	\$1,410	105.5%	Yes!	AZ004	47	1.0%	\$1,471	\$1,551	-5%
85745	Tucson, AZ	N	\$1,337	\$1,380	103.2%	Yes!	AZ004	107	2.4%	\$1,471	\$1,518	-3%
85719	Tucson, AZ	N	\$1,337	\$1,340	100.2%	Yes!	AZ004	133	2.9%	\$1,471	\$1,474	0%
85710	Tucson, AZ	N	\$1,337	\$1,330	99.5%	No	AZ004	306	6.8%	\$1,471	\$1,463	1%
85730	Tucson, AZ	N	\$1,337	\$1,310	98.0%	No	AZ004	219	4.8%	\$1,471	\$1,441	2%
85716	Tucson, AZ	N	\$1,337	\$1,280	95.7%	No	AZ004	410	9.1%	\$1,471	\$1,408	4%
85712	Tucson, AZ	N	\$1,337	\$1,240	92.7%	No	AZ004	371	8.2%	\$1,471	\$1,364	8%
85713	Tucson, AZ	N	\$1,337	\$1,230	92.0%	No	AZ004	246	5.4%	\$1,471	\$1,353	9%
85711	Tucson, AZ	N	\$1,337	\$1,210	90.5%	No	AZ004	430	9.5%	\$1,471	\$1,331	10%
85705	Tucson, AZ	N	\$1,337	\$1,170	87.5%	No	AZ004	564	12.5%	\$1,471	\$1,287	14%
85706	Tucson, AZ	N	\$1,337	\$1,150	86.0%	No	AZ004	574	12.7%	\$1,471	\$1,265	16%
85714	Tucson, AZ	N	\$1,337	\$1,060	79.3%	No	AZ004	145	3.2%	\$1,471	\$1,166	26%
Yes!					123%	Yes!		683	17%			-17%
No					91%	No		3,265	83%			10%
								3,948				

- If a PHA has additional ZIP codes that do not appear in this spreadsheet, remove the filter button in the heading row and click the filter button again to reestablish it. Then, locate those additional ZIP codes in the PHA's service area. Check those boxes in the filter function, and the additional ZIP codes will appear. Make sure to include them even if no voucher-assisted households currently reside in those ZIP codes under the PHA's current FMR-based payment standards, as they may be areas of potential high opportunity for voucher holders who also need and require SAFMR-based payment standard setting.

NOTE: The **Required SAFMR?** column is currently listed **N** for Mandatory SAFMR Area but will reflect **Y** as applicable in the future.



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TAKEAWAYS

- PHAs operating in a different part of the country with different rental housing market distributions by ZIP code across their service areas may have completely different distributions than the one in this example with different sets of results.
- Before a PHA uses HUD's PST to project per-unit HAP costs and rent-burdens stemming from possible future SAFMR-based payment standards, the shown data from the TYT can assist them in determining the percentage of leased families (2BR) at their current payment standard amounts (2BR) that are either greater than, less than, or equal to varying percentages of FY 2024 SAFMRs (2BR). PHAs can use this when developing ideas on how to set percentages of future SAFMR-based payment standards by geographic area and bedroom size.
- The sample PHA's current payment standards in **relatively higher cost ZIP codes** (Yes!) average **17% less** than the average amount of 110% of two-bedroom FY 2024 SAFMRs, where approximately **17%** of its voucher-assisted households currently reside.
- The sample PHA's current payment standards in **relatively lower cost ZIP codes** (No) average **10% greater** than the average amount of 110% of two-bedroom FY 2024 SAFMRs, where approximately **83%** of its voucher-assisted households currently reside.
- In the above example, based on the percentage of leased families (2BR) at their current payment standard (2BR) that are either greater than, less than, or equal to varying percentages of FY 2024 SAFMRs (2BR), the results point toward future payment standard changes (contingent upon overall HAP funding available) for new admissions, relocations, port-ins, and/or existing families under lease, of possibly:
 - **Increasing** to varying degrees in twenty-three ZIP codes 85641 through 85745;
 - **Holding them at the same amount for a year** as next fiscal year's SAFMR amounts increase, **or slightly decreasing them** (with a possible hold harmless policy for families while leased in their current unit) in ZIP codes 85719 and 85710; and/or
 - **Decreasing** to varying degrees in ZIP codes 85730 to 85714.

PROJECT FUTURE HAP COSTS

If there is a strong mathematical trend in the per-unit HAP costs for the previous six months, the TYT features a formula-driven Per Unit Cost (PUC) projection in the **Manual PUC Override** column, shown for the current year. Use HUD's ToT to project a future year's per-unit HAP costs and housing cost burdens for voucher-assisted families. By doing so, a PHA will be able to model its future SAFMR-based payment standards to balance its voucher program goals and regulatory requirements in a mandatory SAFMR Area, utilize its HAP funds, and avoid going into shortfall.



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1. **Create a PIC Ad-Hoc Query Report.** After developing the initial proposed SAFMR-based payment standards, create and save a PIH Information Center (PIC) Ad-Hoc Query Report and save it as an .xlsx (Excel file). Follow the specific step-by-step process described in the PST Guide (page 4); otherwise, there is a likelihood that certain transaction types that should not be included in the PST would result in creating 50058 errors and skew the accuracy of the results.

NOTE: Instructions are provided in [Loading Data/Required Information video](#).

2. **Group ZIP Codes for Payment Standard Tool Calculations.** The PST processes up to twenty unique payment standards. For PHAs that use ZIP codes as the basis for SAFMR-based payment standards, copy and paste the ZIP codes into column **KZ**, ensuring ZIP codes are labeled and sorted into twenty or fewer groups. If a ZIP code is missing, has added digits, or is missing digits, correct it before importing the data into HUD's PST. Grouping ZIP codes into no more than twenty groups serves for creating PST projections but should not necessarily be used for a PHA's voucher program payment standard implementation. HUD is transitioning to the Housing Information Portal (HIP), which will be cloud-based and should result in fewer system outages. Most PHAs will transmit 50058 data through vendor software interface.

KT	KU	KV	KW	KX	KY	KZ
		Subsidy terminated for Section 8 program other than	Subsidy terminated for violation of WtW obligation	Family voluntarily withdrew from Section 8 program		
	Family no longer needs move-out subsidy				Other	Zip code (+4)
*	*	*	*	*	*	85712 and 85716
*	*	*	*	*	*	85710 and 85730
*	*	*	*	*	*	85701, 85719 and 85745
*	*	*	*	*	*	85701, 85719 and 85745
*	*	*	*	*	*	85714
*	*	*	*	*	*	85701, 85719 and 85745
*	*	*	*	*	*	85706
*	*	*	*	*	*	85742 and 85743

3. **Create Groupings for PST Purposes.** If the PHA has more than twenty ZIP codes, open the TYT. Click the **SAFMR vs. FMRs** button on the **PUC.RB** tab. Examine two-bedroom (2BR) SAFMRs by ZIP code. Group ZIP codes in batches of no more than twenty based on SAFMR values. PHAs can also sort the **~ # HCV Families** column and delete ZIP code rows with the fewest number of assisted families until they reach twenty ZIP codes.



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ZIP Code	Metro FMR Area Name	Required SAFMR?	FMR: 2024 Two-Bedroom	SAFMR: 2024 Two-Bedroom	SAFMR/FMR: 2024 Two-Bedroom	Maybe SAFMR Exception ?	PHA Code	~ # HCV Families	~ % Program
85719	Tucson, AZ	N	\$1,337	\$1,340	100.2%	Yes!	AZ004	133	2.9%
85745	Tucson, AZ	N	\$1,337	\$1,380	103.2%	Yes!	AZ004	107	2.4%
85701	Tucson, AZ	N	\$1,337	\$1,410	105.5%	Yes!	AZ004	47	1.0%
85718	Tucson, AZ	N	\$1,337	\$1,430	107.0%	Yes!	AZ004	3	0.1%
85735	Tucson, AZ	N	\$1,337	\$1,450	108.5%	Yes!	AZ004	8	0.2%
85746	Tucson, AZ	N	\$1,337	\$1,450	108.5%	Yes!	AZ004	128	2.8%
85614	Tucson, AZ	N	\$1,337	\$1,460	109.2%	Yes!	AZ004	8	0.2%
85757	Tucson, AZ	N	\$1,337	\$1,460	109.2%	Yes!	AZ004	14	0.3%
85750	Tucson, AZ	N	\$1,337	\$1,490	111.4%	Yes!	AZ004	3	0.1%
85715	Tucson, AZ	N	\$1,337	\$1,500	112.2%	Yes!	AZ004	34	0.8%
85704	Tucson, AZ	N	\$1,337	\$1,530	114.4%	Yes!	AZ004	31	0.7%
85321	Tucson, AZ	N	\$1,337	\$1,570	117.4%	Yes!	AZ004	15	0.3%
85653	Tucson, AZ	N	\$1,337	\$1,610	120.4%	Yes!	AZ004	12	0.3%
85736	Tucson, AZ	N	\$1,337	\$1,620	121.2%	Yes!	AZ004	3	0.1%
85749	Tucson, AZ	N	\$1,337	\$1,620	121.2%	Yes!	AZ004	5	0.1%
85645	Tucson, AZ	N	\$1,337	\$1,640	122.7%	Yes!	AZ004	1	0.0%
85748	Tucson, AZ	N	\$1,337	\$1,680	125.7%	Yes!	AZ004	4	0.1%
85658	Tucson, AZ	N	\$1,337	\$1,760	131.6%	Yes!	AZ004	1	0.0%
85742	Tucson, AZ	N	\$1,337	\$1,820	136.1%	Yes!	AZ004	10	0.2%
85743	Tucson, AZ	N	\$1,337	\$1,880	140.6%	Yes!	AZ004	5	0.1%
85629	Tucson, AZ	N	\$1,337	\$1,980	148.1%	Yes!	AZ004	3	0.1%
85737	Tucson, AZ	N	\$1,337	\$1,980	148.1%	Yes!	AZ004	2	0.0%
85739	Tucson, AZ	N	\$1,337	\$1,980	148.1%	Yes!	AZ004	2	0.0%
85641	Tucson, AZ	N	\$1,337	\$2,010	150.3%	Yes!	AZ004	1	0.0%
85720	Tucson, AZ	N	\$1,337	\$1,972	147.5%	Yes!	AZ004	-15.3015	-0.3%
85714	Tucson, AZ	N	\$1,337	\$1,060	79.3%	No	AZ004	145	3.2%
85706	Tucson, AZ	N	\$1,337	\$1,150	86.0%	No	AZ004	574	12.7%
85705	Tucson, AZ	N	\$1,337	\$1,170	87.5%	No	AZ004	564	12.5%
85711	Tucson, AZ	N	\$1,337	\$1,210	90.5%	No	AZ004	430	9.5%
85713	Tucson, AZ	N	\$1,337	\$1,230	92.0%	No	AZ004	246	5.4%
85712	Tucson, AZ	N	\$1,337	\$1,240	92.7%	No	AZ004	371	8.2%
85716	Tucson, AZ	N	\$1,337	\$1,280	95.7%	No	AZ004	410	9.1%
85730	Tucson, AZ	N	\$1,337	\$1,310	98.0%	No	AZ004	219	4.8%
85710	Tucson, AZ	N	\$1,337	\$1,330	99.5%	No	AZ004	306	6.8%

4. **Import PIC Ad-Hoc Query Report into Tool-of-Tools's PST.** Open the ToT; click the **Start** button and follow prompts to import the PIC Ad-Hoc Query Report. With the **Payment Standard Tool** button selected, select the button to execute it, which will then prompt a number of different PST options, including **ZIP Code**, **City**, **Other**, or **One Payment Standard**.

- If the PHA has fewer than twenty ZIP codes, use this tool on a ZIP code basis; click the **ZIP Code** option.
- If the PHA has more than twenty ZIP codes grouped into twenty or less for purpose of using the PST, click on the **Other Payment Standard** option, which will use data in **Column KZ**.
- If there are twenty or less cities in the PHA's PIC data and you want to use the PST by city rather than by ZIP codes, click that option.



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- Use the PST. A PHA's current payment standards populate in the **Current** row and in **Year 1**, followed by proposed SAFMR-based payment standards in row **Year 2 (2025)** for each payment standard area or group identified to the right.

Voucher Size	Efficiency	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom	6 Bedroom	7 Bedroom	8 Bedroom	9 Bedroom	10 Bedroom
Current											
FMR	\$906	\$1,018	\$1,337	\$1,884	\$2,206	\$2,537	\$2,868	\$3,199	\$3,530	\$3,861	\$4,191
Payment Standard	\$996	\$1,119	\$1,470	\$2,072	\$2,426	\$2,789	\$3,153				
As % of FMR	109.9%	109.9%	109.9%	110.0%	110.0%	109.9%	109.9%	0.0%	0.0%	0.0%	0.0%
2024 - Year 1											
FMR	\$1,090	\$1,230	\$1,610	\$2,270	\$2,660	\$3,059	\$3,458	\$3,857	\$4,256	\$4,655	\$5,054
Payment Standard	\$996	\$1,119	\$1,470	\$2,072	\$2,426	\$2,789	\$3,153	\$3,857	\$4,256	\$4,655	\$5,054
As % of FMR	91.4%	91.0%	91.3%	91.3%	91.2%	91.2%	91.2%	100.0%	100.0%	100.0%	100.0%
2025 - Year 2											
FMR	\$1,090	\$1,230	\$1,610	\$2,270	\$2,660	\$3,059	\$3,458	\$3,857	\$4,256	\$4,655	\$5,054
Payment Standard	\$1,090	\$1,230	\$1,610	\$2,270	\$2,660	\$3,059	\$3,458	\$3,857	\$4,256	\$4,655	\$5,054
As % of FMR	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Current											
FMR	\$906	\$1,018	\$1,337	\$1,884	\$2,206	\$2,537	\$2,868	\$3,199	\$3,530	\$3,861	\$4,191
Payment Standard	\$996	\$1,119	\$1,470	\$2,072	\$2,426	\$2,789	\$3,153				
As % of FMR	109.9%	109.9%	109.9%	110.0%	110.0%	109.9%	109.9%	0.0%	0.0%	0.0%	0.0%
2024 - Year 1											
FMR	\$1,360	\$1,530	\$2,010	\$2,830	\$3,320	\$3,818	\$4,316	\$4,814	\$5,312	\$5,810	\$6,308
Payment Standard	\$996	\$1,119	\$1,470	\$2,072	\$2,426	\$2,789	\$3,153	\$4,814	\$5,312	\$5,810	\$6,308
As % of FMR	73.2%	73.1%	73.1%	73.2%	73.1%	73.0%	73.1%	100.0%	100.0%	100.0%	100.0%
2025 - Year 2											
FMR	\$1,360	\$1,530	\$2,010	\$2,830	\$3,320	\$3,818	\$4,316	\$4,814	\$5,312	\$5,810	\$6,308
Payment Standard	\$1,360	\$1,530	\$2,010	\$2,830	\$3,320	\$3,818	\$4,316	\$4,814	\$5,312	\$5,810	\$6,308
As % of FMR	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

- Use the PST. To model SAFMR-based payment standards, enter an effective date of January 1 of the following year (or a later date after a PHA first complies with mandatory SAFMRs by January 1, 2025) along with calculated assumptions on the annual percentage rate of change for **Contract Rent**, **Utility Allowance**, and **Tenant Income**. Select **Start of Year 2** to account for the percentage changes in these three factors and use the results shown in Year 2.

	Date of PS Change:	1/1/2025
Start of Year 2	Rent	13.3%
Start of Year 2	Utility Allowance	12.5%
Start of Year 2	Tenant Income	3.8%

- Assess both projected per-unit HAP costs (see above image) and housing cost burdens (see image on the following page) results in Year 2 – 2025. To assess housing cost burdens, click the orange **Rent Burden: Area Bdrn Size** button in the upper right-hand corner of the **PST – Multiple Worksheet** tab to understand the impacts resulting from proposed SAFMR-based payment standards by ZIP code.



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Overall, by the end of 2025, your PUC will increase by \$118.13, or about 13.8%.

Program-Wide PUC Change from Current

	2024	2025	2026
January	\$0.00	\$6.61	\$2.77
February	\$0.00	\$4.57	\$1.99
March	\$0.00	\$4.64	\$1.97
April	\$0.00	\$6.30	\$2.94
May	\$0.96	\$5.83	\$2.84
June	\$1.01	\$6.13	\$2.84
July	\$0.71	\$6.50	\$2.89
August	\$1.14	\$6.68	\$2.76
September	\$0.98	\$7.46	\$3.58
October	\$0.72	\$8.04	\$3.60
November	\$0.86	\$7.02	\$3.29
December	\$0.91	\$6.43	\$3.16

PUC Change Type: Program-Wide

Area-->Voucher Bedroom Size	Total	Current		CYE 2025 - Year 2	
		% >= 41%	% >= 31%	% >= 41%	% >= 31%
= 85705					
0	1	0.0%	0.0%	0.0%	0.0%
1	431	3.0%	19.3%	2.1%	13.2%
2	100	7.0%	23.0%	5.0%	18.0%
3	76	3.9%	11.8%	2.6%	10.5%
4	15	6.7%	13.3%	6.7%	6.7%
5	2	0.0%	50.0%	0.0%	50.0%
= 85706					
1	227	2.6%	8.8%	1.8%	6.2%
2	142	15.5%	25.4%	12.0%	22.5%
3	122	3.3%	13.1%	3.3%	8.2%
4	38	5.3%	10.5%	2.6%	5.3%
5	4	0.0%	0.0%	0.0%	0.0%

8. **Transfer per-unit HAP costs into the TYT.** The example above demonstrates projected per-unit HAP costs of a PHA's proposed SAFMR-based payment standards effective January 1, 2025. In the **Manual PUC Override** cells (**Column M**), enter the per-unit per-month HAP costs from January 2025 onwards by entering the formula $= (L34 + 6.61)$ in the formula bar (December 2024 plus \$6.61, highlighted in orange above). Then, enter February 2025 per-unit HAP costs into February 2025 of the TYT by using the formula $= (L37 + 4.57)$, (January 2025 plus \$4.57), and so on. PHAs should include their current



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HAP renewal funding inflation factor into **Year 2 (2025) Rebenchmark (Cell H6)** as a placeholder to reflect projected inflated HAP revenue for the following year.

2025	UMAs	Actual UMLs	Actual HAP	Vouchers Issued / Projected to be Issued	Other Planned Additions/ Reductions	New Leasing from Issued Vouchers	Estimated Attrition	UMLs: Actual / Projected	HAP: Actual / Projected	PUC: Actual / Projected	Manual PUC Override
Jan-25	4,919				3	0	-38.2	3,909	\$4,457,842	\$1,141	\$1,141
Feb-25	4,919				3	0	-37.9	3,874	\$4,436,117	\$1,145	\$1,145
Mar-25	4,919				3	0	-37.5	3,840	\$4,414,730	\$1,150	\$1,150
Apr-25	4,919				3	0	-37.2	3,806	\$4,399,726	\$1,156	\$1,156
May-25	4,919				3	0	-36.9	3,772	\$4,382,904	\$1,162	\$1,162
Jun-25	4,919				3	0	-36.6	3,739	\$4,367,192	\$1,168	\$1,168
Jul-25	4,919				3	0	-36.2	3,706	\$4,352,821	\$1,174	\$1,174
Aug-25	4,919				3	0	-35.9	3,674	\$4,339,061	\$1,181	\$1,181
Sep-25	4,919				3	0	-35.6	3,641	\$4,328,081	\$1,189	\$1,189
Oct-25	4,919				3	0	-35.3	3,609	\$4,319,087	\$1,197	\$1,197
Nov-25	4,919				3	0	-35.0	3,578	\$4,306,302	\$1,204	\$1,204
Dec-25	4,919				3	0	-34.7	3,546	\$4,291,352	\$1,210	\$1,210
Total	59,028	0	\$0	0	40	0	-437.0	44,694	\$52,395,214	\$1,172	

9. **Assess outcomes versus goals.** The proposed SAFMR-based payment standards plus three assumptions (e.g., contract rent, utility allowance, and tenant income) per-unit per month HAP costs are now captured in the **Manual PUC Override** column of the TYT. With this information, a PHA can assess and reassess the proposed impacts relative to its total HAP funding available in the given year (e.g., 2025) and future years and weigh them in relation to their goals for voucher lease-up, HAP budget utilization, housing cost burdens, and expanding affordable housing opportunities in high-opportunity, low-poverty areas. PHAs can also adjust their initially proposed SAFMR-based payment standards accordingly. The TYT **Leasing and Spending Outcomes: Current and Following Year Projections** (in the upper right-hand corner) shows if different scenarios will result in the proper utilization of funding, avoiding excess reserves or shortfall.

If a PHA believes it needs payment standards for a specific ZIP code that is outside the basic range of 90–110% of SAFMRs (according to [CFR 982.503\(e\)](#) and [24 CFR 982.503\(d\)](#)):

- **Below 90% of SAFMRs:** HUD may consider a PHA’s request for approval to establish a payment standard amount lower than the basic range.
- **Above 110% of SAFMRs:** All PHAs that meet at least one of the two specified criteria below may establish an exception payment standard amount greater than 110%, up to 120%, of their applicable upon notification to HUD:
 - **Success rate:** Fewer than 75% of the families to whom the PHA issued tenant-based vouchers during the most recent 12-month period for which there is success rate data available have become participants in the voucher program; and/or
 - **Rent burden:** More than 40% of families with tenant-based vouchers administered by the agency pay more than 30% of adjusted income as the family share.

PHAs must submit a notification to HUD through electronic submission found in [PIH Notice 2024-34](#), selecting option 4; PHAs will certify that they meet at least one of the two required criteria.



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SAFMR RESOURCES AND RELEVANT NOTICES

- [HUD's SAFMR Website](#)
- [24 CFR 982.503](#)
- [Ask a Question](#)
- [SAFMRs on HUD Exchange](#) (FAQs, office hours, the Virtual Convening, and sample materials)
- [HUD PIH SAFMR Dashboard](#)
- [SAFMR Office Hours: Implementing Mandatory SAFMRs](#)
- [HUD's HCV Utilization Tools](#) (links to the TYT, HCV training videos, the ToT, etc.)
- [PIH Notice 2023-32](#)
- [PIH Notice 2024-34](#)
- [Small Area Fair Market Rent Data](#)
- [HOTMA HCV and PBV Implementation](#)

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