

# Metro HRA

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## Metro HRA Payment Standards

October 5, 2015

Community Development Committee



# Proposed Action

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- That the Metropolitan Council adopt amounts listed in the business item as Payment Standards for the Housing Choice Voucher and other rental assistance programs effective November 1, 2015.

# Payment Standards (PS)

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- Payment Standards = Rent Limits
  - Amount needed to rent a modest housing unit
- Must be reviewed annually
- Limited by Fair Market Rents (FMR) set by HUD
- Set by bedroom size
- High enough to allow choice in all neighborhoods
- Low enough to serve as many families as possible



# Payment Standard Example

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## 2 bedroom apartment

- Rent = \$1000
- Utility allowance = \$ 49 (electric only)
- Gross Rent = \$1049
- 2 bedroom payment Standard = \$1025
- The unit cost is over the payment standard. Tenant pays 30% of their income plus the difference.
- Tenant rent portion may not exceed 40% of income at move in.

# Payment Standards (PS)

Bedroom Size	Current <b>Basic</b> Payment Standards	Proposed <b>Basic</b> Payment Standards	Current <b>Exception</b> Payment Standards*	Proposed <b>Exception</b> Payment Standards
0	\$651	\$651	\$675	\$700
1	\$830	\$850	\$875	\$880
2	\$1000	\$1025	\$1090	\$1115
3	\$1355	\$1430	\$1475	\$1550
4	\$1575	\$1675	\$1700	\$1825
5	\$1810	\$1925	\$1950	\$2100
6	\$2050	\$2175	\$2200	\$2350

\*Exception communities: Chanhassen, Chaska, Eden Prairie, Edina, Excelsior, Golden Valley, Hopkins, Maple Grove, Minnetonka, Roseville, Shoreview and St. Anthony

# Rationale

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- Allow participants choice of rental units in all communities served
- Avoid concentrations in lowest costs communities and neighborhoods
- Maintain rent burden to participant at 30%-40% of adjusted income towards housing costs
- Serve as many families as possible with allocated funding

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## Metro HRA Payment Standards

October 6, 2014

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