

## Community Development Committee

Meeting date: November 5, 2018

**Subject:** Twin Cities Rents and Payment Standards Discussion

**District(s), Member(s):** All

**Policy/Legal Reference:** 24 CFR Part 982

**Staff Prepared/Presented:** Joel Hutting, Manager, Regional Policy and Research (651) 602-1349, Heather Aagesen-Huebner, Director, Finance and Administration, (651) 602-1728, Terri Smith, Director, Housing and Redevelopment Authority (651) 602-1187

**Division/Department:** Community Development / Research, Finance, and HRA

### Proposed Action

None. Information only.

### Background

The Metropolitan Council must annually review and adopt Payment Standards (rent limits) to be used in the administration of the Housing Choice Voucher and other rent assistance programs. Payment standards must be set at amounts that ensure a sufficient supply of privately owned rental housing is available to program participants.

Payment standards are limited by the Fair Market Rents (FMRs) published annually by the U.S. Department of Housing and Urban Development (HUD). By federal regulation, the Metropolitan Council is provided the flexibility to establish payment standards between 90% and 110% of the published FMRs. The 2019 FMRs for the metro area increased by 5.6% to 6.8%. This has substantial implications for the Council budget and low-income families in the region.

The purpose of this information item is to provide context and information for the Committee's discussion and consideration. Council staff will provide an overview of what is happening in the regional housing market, including information on rental rates, vacancy rates, and the number of affordable units available. Council staff will then provide Payment Standard scenario options for consideration, along with the budgetary impacts of the FMR increases, to support a Council member policy discussion on this topic. This item will be followed by a business item at an upcoming Community Development Committee meeting.