

Community Development Committee

Meeting date: November 18, 2019

Subject: Twin Cities Rents and Metro HRA Payment Standards Discussion

District(s), Member(s): All

Policy/Legal Reference: 24 CFR Part 982

Staff Prepared/Presented: Terri Smith, Director, Housing and Redevelopment Authority (651) 602-1187

Division/Department: Community Development / 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 voucher program participants. The purpose of this information item is to provide context and information for the Committee's upcoming decision on adopting rent limits for implementation in 2020.

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 2020 FMRs for the metro area increased by 5.3% to 7%. This has substantial budget implications for the Council and low-income families in the region.

The information item will include discussion on Small Area Fair Market Rents (SAFMR) as an option to setting rent limits at the zip code level instead of for the entire metropolitan area.

This item will be followed by a business action item at an upcoming Community Development Committee meeting to adopt rent limits.