

Community Development Committee

Meeting date: November 16, 2020

For the Metropolitan Council meeting of December 9, 2020

Subject: 2021 Payment Standards for Metro HRA Rent Assistance Programs

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

That the Metropolitan Council adopt payment standards as shown in Table 1 for the Housing Choice Voucher and other rent assistance programs effective January 1, 2021.

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 should be set at amounts that ensure voucher holders can be successful in placing their voucher in a neighborhood of their choice.

The Council adopted Small Area Fair Market Rents (SAFMRs) for implementation in 2020 ([Business Item 2019-350](#)). SAFMRs are rent limits adopted at the zip code level instead of for an entire metropolitan area. This allows for higher rent limits in higher rent areas and lower rent limits in lower rent areas of the region. The goal of SAFMRs is to improve housing choice in all neighborhoods, increase voucher placement success and provide for budget neutral potential in future years.

Although the Council adopted SAFMRs in December 2019, the Metro HRA did not receive approval from the U.S. Department of Housing and Urban Development until January 23, 2020. Council staff developed an online tool in February 2020 and planned engagement meetings with voucher holders in March 2020. When COVID-19 hit in March 2020, it required a refocus on pandemic planning and response. As a result, SAFMRs were not implemented until July 2020, limiting the data available to analyze the impact of SAFMRs.

HUD issued 2021 SAFMRs in August 2020. By federal regulation, the Metropolitan Council is provided the flexibility to establish payment standards between 90% and 110% of the published SAFMRs. The Metro HRA service area includes 82 zip codes. The currently adopted payment standards fall within the required range except for 13 zip codes that would need minor adjustments to become within range.

Staff presented an information item at the [Information Item CDC Meeting](#), to share rental market data that is available, discuss the factors influencing payments standards, and gather feedback from Committee members. Staff shared:

- Vacancy rates are rising – currently at 6.1%, the highest in a 10-year period. A healthy vacancy rate is 5-6%.
- Rents are leveling off.
- Current payment standards generally fall within average rents.

Staff recommends the adoption of current payment standards with minor adjustments in 13 zip codes that fall outside of the required range, as shown in Table 1 below. There are 30 families living in the 5 of the impacted zip codes, all in areas with an increase resulting in no negative impact. There are no families living in 8 of the impacted zip codes.

Rationale

Keeping the current, recently implemented payment standards allows for full analysis of the SAFMR implementation and further evaluation of any need for change. Current changes in the rental market with increasing vacancy rates and flattening rents also indicate that it may be premature to make changes to payment standards for 2021.

Thrive Lens Analysis

The recommended action supports the Thrive outcomes of equity, livability and stewardship. Thrive 2040 states the Council will:

- Offer housing options that give people in all life stages viable choices for stable housing;
- Develop and provide tools, including competitive rent limits in higher-cost communities to enable voucher holders to choose a location that best meets their needs.

Funding

Funding for the Housing Choice Voucher and Housing Opportunities for People with AIDS programs is provided by the U.S. Department of Housing and Urban Development. Funding for the Minnesota Housing Trust Fund Programs is provided by Minnesota Housing Finance Agency.

Known Support / Opposition

An information item was presented to the Community Development Committee on November 2, 2020, to discuss payment standard options. There was full support of the recommended action.

TABLE 1
METRO HRA SMALL AREA FAIR MARKET RENTS BY ZIP CODE
Effective January 1, 2021

Zip Code	Community 1	Community 2	Community 3	Community 4	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom	6 Bedroom	Number of families	Increase	Decrease
55005	Bethel	East Bethel	Lino Lakes		\$950	\$1,130	\$1,410	\$2,000	\$2,350	\$2,703	\$3,055			
55011	Cedar	East Bethel	Oak Grove		\$1,180	\$1,390	\$1,740	\$2,470	\$2,900	\$3,335	\$3,770			
55014	Circle Pines	Blaine	Columbus	Lexington	\$940	\$1,110	\$1,390	\$1,970	\$2,320	\$2,668	\$3,016			
55025	Forest Lake	Columbus			\$860	\$1,020	\$1,270	\$1,800	\$2,120	\$2,438	\$2,756			
55038	Hugo	Centerville	Columbus	Lino Lakes	\$1,090	\$1,300	\$1,620	\$2,300	\$2,700	\$3,105	\$3,510			
55055	Newport				\$705	\$830	\$1,040	\$1,480	\$1,740	\$2,001	\$2,262	0		
55070	Saint Francis				\$760	\$900	\$1,130	\$1,600	\$1,890	\$2,174	\$2,457			
55075	South Saint Paul	S Saint Paul			\$740	\$870	\$1,090	\$1,550	\$1,820	\$2,093	\$2,366			
55092	Wyoming	Columbus	East Bethel		\$1,050	\$1,240	\$1,550	\$2,200	\$2,590	\$2,979	\$3,367			
55101	Saint Paul				\$1,090	\$1,290	\$1,610	\$2,280	\$2,690	\$3,094	\$3,497			
55102	Saint Paul				\$910	\$1,070	\$1,340	\$1,900	\$2,240	\$2,576	\$2,912			
55103	Saint Paul				\$690	\$830	\$1,040	\$1,480	\$1,740	\$2,001	\$2,262			
55104	Saint Paul				\$800	\$940	\$1,180	\$1,670	\$1,970	\$2,266	\$2,561			
55105	Saint Paul				\$840	\$990	\$1,240	\$1,760	\$2,070	\$2,381	\$2,691			
55106	Saint Paul	Maplewood			\$720	\$860	\$1,070	\$1,520	\$1,790	\$2,059	\$2,327			
55107	Saint Paul	West Saint Paul			\$760	\$900	\$1,130	\$1,600	\$1,890	\$2,174	\$2,457			
55108	Saint Paul	Falcon Heights	Lauderdale		\$810	\$960	\$1,200	\$1,700	\$2,000	\$2,300	\$2,600			
55109	Saint Paul	Little Canada	Maplewood	N Saint Paul	\$750	\$890	\$1,110	\$1,570	\$1,850	\$2,128	\$2,405			
55110	Saint Paul	Birchwood	Dellwood	Gem Lake	\$770	\$910	\$1,140	\$1,620	\$1,900	\$2,185	\$2,470			
55111	Saint Paul	Fort Snelling			\$845	\$1,000	\$1,250	\$1,780	\$2,075	\$2,380	\$2,700	0		
55112	Saint Paul	Arden Hills	Moundsview	New Brighton	\$750	\$890	\$1,110	\$1,570	\$1,850	\$2,128	\$2,405			
55113	Saint Paul	Falcon Heights	Lauderdale	Roseville	\$810	\$960	\$1,200	\$1,700	\$2,000	\$2,300	\$2,600			
55114	Saint Paul				\$880	\$1,040	\$1,300	\$1,840	\$2,170	\$2,496	\$2,821			
55115	Saint Paul	Grant	Mahtomedi		\$850	\$1,010	\$1,260	\$1,790	\$2,100	\$2,415	\$2,730			
55116	Saint Paul				\$920	\$1,090	\$1,360	\$1,930	\$2,270	\$2,611	\$2,951			
55117	Saint Paul	Little Canada	Maplewood		\$760	\$900	\$1,130	\$1,600	\$1,890	\$2,174	\$2,457			
55118	Saint Paul	Lilydale	Mendota Heights	Sunfish Lake	\$770	\$910	\$1,140	\$1,620	\$1,900	\$2,185	\$2,470			
55119	Saint Paul	Maplewood			\$760	\$900	\$1,130	\$1,600	\$1,890	\$2,174	\$2,457			
55120	Saint Paul	Eagan	Mendota Heights		\$910	\$1,080	\$1,350	\$1,920	\$2,250	\$2,588	\$2,925			
55121	Saint Paul	Eagan			\$860	\$1,020	\$1,270	\$1,800	\$2,120	\$2,438	\$2,756			
55125	Saint Paul	Woodbury			\$1,070	\$1,260	\$1,580	\$2,240	\$2,640	\$3,036	\$3,432			
55126	Saint Paul	Arden Hills	Lino Lakes	North Oaks	\$950	\$1,130	\$1,410	\$2,000	\$2,350	\$2,703	\$3,055			
55127	Saint Paul	North Oaks	Vadnais Heights	White Bear LK	\$960	\$1,140	\$1,420	\$2,010	\$2,370	\$2,726	\$3,081			
55128	Saint Paul	Landfill	Oakdale		\$880	\$1,040	\$1,300	\$1,840	\$2,170	\$2,496	\$2,821			
55130	Saint Paul				\$700	\$830	\$1,040	\$1,480	\$1,740	\$2,001	\$2,262			
55303	Anoka	Andover	Oak Grove	Ramsey	\$780	\$920	\$1,150	\$1,630	\$1,920	\$2,208	\$2,496			
55304	Andover	Anoka	Ham Lake		\$1,125	\$1,325	\$1,640	\$2,310	\$2,720	\$3,128	\$3,536	4		
55305	Hopkins	Minnnetonka			\$1,040	\$1,230	\$1,540	\$2,180	\$2,570	\$2,956	\$3,341			
55311	Osseo	Corcoran	Hassan Township	Maple Grove	\$1,200	\$1,420	\$1,770	\$2,510	\$2,950	\$3,393	\$3,835			
55315	Carver				\$840	\$1,000	\$1,250	\$1,770	\$2,080	\$2,392	\$2,704			
55316	Champlin				\$950	\$1,120	\$1,400	\$1,990	\$2,340	\$2,691	\$3,042			
55317	Chanhassen				\$970	\$1,150	\$1,440	\$2,040	\$2,400	\$2,760	\$3,120			
55318	Chaska				\$840	\$1,000	\$1,250	\$1,770	\$2,090	\$2,404	\$2,717			
55322	Cologne				\$900	\$1,065	\$1,320	\$1,870	\$2,200	\$2,530	\$2,860	0		
55327	Dayton	Hassan	Otsego		\$950	\$1,130	\$1,410	\$2,000	\$2,350	\$2,703	\$3,055			
55331	Excelsior	Deephaven	Greenwood	Minnetrista	\$770	\$910	\$1,140	\$1,620	\$1,900	\$2,185	\$2,470			
55337	Burnsville				\$850	\$1,010	\$1,260	\$1,790	\$2,100	\$2,415	\$2,730			
55340	Hamel	Corcoran	Medina		\$1,160	\$1,380	\$1,720	\$2,440	\$2,870	\$3,301	\$3,731			
55343	Hopkins	Eden Prairie	Edina	Minnnetonka	\$900	\$1,060	\$1,330	\$1,890	\$2,220	\$2,553	\$2,886			
55344	Eden Prairie				\$990	\$1,180	\$1,470	\$2,090	\$2,450	\$2,818	\$3,185			
55345	Minnnetonka	Hopkins			\$975	\$1,150	\$1,440	\$2,040	\$2,400	\$2,760	\$3,120	0		
55346	Eden Prairie				\$1,230	\$1,460	\$1,820	\$2,580	\$3,040	\$3,496	\$3,952			
55347	Eden Prairie				\$1,210	\$1,430	\$1,790	\$2,540	\$2,990	\$3,439	\$3,887			
55352	Jordan				\$860	\$1,020	\$1,270	\$1,800	\$2,120	\$2,438	\$2,756			

55356	Long Lake	Orono			\$900	\$1,055	\$1,310	\$1,860	\$2,190	\$2,519	\$2,847	0
55357	Loretto	Corcoran	Greenfield	Independence	\$710	\$850	\$1,070	\$1,520	\$1,780	\$2,047	\$2,314	
55359	Maple Plain	Independence	Medina	Minnetrista	\$720	\$850	\$1,060	\$1,500	\$1,770	\$2,036	\$2,301	
55360	Mayer				\$1,160	\$1,380	\$1,720	\$2,440	\$2,870	\$3,301	\$3,731	
55364	Mound	Minnetrista	Orono	Shorewood	\$730	\$860	\$1,070	\$1,520	\$1,790	\$2,059	\$2,327	0
55367	New Germany				\$690	\$830	\$1,040	\$1,480	\$1,740	\$2,001	\$2,262	
55368	Norwood Young Am	Norwood	Nya		\$690	\$830	\$1,040	\$1,480	\$1,740	\$2,001	\$2,262	
55369	Osseo	Dayton	Hassan	Maple Grove	\$1,020	\$1,210	\$1,510	\$2,140	\$2,520	\$2,898	\$3,276	
55374	Rogers	Corcoran	Hassan	Otsego	\$1,070	\$1,260	\$1,580	\$2,240	\$2,640	\$3,036	\$3,432	
55375	Saint Bonifacius	Minnetrista			\$1,085	\$1,285	\$1,595	\$2,265	\$2,670	\$3,060	\$3,471	0
55378	Savage				\$940	\$1,110	\$1,390	\$1,970	\$2,320	\$2,668	\$3,016	
55379	Shakopee	Prior Lake			\$850	\$1,010	\$1,260	\$1,790	\$2,100	\$2,415	\$2,730	
55384	Spring Park				\$830	\$980	\$1,230	\$1,740	\$2,050	\$2,358	\$2,665	
55386	Victoria				\$760	\$900	\$1,130	\$1,600	\$1,890	\$2,174	\$2,457	
55387	Waconia	Minnetrista			\$760	\$900	\$1,130	\$1,600	\$1,890	\$2,174	\$2,457	
55388	Watertown	Minnetrista			\$690	\$830	\$1,040	\$1,480	\$1,740	\$2,001	\$2,262	
55391	Wayzata	Deephaven	Orono	Woodland	\$1,035	\$1,215	\$1,515	\$2,125	\$2,495	\$2,870	\$3,245	7
55397	Young America				\$690	\$830	\$1,040	\$1,480	\$1,740	\$2,001	\$2,262	
55401	Minneapolis				\$1,230	\$1,460	\$1,820	\$2,580	\$3,040	\$3,496	\$3,952	
55402	Minneapolis				\$1,080	\$1,280	\$1,600	\$2,270	\$2,670	\$3,071	\$3,471	
55403	Minneapolis				\$840	\$1,000	\$1,250	\$1,770	\$2,090	\$2,404	\$2,717	
55404	Minneapolis				\$810	\$960	\$1,200	\$1,700	\$2,000	\$2,300	\$2,600	
55405	Minneapolis				\$800	\$940	\$1,180	\$1,670	\$1,970	\$2,266	\$2,561	
55406	Minneapolis				\$830	\$980	\$1,230	\$1,740	\$2,050	\$2,358	\$2,665	
55407	Minneapolis				\$820	\$980	\$1,220	\$1,730	\$2,040	\$2,346	\$2,652	
55408	Minneapolis				\$930	\$1,100	\$1,370	\$1,940	\$2,290	\$2,634	\$2,977	
55409	Minneapolis				\$840	\$990	\$1,240	\$1,760	\$2,070	\$2,381	\$2,691	
55410	Minneapolis	Edina			\$970	\$1,150	\$1,440	\$2,040	\$2,400	\$2,760	\$3,120	
55411	Minneapolis				\$730	\$860	\$1,080	\$1,530	\$1,800	\$2,070	\$2,340	
55412	Minneapolis				\$820	\$980	\$1,220	\$1,730	\$2,040	\$2,346	\$2,652	
55413	Minneapolis				\$850	\$1,010	\$1,260	\$1,790	\$2,100	\$2,415	\$2,730	
55414	Minneapolis				\$850	\$1,010	\$1,260	\$1,790	\$2,100	\$2,415	\$2,730	
55415	Minneapolis				\$1,010	\$1,200	\$1,500	\$2,130	\$2,500	\$2,875	\$3,250	
55416	Minneapolis	Edina	Golden Valley	Saint Louis Park	\$1,030	\$1,220	\$1,530	\$2,170	\$2,550	\$2,933	\$3,315	
55417	Minneapolis				\$820	\$970	\$1,210	\$1,720	\$2,020	\$2,323	\$2,626	
55418	Minneapolis	Saint Anthony			\$790	\$940	\$1,170	\$1,660	\$1,950	\$2,243	\$2,535	
55419	Minneapolis				\$890	\$1,050	\$1,310	\$1,860	\$2,190	\$2,519	\$2,847	
55420	Minneapolis	Bloomington			\$880	\$1,040	\$1,300	\$1,840	\$2,170	\$2,496	\$2,821	
55421	Minneapolis	Columbia Heights	Fridley	Hilltop	\$780	\$920	\$1,150	\$1,630	\$1,920	\$2,208	\$2,496	
55422	Minneapolis	Crystal	Golden Valley	Robbinsdale	\$860	\$1,020	\$1,280	\$1,820	\$2,140	\$2,461	\$2,782	
55423	Minneapolis	Edina	Richfield		\$830	\$980	\$1,230	\$1,740	\$2,050	\$2,358	\$2,665	
55424	Minneapolis	Edina	Saint Louis Park		\$970	\$1,140	\$1,430	\$2,030	\$2,390	\$2,749	\$3,107	
55425	Minneapolis	Bloomington			\$800	\$950	\$1,190	\$1,690	\$1,990	\$2,289	\$2,587	
55426	Minneapolis	Golden Valley	Saint Louis Park		\$840	\$1,000	\$1,250	\$1,770	\$2,090	\$2,404	\$2,717	
55427	Minneapolis	Crystal	Golden Valley	New Hope	\$780	\$920	\$1,150	\$1,630	\$1,920	\$2,208	\$2,496	
55428	Minneapolis	Brooklyn Center	Brooklyn Park	Crystal	\$780	\$920	\$1,150	\$1,630	\$1,920	\$2,208	\$2,496	
55429	Minneapolis	Brooklyn Center	Brooklyn Park		\$795	\$930	\$1,160	\$1,650	\$1,940	\$2,231	\$2,522	1
55430	Minneapolis	Brooklyn Center			\$810	\$960	\$1,200	\$1,700	\$2,000	\$2,300	\$2,600	
55431	Minneapolis	Bloomington			\$960	\$1,140	\$1,420	\$2,010	\$2,370	\$2,726	\$3,081	
55432	Minneapolis	Fridley	Spring Lake Park		\$770	\$910	\$1,140	\$1,620	\$1,900	\$2,185	\$2,470	
55433	Minneapolis	Coon Rapids			\$820	\$970	\$1,210	\$1,720	\$2,020	\$2,323	\$2,626	
55434	Minneapolis	Blaine			\$810	\$955	\$1,190	\$1,690	\$1,990	\$2,289	\$2,587	1
55435	Minneapolis	Bloomington	Edina		\$1,035	\$1,220	\$1,520	\$2,160	\$2,540	\$2,921	\$3,302	17
55436	Minneapolis	Edina	Saint Louis Park		\$1,040	\$1,230	\$1,540	\$2,180	\$2,570	\$2,956	\$3,341	
55437	Minneapolis	Bloomington			\$850	\$1,010	\$1,260	\$1,790	\$2,100	\$2,415	\$2,730	
55438	Minneapolis	Bloomington			\$930	\$1,100	\$1,380	\$1,960	\$2,300	\$2,645	\$2,990	
55439	Minneapolis	Bloomington	Edina		\$930	\$1,100	\$1,370	\$1,940	\$2,290	\$2,634	\$2,977	
55441	Minneapolis	Medicine Lake	Plymouth		\$930	\$1,100	\$1,370	\$1,940	\$2,290	\$2,634	\$2,977	
55442	Minneapolis	Plymouth			\$1,140	\$1,340	\$1,680	\$2,380	\$2,800	\$3,220	\$3,640	

55443	Minneapolis	Brooklyn Center	Brooklyn Park		\$890	\$1,050	\$1,310	\$1,860	\$2,190	\$2,519	\$2,847	
55444	Minneapolis	Brooklyn Center	Brooklyn Park		\$850	\$1,010	\$1,260	\$1,790	\$2,100	\$2,415	\$2,730	
55445	Minneapolis	Brooklyn Park			\$1,160	\$1,380	\$1,720	\$2,440	\$2,870	\$3,301	\$3,731	
55446	Minneapolis	Plymouth			\$1,100	\$1,300	\$1,630	\$2,310	\$2,720	\$3,128	\$3,536	
55447	Minneapolis	Plymouth			\$990	\$1,170	\$1,460	\$2,070	\$2,440	\$2,806	\$3,172	
55448	Minneapolis	Coon Rapids			\$960	\$1,140	\$1,420	\$2,010	\$2,370	\$2,726	\$3,081	
55449	Minneapolis	Blaine			\$1,160	\$1,380	\$1,720	\$2,440	\$2,870	\$3,301	\$3,731	
55450	Minneapolis				\$810	\$965	\$1,210	\$1,705	\$2,010	\$2,310	\$2,615	0
55454	Minneapolis				\$690	\$830	\$1,040	\$1,480	\$1,740	\$2,001	\$2,262	
55455	Minneapolis				\$790	\$940	\$1,170	\$1,660	\$1,950	\$2,243	\$2,535	
56011	Belle Plaine				\$710	\$830	\$1,050	\$1,480	\$1,740	\$2,001	\$2,262	