

Community Development Committee

Meeting date: November 2, 2020

Subject: 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 and Joel Huting, Manager, Research (651) 602-1349

Division/Department: Community Development/ HRA / Research

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 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. 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 of the region 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 get 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. 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. Staff have been digesting the new SAFMRs and analyzing changes in the regional rental market. The purpose of this information item is to share data that is available today, discuss the factors influencing payments standards, and gather feedback from Committee members prior to an action item at an upcoming Community Development Committee meeting to adopt payment standards for 2021.