

Community Development Committee

Meeting date: November 1, 2021

For the Metropolitan Council meeting of November 10, 2021

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

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, 2022.

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.

HUD issued 2022 new SAFMRs in August 2021. 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 124 zip codes.

Staff presented an information item at the [October 18, 2021 CDC Meeting](#) to share rental market data that is available, discuss the factors influencing payments standards, and gather feedback from Committee members. Staff shared:

- The adoption of SAFMRs has increased the number of voucher households living in higher rent areas, partially due to higher payment standards resulting in increased choice.
- Rents continue to rise faster than inflation.
- Vacancy rates remain very low.
- Rent burden of current program participants = 48% paying more than 30% of income towards rent.
- Current payment standards are, for the most part, outside of the current allowable range (90%-110% of the newly issued SAFMRs).

Staff shared three options with the CDC members as described in the table below:

Option 1	Option 2	Option 3
Minimal changes to bring payment standards into required range	Changes based on market, average rents and local rental market knowledge	Adjust all payment standards to 100% of the new SAFMRs
<ul style="list-style-type: none"> • Increases in 80 zip codes • Decreases in 3 zip codes • Future rent burden 48% • Costs \$1 Million to implement or reduction in service up to 100 households 	<ul style="list-style-type: none"> • Increases in 100 zip codes • Decreases in 24 zip codes • Future rent burden 36% • Costs \$2.2 Million to implement or reduction in service up to 190 households 	<ul style="list-style-type: none"> • Increases in 115 zip codes • Decreases in 9 zip codes • Future rent burden 24% • Costs \$3.4 Million to implement or reduction in service up to 410 households

The financial impact numbers in the above table are worst case scenario and assume all voucher holders remain in the same units with the same rents and the federal funding remains the same from 2021 to 2022. These are all assumptions that we know will not be the reality but are based on the data we have today. The hope is the federal funding is enough to serve all families under Option 2.

CDC members recommended Option 2, providing balance between continued service to as many families as possible while adopting high enough rent limits to ensure housing choice for voucher holders. The recommended payment standards in Table 2 are reflective of Option 2.

Rationale

The federal regulations require adjustments to at least 80 zip codes to bring payment standards in line with the required range. Increasing payment standards in an additional 20 zip codes will bring payment standards more in line with average rents and provide more locational choice for voucher holders.

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 October 18, 2021, to discuss payment standard options. There appeared to be full support of Option 2 outlined above. HRA staff discussed the implementation of SAFMRs with the Resident Advisory Board, a group of voucher holders from around the region. All were supportive.

TABLE 1
METRO HRA SMALL AREA FAIR MARKET RENTS BY ZIP CODE
Effective January 1, 2022

Zip Code	Community 1	Community 2	Community 3	Community 4	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom	6 Bedroom
55005	Bethel	East Bethel	Linwood		\$1,017	\$1,178	\$1,454	\$2,035	\$2,396	\$2,755	\$3,115
55011	Cedar	East Bethel	Oak Grove		\$1,254	\$1,444	\$1,786	\$2,496	\$2,939	\$3,380	\$3,821
55014	Circle Pines	Blaine	Columbus	Lexington	\$1,026	\$1,188	\$1,463	\$2,045	\$2,415	\$2,778	\$3,140
55025	Forest Lake	Columbus			\$903	\$1,045	\$1,292	\$1,805	\$2,124	\$2,443	\$2,762
55038	Hugo	Centerville	Columbus	Lino Lakes	\$1,169	\$1,359	\$1,672	\$2,342	\$2,755	\$3,168	\$3,581
55055	Newport				\$770	\$903	\$1,121	\$1,594	\$1,892	\$2,175	\$2,459
55070	Saint Francis				\$855	\$988	\$1,216	\$1,699	\$2,008	\$2,309	\$2,610
55075	South Saint Paul	S Saint Paul	Inver Grove Heights		\$779	\$903	\$1,121	\$1,594	\$1,892	\$2,175	\$2,459
55092	Wyoming	Columbus	East Bethel		\$893	\$1,045	\$1,292	\$1,834	\$2,183	\$2,510	\$2,837
55101	Saint Paul				\$1,188	\$1,368	\$1,691	\$2,371	\$2,784	\$3,201	\$3,619
55102	Saint Paul				\$941	\$1,083	\$1,340	\$1,872	\$2,212	\$2,543	\$2,875
55103	Saint Paul				\$770	\$903	\$1,121	\$1,594	\$1,892	\$2,175	\$2,459
55104	Saint Paul				\$836	\$960	\$1,188	\$1,661	\$1,959	\$2,253	\$2,547
55105	Saint Paul				\$893	\$1,036	\$1,273	\$1,786	\$2,095	\$2,409	\$2,724
55106	Saint Paul	Maplewood			\$770	\$903	\$1,121	\$1,594	\$1,892	\$2,175	\$2,459
55107	Saint Paul	West Saint Paul			\$827	\$960	\$1,178	\$1,651	\$1,940	\$2,231	\$2,522
55108	Saint Paul	Falcon Heights	Lauderdale		\$884	\$1,026	\$1,264	\$1,766	\$2,086	\$2,398	\$2,711
55109	Saint Paul	Little Canada	Maplewood	N Saint Paul	\$861	\$1,000	\$1,178	\$1,703	\$1,980	\$2,277	\$2,574
55110	Saint Paul	Birchwood	Dellwood	Gem Lake	\$871	\$1,010	\$1,247	\$1,733	\$2,010	\$2,311	\$2,613
55111	Saint Paul	Fort Snelling			\$770	\$903	\$1,121	\$1,594	\$1,892	\$2,175	\$2,459
55112	Saint Paul	Arden Hills	Moundsview	New Brighton	\$851	\$980	\$1,208	\$1,673	\$1,950	\$2,243	\$2,535
55113	Saint Paul	Falcon Heights	Lauderdale	Roseville	\$901	\$1,040	\$1,287	\$1,782	\$2,079	\$2,391	\$2,703
55114	Saint Paul				\$950	\$1,093	\$1,349	\$1,891	\$2,221	\$2,554	\$2,888
55115	Saint Paul	Grant	Mahtomedi		\$998	\$1,159	\$1,425	\$1,997	\$2,347	\$2,700	\$3,052
55116	Saint Paul				\$922	\$1,074	\$1,321	\$1,853	\$2,173	\$2,499	\$2,825
55117	Saint Paul	Little Canada	Maplewood		\$861	\$1,000	\$1,228	\$1,703	\$1,980	\$2,277	\$2,574
55118	Saint Paul	Lilydale	Mendota Heights	Sunfish Lake	\$846	\$979	\$1,207	\$1,690	\$1,989	\$2,287	\$2,585
55119	Saint Paul	Maplewood			\$842	\$970	\$1,198	\$1,663	\$1,931	\$2,220	\$2,510
55120	Saint Paul	Eagan	Mendota Heights		\$950	\$1,093	\$1,349	\$1,891	\$2,221	\$2,554	\$2,888
55121	Saint Paul	Eagan			\$922	\$1,074	\$1,321	\$1,853	\$2,173	\$2,499	\$2,825
55125	Saint Paul	Woodbury			\$1,131	\$1,311	\$1,615	\$2,256	\$2,658	\$3,056	\$3,455
55126	Saint Paul	Arden Hills	Lino Lakes	North Oaks	\$988	\$1,140	\$1,421	\$2,009	\$2,366	\$2,721	\$3,076
55127	Saint Paul	North Oaks	Vadnais Heights	White Bear LK	\$1,040	\$1,198	\$1,475	\$2,039	\$2,376	\$2,732	\$3,089
55128	Saint Paul	Landfill	Oakdale		\$903	\$1,045	\$1,283	\$1,795	\$2,115	\$2,432	\$2,749
55130	Saint Paul				\$770	\$903	\$1,121	\$1,594	\$1,892	\$2,175	\$2,459
55303	Anoka	Andover	Oak Grove	Ramsey	\$846	\$1,020	\$1,207	\$1,690	\$1,989	\$2,287	\$2,585
55304	Andover	Anoka	Ham Lake		\$1,226	\$1,416	\$1,748	\$2,448	\$2,881	\$3,313	\$3,745
55305	Hopkins	Minnetonka			\$1,140	\$1,321	\$1,625	\$2,275	\$2,677	\$3,079	\$3,480
55311	Osseo	Corcoran	Hassan Township	Maple Grove	\$1,264	\$1,454	\$1,796	\$2,515	\$2,959	\$3,402	\$3,846
55315	Carver				\$931	\$1,074	\$1,330	\$1,853	\$2,183	\$2,510	\$2,837
55316	Champlin				\$998	\$1,159	\$1,425	\$1,997	\$2,347	\$2,700	\$3,052
55317	Chanhassen				\$1,055	\$1,216	\$1,501	\$2,102	\$2,474	\$2,845	\$3,216
55318	Chaska				\$922	\$1,064	\$1,311	\$1,834	\$2,163	\$2,488	\$2,812
55322	Cologne				\$988	\$1,140	\$1,406	\$1,968	\$2,318	\$2,666	\$3,014

55327	Dayton	Hassan	Otsego		\$998	\$1,159	\$1,425	\$1,997	\$2,347	\$2,700	\$3,052
55331	Excelsior	Deephaven	Greenwood	Minnetrissa	\$836	\$960	\$1,188	\$1,661	\$1,959	\$2,253	\$2,547
55337	Burnsville				\$941	\$1,083	\$1,340	\$1,872	\$2,212	\$2,543	\$2,875
55340	Hamel	Corcoran	Medina		\$1,178	\$1,368	\$1,682	\$2,352	\$2,774	\$3,190	\$3,606
55343	Hopkins	Eden Prairie	Edina	Minnetonka	\$950	\$1,102	\$1,359	\$1,901	\$2,241	\$2,577	\$2,913
55344	Eden Prairie				\$1,083	\$1,254	\$1,549	\$2,170	\$2,551	\$2,934	\$3,316
55345	Minnetonka	Hopkins			\$1,055	\$1,216	\$1,501	\$2,102	\$2,474	\$2,845	\$3,216
55346	Eden Prairie				\$1,311	\$1,520	\$1,872	\$2,621	\$3,085	\$3,547	\$4,010
55347	Eden Prairie				\$1,283	\$1,482	\$1,824	\$2,554	\$3,007	\$3,458	\$3,909
55352	Jordan				\$903	\$1,045	\$1,292	\$1,805	\$2,124	\$2,443	\$2,762
55356	Long Lake	Orono			\$979	\$1,131	\$1,397	\$1,958	\$2,299	\$2,644	\$2,989
55357	Loretto	Corcoran	Greenfield	Independence	\$770	\$903	\$1,121	\$1,594	\$1,892	\$2,175	\$2,459
55359	Maple Plain	Independence	Medina	Minnetrissa	\$770	\$903	\$1,121	\$1,594	\$1,892	\$2,175	\$2,459
55360	Mayer				\$1,055	\$1,216	\$1,501	\$2,102	\$2,474	\$2,845	\$3,216
55364	Mound	Minnetrissa	Orono	Shorewood	\$827	\$960	\$1,178	\$1,651	\$1,940	\$2,231	\$2,522
55367	New Germany				\$770	\$903	\$1,121	\$1,594	\$1,892	\$2,175	\$2,459
55368	Norwood Young America	Norwood	Nya		\$770	\$903	\$1,121	\$1,594	\$1,892	\$2,175	\$2,459
55369	Osseo	Dayton	Hassan	Maple Grove	\$1,102	\$1,283	\$1,577	\$2,208	\$2,600	\$2,990	\$3,379
55374	Rogers	Corcoran	Hassan	Otsego	\$1,045	\$1,207	\$1,492	\$2,083	\$2,454	\$2,822	\$3,190
55375	Saint Bonifacius	Minnetrissa			\$855	\$1,007	\$1,245	\$1,786	\$2,124	\$2,443	\$2,762
55378	Savage				\$1,007	\$1,159	\$1,435	\$2,006	\$2,367	\$2,722	\$3,077
55379	Shakopee	Prior Lake			\$893	\$1,036	\$1,273	\$1,786	\$2,095	\$2,409	\$2,724
55384	Spring Park				\$884	\$1,017	\$1,254	\$1,757	\$2,066	\$2,376	\$2,686
55386	Victoria				\$798	\$922	\$1,140	\$1,610	\$1,892	\$2,175	\$2,459
55387	Waconia	Minnetrissa			\$789	\$922	\$1,131	\$1,610	\$1,892	\$2,175	\$2,459
55388	Watertown	Minnetrissa			\$770	\$903	\$1,121	\$1,594	\$1,892	\$2,175	\$2,459
55391	Wayzata	Deephaven	Orono	Woodland	\$1,197	\$1,378	\$1,701	\$2,381	\$2,803	\$3,224	\$3,644
55397	Young America				\$770	\$903	\$1,121	\$1,594	\$1,892	\$2,175	\$2,459
55401	Minneapolis				\$1,330	\$1,530	\$1,891	\$2,650	\$3,114	\$3,581	\$4,048
55402	Minneapolis				\$1,140	\$1,321	\$1,625	\$2,275	\$2,677	\$3,079	\$3,480
55403	Minneapolis				\$903	\$1,045	\$1,292	\$1,805	\$2,124	\$2,443	\$2,762
55404	Minneapolis				\$855	\$998	\$1,226	\$1,718	\$2,018	\$2,320	\$2,623
55405	Minneapolis				\$865	\$998	\$1,235	\$1,728	\$2,037	\$2,343	\$2,648
55406	Minneapolis				\$893	\$1,036	\$1,273	\$1,786	\$2,095	\$2,409	\$2,724
55407	Minneapolis				\$874	\$1,007	\$1,245	\$1,738	\$2,047	\$2,354	\$2,661
55408	Minneapolis				\$988	\$1,140	\$1,406	\$1,968	\$2,318	\$2,666	\$3,014
55409	Minneapolis				\$855	\$988	\$1,216	\$1,699	\$2,008	\$2,309	\$2,610
55410	Minneapolis	Edina			\$1,017	\$1,169	\$1,444	\$2,047	\$2,401	\$2,761	\$3,121
55411	Minneapolis				\$770	\$903	\$1,121	\$1,594	\$1,892	\$2,175	\$2,459
55412	Minneapolis				\$922	\$1,064	\$1,311	\$1,834	\$2,163	\$2,488	\$2,812
55413	Minneapolis				\$922	\$1,074	\$1,321	\$1,853	\$2,173	\$2,499	\$2,825
55414	Minneapolis				\$865	\$998	\$1,235	\$1,728	\$2,037	\$2,343	\$2,648
55415	Minneapolis				\$1,273	\$1,473	\$1,815	\$2,544	\$2,988	\$3,436	\$3,884
55416	Minneapolis	Edina	Golden Valley	Saint Louis Park	\$1,112	\$1,283	\$1,587	\$2,218	\$2,619	\$3,012	\$3,405
55417	Minneapolis				\$855	\$998	\$1,226	\$1,718	\$2,018	\$2,320	\$2,623
55418	Minneapolis	Saint Anthony			\$817	\$941	\$1,159	\$1,622	\$1,911	\$2,198	\$2,484
55419	Minneapolis				\$950	\$1,093	\$1,349	\$1,891	\$2,221	\$2,554	\$2,888
55420	Minneapolis	Bloomington			\$931	\$1,083	\$1,330	\$1,862	\$2,192	\$2,521	\$2,850
55421	Minneapolis	Columbia Heights	Fridley	Hilltop	\$836	\$960	\$1,188	\$1,661	\$1,959	\$2,253	\$2,547
55422	Minneapolis	Crystal	Golden Valley	Robbinsdale	\$922	\$1,064	\$1,311	\$1,834	\$2,163	\$2,488	\$2,812
55423	Minneapolis	Edina	Richfield		\$874	\$1,007	\$1,245	\$1,738	\$2,047	\$2,354	\$2,661
55424	Minneapolis	Edina	Saint Louis Park		\$998	\$1,150	\$1,416	\$1,978	\$2,328	\$2,677	\$3,026
55425	Minneapolis	Bloomington			\$855	\$998	\$1,226	\$1,718	\$2,018	\$2,320	\$2,623
55426	Minneapolis	Golden Valley	Saint Louis Park		\$950	\$1,093	\$1,349	\$1,891	\$2,221	\$2,554	\$2,888
55427	Minneapolis	Crystal	Golden Valley	New Hope	\$891	\$1,040	\$1,277	\$1,772	\$2,059	\$2,368	\$2,677
55428	Minneapolis	Brooklyn Center	Brooklyn Park	Crystal	\$853	\$990	\$1,215	\$1,686	\$1,960	\$2,254	\$2,548
55429	Minneapolis	Brooklyn Center	Brooklyn Park		\$874	\$1,007	\$1,245	\$1,738	\$2,047	\$2,354	\$2,661

55430	Minneapolis	Brooklyn Center			\$855	\$988	\$1,216	\$1,717	\$2,008	\$2,309	\$2,610
55431	Minneapolis	Bloomington			\$1,064	\$1,226	\$1,511	\$2,112	\$2,493	\$2,867	\$3,241
55432	Minneapolis	Fridley	Spring Lake Park		\$808	\$970	\$1,198	\$1,663	\$1,931	\$2,198	\$2,484
55433	Minneapolis	Coon Rapids			\$865	\$998	\$1,235	\$1,728	\$2,037	\$2,343	\$2,648
55434	Minneapolis	Blaine			\$903	\$1,045	\$1,283	\$1,795	\$2,115	\$2,432	\$2,749
55435	Minneapolis	Bloomington	Edina		\$1,121	\$1,292	\$1,596	\$2,237	\$2,629	\$3,023	\$3,417
55436	Minneapolis	Edina	Saint Louis Park		\$1,055	\$1,216	\$1,501	\$2,102	\$2,474	\$2,845	\$3,216
55437	Minneapolis	Bloomington			\$950	\$1,102	\$1,359	\$1,901	\$2,241	\$2,577	\$2,913
55438	Minneapolis	Bloomington			\$1,017	\$1,169	\$1,444	\$2,026	\$2,377	\$2,733	\$3,089
55439	Minneapolis	Bloomington	Edina		\$979	\$1,131	\$1,397	\$1,958	\$2,299	\$2,644	\$2,989
55441	Minneapolis	Medicine Lake	Plymouth		\$998	\$1,150	\$1,416	\$1,978	\$2,328	\$2,677	\$3,026
55442	Minneapolis	Plymouth			\$1,207	\$1,397	\$1,720	\$2,410	\$2,832	\$3,257	\$3,682
55443	Minneapolis	Brooklyn Center	Brooklyn Park		\$922	\$1,074	\$1,321	\$1,872	\$2,195	\$2,524	\$2,854
55444	Minneapolis	Brooklyn Center	Brooklyn Park		\$874	\$1,018	\$1,271	\$1,792	\$2,110	\$2,427	\$2,743
55445	Minneapolis	Brooklyn Park			\$1,216	\$1,406	\$1,729	\$2,444	\$2,881	\$3,313	\$3,746
55446	Minneapolis	Plymouth			\$1,178	\$1,368	\$1,682	\$2,352	\$2,774	\$3,190	\$3,606
55447	Minneapolis	Plymouth			\$1,083	\$1,245	\$1,539	\$2,150	\$2,532	\$2,911	\$3,291
55448	Minneapolis	Coon Rapids			\$1,004	\$1,188	\$1,463	\$2,045	\$2,415	\$2,778	\$3,140
55449	Minneapolis	Blaine			\$1,216	\$1,406	\$1,729	\$2,444	\$2,881	\$3,313	\$3,746
55450	Minneapolis				\$770	\$903	\$1,121	\$1,594	\$1,892	\$2,175	\$2,459
55454	Minneapolis				\$770	\$903	\$1,121	\$1,594	\$1,892	\$2,175	\$2,459
55455	Minneapolis				\$817	\$941	\$1,169	\$1,632	\$1,921	\$2,209	\$2,497
56011	Belle Plaine				\$836	\$960	\$1,188	\$1,661	\$1,950	\$2,242	\$2,535