

Community Development Committee

Meeting date: October 18, 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; and Joel Huting, Manager, Research (651) 602-1349

Division/Department: Community Development/ HRA / Research

Proposed Action

None. Information and discussion to support an upcoming action item at a future Committee meeting.

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. The Council's *2040 Housing Policy Plan* indicates the Council's direction to expand housing choice for residents. To do so, payment standards should be set at amounts that ensure voucher holders can be successful in placing their voucher in an area 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.

The U.S. Department of Housing and Urban Development (HUD) issued 2022 SAFMRs. Staff have been evaluating the new SAFMRs and analyzing changes in the regional rental market. At the Committee meeting, staff will share data regarding the housing market today, discuss the factors influencing payments standards, share experience with implementation of SAFMRs, and gather feedback from Committee members in order to inform an action item at an upcoming Community Development Committee meeting to adopt payment standards for 2022.