

Information Item

Community Development Committee



Meeting Date: November 6, 2023

Topic

2024 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
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Division/Department: Community Development / HRA / Research

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 *Thrive MSP 2040* and *2040 Housing Policy Plan* provide direction to offer housing options that give people in all life stages viable choices for stable housing, to 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 and become a region with a broader housing spectrum where all people can thrive.

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) in 2020. SAFMRs are rent limits at the zip code level instead of one rent 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 and increase voucher placement success.

The U.S. Department of Housing and Urban Development (HUD) issued 2024 SAFMRs. Staff have been evaluating the new SAFMRs and analyzing rent prices around the region to inform the adoption of new payment standards. Staff will share data regarding the housing market, discuss the factors influencing payments standards, and gather feedback from Committee members to inform future action.