

Business Item

Community Development Committee



Committee meeting date: November 3, 2025

For the Metropolitan Council: November 12, 2025

Business Item: 2025-287

Approval of Payment Standards for Metro HRA Rent Assistance Programs

District(s), member(s):	All
Policy/legal reference:	24 Code of Federal Regulations Part 982
Staff prepared/presented:	Terri Smith, Director, Metro HRA, (651) 602-1187
Division/department:	Community Development / HRA

Proposed action

That the Metropolitan Council approve payment standards as shown in Table 2 for the Housing Choice Voucher and other rent assistance programs effective January 1, 2026.

Background

The Metropolitan Council must annually review and approve 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 limits to ensure voucher holders can be successful in placing their voucher in a community of their choice.

The Council adopted Small Area Fair Market Rents (SAFMRs) in 2020. SAFMRs are rent limits adopted at the zip code level instead of one rent for the entire Metro HRA service area. This allows for higher payment standards in higher rent areas and lower payment standards in lower rent areas of the region. The goal of SAFMRs is to improve housing choice and increase voucher placement success.

HUD issued new SAFMRs in September 2025. By federal regulation, the Metropolitan Council is provided the flexibility to establish payment standards between 90% and 110% of the published SAFMRs. Metro HRA's primary service area includes all of Anoka and Carver Counties and Suburban Hennepin and Ramsey Counties, excluding the cities of Minneapolis, St. Paul, Bloomington, Plymouth, Richfield and St. Louis Park. This includes 79 zip codes. The Metro HRA operates one small rent assistance program throughout the entire Metro Area. As a result, the proposed action includes payment standards for 177 zip codes.

Staff presented an information item at the [October 20, 2025 Community Development Committee Meeting](#) to share rental market data, discuss the factors influencing payment standards, and gather feedback from Committee members. Staff shared:

1. The adoption of SAFMRs has increased housing choice for voucher holders with a larger number of households living in higher rent, higher opportunity areas.
2. Rents have increased the most amongst the most affordable apartments, and vacancy rates remain the lowest for the most affordable units.
3. Average rents generally fall within the current established Metro HRA payment standards.
4. 33% of current program participants are rent burdened, paying more than 30% of their

income toward rent.

5. The HUD rule of thumb is not more than 40% of voucher holders are rent burdened.

Staff presented three options for Committee Member discussion (summarized in the table below). Committee members expressed support for option 1.

Table 1: Payment Standard Options

Option 1	Option 2	Option 3
Make minimal changes to bring payment standards into required range between 90% and 110% of SAFMRs	Adjust all payment standards to 100% of new Small Area Fair Market Rents	Make required changes and reduce all zip codes above 100% of the SAFMR to 100%
Increase 1 zip code	Increase in 57 zip codes	Increase 2 zip codes
Decrease 6 zip codes	Decrease in 22 zip codes	Decrease 22 zip codes
25 renters impacted with a rent increase	1,040 renters impacted with a rent increase	900 renters impacted with a rent increase
Cost to HRA = \$275,000	Cost to HRA = \$785,000	Cost to HRA = \$260,000
Potential reduction in service – 20 households	Potential reduction in service – 54 households	Potential reduction in service – 18 households

Staff recommended and CDC members vocalized support for Option 1 for the following reasons:

1. 2026 federal budget is very uncertain.
2. Payment standards were increased substantially over the last two years to bring in line with rising rents.
3. Average rents fall in line with current payment standards.
4. Options 2 and 3 have a significant negative impact to voucher holders who would experience an increase in rent.
5. Options 2 and 3 have impacts on the staff team for manually monitoring payment standard decreases over a two-year period, as required by federal regulation.

Rationale

The federal regulations require adjustments to 7 zip codes to bring payment standards in line with the required range. Maintaining stable payment standards with minimal adjustments will help ensure continued service to the greatest number of renters.

Thrive lens analysis

On February 12, 2025, the Council adopted Imagine 2050 which builds on policy direction in Thrive MSP 2040. Under the Thrive lens, the recommendation supports the Thrive outcomes of equity, livability, and stewardship. Adopting competitive payment standards promotes equity and choice, while ensuring that the federal resources serve as many renters as possible.

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.



Table 2: 2026 Proposed Payment Standards

Zip Code	Studio	1BR	2BR	3BR	4BR	5BR	6BR
55001	1280	1450	1770	2350	2630	3025	3419
55003	1110	1250	1530	2040	2280	2622	2964
55005	1400	1590	1940	2580	2890	3324	3757
55009	1060	1200	1460	1970	2240	2576	2912
55011	1578	1784	2176	2930	3322	3821	4319
55013	1060	1200	1460	1970	2240	2576	2912
55014	1320	1500	1830	2440	2730	3140	3549
55016	1540	1750	2130	2840	3180	3657	4134
55018	1232	1400	1710	2310	2630	3025	3419
55020	1395	1584	1926	2547	2870	3301	3731
55024	1250	1420	1730	2320	2630	3025	3419
55025	1190	1350	1650	2200	2460	2829	3198
55031	1060	1200	1460	1970	2240	2576	2912
55033	1080	1220	1490	1980	2240	2576	2912
55038	1580	1790	2180	2900	3250	3738	4225
55040	1070	1210	1480	2000	2260	2599	2938
55042	1270	1430	1750	2330	2610	3002	3393
55043	1290	1460	1780	2370	2650	3048	3445
55044	1550	1750	2140	2850	3190	3669	4147
55045	1060	1200	1460	1970	2240	2576	2912
55047	1830	2070	2530	3370	3770	4336	4901
55054	1629	1845	2241	2970	3321	3820	4317
55055	1060	1200	1460	1970	2240	2576	2912
55057	1060	1200	1460	1970	2240	2576	2912
55065	1360	1540	1880	2500	2800	3220	3640
55068	1470	1660	2030	2700	3030	3485	3939
55070	1088	1225	1499	2019	2293	2637	2981
55071	1590	1800	2200	2930	3280	3772	4264
55073	1060	1200	1460	1970	2240	2576	2912
55074	1060	1200	1460	1970	2240	2576	2912
55075	1060	1200	1460	1970	2240	2576	2912
55076	1240	1400	1710	2290	2600	2990	3380
55077	1230	1390	1700	2260	2540	2921	3302
55079	1190	1350	1650	2200	2460	2829	3198
55082	1190	1340	1640	2180	2450	2818	3185
55085	1060	1200	1460	1970	2240	2576	2912
55088	1265	1375	1694	2255	2695	3100	3504
55089	1120	1270	1550	2090	2370	2726	3081
55090	1570	1780	2170	2890	3240	3726	4212





55092	1060	1200	1460	1970	2240	2576	2912
55101	1470	1660	2030	2700	3030	3485	3939
55102	1280	1450	1770	2360	2660	3059	3458
55103	1060	1200	1460	1970	2240	2576	2912
55104	1060	1200	1470	1980	2250	2588	2925
55105	1170	1320	1610	2170	2460	2829	3198
55106	1060	1200	1460	1970	2240	2576	2912
55107	1110	1250	1530	2040	2280	2622	2964
55108	1220	1380	1690	2250	2548	2930	3312
55109	1150	1300	1590	2120	2370	2726	3081
55110	1188	1350	1638	2169	2430	2795	3159
55111	1060	1200	1460	1970	2240	2576	2912
55112	1100	1250	1520	2020	2280	2622	2964
55113	1180	1340	1630	2170	2430	2795	3159
55114	1400	1590	1940	2580	2890	3324	3757
55115	1570	1780	2170	2890	3240	3726	4212
55116	1170	1320	1610	2140	2400	2760	3120
55117	1060	1200	1460	1970	2240	2576	2912
55118	1140	1280	1570	2120	2400	2760	3120
55119	1110	1250	1530	2040	2280	2622	2964
55120	1060	1200	1460	1970	2240	2576	2912
55121	1320	1490	1820	2420	2710	3117	3523
55122	1270	1430	1750	2350	2660	3059	3458
55123	1370	1550	1890	2520	2820	3243	3666
55124	1380	1570	1910	2560	2900	3335	3770
55125	1580	1790	2180	2900	3250	3738	4225
55126	1280	1450	1770	2360	2640	3036	3432
55127	1380	1560	1900	2530	2830	3255	3679
55128	1180	1340	1630	2170	2430	2795	3159
55129	1720	1950	2380	3185	3606	4147	4688
55130	1060	1200	1460	1970	2240	2576	2912
55150	1060	1200	1460	1970	2240	2576	2912
55155	1120	1270	1550	2060	2310	2657	3003
55303	1170	1330	1620	2160	2420	2783	3146
55304	1560	1760	2150	2870	3250	3738	4225
55305	1480	1680	2050	2770	3130	3600	4069
55306	1370	1550	1890	2520	2820	3243	3666
55311	1640	1850	2260	3010	3370	3876	4381
55313	1060	1200	1470	1980	2250	2588	2925
55315	1220	1380	1680	2240	2510	2887	3263
55316	1360	1540	1880	2500	2800	3220	3640
55317	1520	1720	2100	2800	3130	3600	4069
55318	1240	1400	1710	2280	2550	2933	3315
55322	1190	1350	1650	2230	2520	2898	3276



55327	1265	1430	1738	2299	2574	2960	3346
55328	1060	1200	1460	1970	2240	2576	2912
55330	1100	1250	1520	2020	2270	2611	2951
55331	1199	1364	1661	2211	2475	2846	3217
55337	1290	1460	1780	2370	2670	3071	3471
55338	1210	1375	1672	2222	2497	2872	3246
55339	1060	1200	1460	1970	2240	2576	2912
55340	1628	1837	2244	2981	3344	3846	4347
55341	1080	1220	1490	1980	2240	2576	2912
55343	1250	1420	1730	2310	2610	3002	3393
55344	1470	1660	2030	2660	3010	3462	3913
55345	1529	1727	2112	2794	3124	3593	4061
55346	1640	1860	2270	3020	3390	3899	4407
55347	1670	1890	2310	3080	3450	3968	4485
55352	1200	1360	1660	2210	2480	2852	3224
55356	1530	1730	2110	2810	3150	3623	4095
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55369	1560	1760	2150	2860	3210	3692	4173
55372	1240	1400	1710	2280	2550	2933	3315
55373	1110	1250	1530	2040	2280	2622	2964
55374	1320	1490	1820	2420	2715	3122	3529
55375	1110	1260	1540	2050	2290	2634	2977
55376	1090	1240	1510	2040	2310	2657	3003
55378	1470	1660	2030	2700	3030	3485	3939
55379	1310	1480	1810	2410	2700	3105	3510
55384	1221	1375	1683	2222	2497	2872	3246
55386	1830	2070	2530	3370	3770	4336	4901
55387	1150	1300	1590	2120	2370	2726	3081
55388	1060	1200	1460	1970	2240	2576	2912
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55391	1562	1760	2145	2838	3179	3656	4133
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55401	1830	2070	2530	3370	3770	4336	4901
55402	1610	1830	2230	2970	3330	3830	4329
55403	1200	1360	1660	2210	2490	2864	3237
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55405	1160	1310	1600	2130	2410	2772	3133
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55407	1090	1240	1510	2040	2310	2657	3003
55408	1320	1490	1820	2420	2710	3117	3523
55409	1180	1340	1630	2170	2430	2795	3159
55410	1430	1606	1969	2651	3003	3453	3904
55411	1078	1221	1496	2013	2288	2631	2974
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55413	1260	1430	1740	2320	2600	2990	3380
55414	1210	1370	1670	2220	2490	2864	3237
55415	1830	2070	2530	3370	3770	4336	4901
55416	1595	1804	2200	2970	3366	3871	4376
55417	1180	1340	1630	2170	2430	2795	3159
55418	1188	1342	1639	2211	2508	2884	3260
55419	1310	1480	1810	2410	2700	3105	3510
55420	1140	1290	1580	2100	2360	2714	3068
55421	1090	1240	1510	2040	2310	2657	3003
55422	1270	1430	1750	2330	2610	3002	3393
55423	1160	1310	1600	2130	2390	2749	3107
55424	1580	1790	2180	2900	3250	3738	4225
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55427	1240	1400	1710	2280	2550	2933	3315
55428	1100	1250	1520	2020	2270	2611	2951
55429	1127	1274	1558	2097	2381	2739	3096
55430	1180	1340	1630	2170	2430	2795	3159
55431	1510	1700	2080	2770	3100	3565	4030
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55434	1420	1610	1960	2610	2920	3358	3796
55435	1628	1837	2244	3025	3432	3946	4461
55436	1518	1705	2090	2816	3190	3669	4147
55437	1370	1550	1890	2520	2820	3243	3666
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55442	1560	1760	2150	2860	3210	3692	4173
55443	1160	1310	1600	2130	2411	2772	3134
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55446	1610	1820	2220	2960	3310	3807	4303
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55448	1480	1680	2050	2730	3060	3519	3978
55449	1600	1810	2210	2940	3312	3809	4306

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55454	1060	1200	1460	1970	2240	2576	2912
55455	1090	1240	1510	2020	2280	2622	2964
56011	1080	1220	1490	2010	2270	2611	2951
56044	1060	1200	1460	1970	2240	2576	2912
56071	1070	1200	1460	1970	2240	2576	2912

