Committee Report

Community Development Committee

Committee meeting date: November 16, 2026 **For the Metropolitan Council:** December 2, 2026

Business Item: 2026-169

Approval of 2027 Payment Standards for Metro HRA Rent Assistance Programs

Proposed action

That the Metropolitan Council approve 2027 payment standards as shown in Table 2 for the Housing Choice Voucher and other rent assistance programs.

Summary of Community Development Committee discussion/questions

Terri Smith, Director, Housing and Redevelopment Authority presented the business item.

The Committee unanimously approved the proposed action at its regular committee meeting on November 16, 2026. Motion by Council Member Wulff, seconded by Council Member Lee. Motion carried.

Business Item

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Approval of 2027 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, Housing and Redevelopment Authority, (651) 602-1187
Division/department:	Community Development / HRA

Proposed action

That the Metropolitan Council approve 2027 payment standards as shown in Table 2 for the Housing Choice Voucher and other rent assistance programs.

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 2026. 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. 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 19, 2026, 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. 43% of current program participants are rent burdened, paying more than 30% of their

income toward rent.
- After mandatory adjustments, rent burden reduces to 35%
- 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).

Table 1: Payment Standard Options

Option 1	Option 2	Option 3
Make minimal changes to bring payment standards into required range Required range = 90% to 110% of Small Area Fair Market Rent	Adjust all payment standards to 100% of new Small Area Fair Market Rents	Make required changes and add market driven adjustments in 5 zip codes where current payment standards fall below average rents
Increase 4 zip codes	Increase in 57 zip codes	Increase 9 zip codes
Decrease 5 zip codes	Decrease in 20 zip codes	Decrease 5 zip codes
51 renters impacted with a rent increase	1,251 renters impacted with a rent increase	51 renters impacted with a rent increase
Cost to HRA = $122,000	Cost to HRA = $1,410,516	Cost to HRA = $400,000

CDC members vocalized support for Option 1 for the following reasons:

2027 federal budget is very uncertain. Due to budget constraints, Option 1 has less financial impact than the other options.

Payment standards were increased substantially in 2024 and 2025 to bring in line with rising rents.

Average rents generally fall in line with current payment standards.

Rationale

The federal regulations require adjustments to 9 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.

Small business inclusion

There is no impact to small business as part of this action.

Table 2: 2027 Proposed Payment Standards

Zip Code	Studio	1BR	2BR	3 BR	4 BR	5 BR	6 BR
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	1415	1600	1935	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	1670	1875	2280	2970	3330	3830	4330
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	1615	1820	2205	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	1245	1405	1705	2225	2495	2870	3245
55082	1190	1340	1640	2180	2450	2818	3185
55085	1060	1200	1460	1970	2240	2576	2912
55088	1230	1375	1694	2240	2505	2880	3255
55089	1120	1290	1560	2125	2560	2940	3325
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	1210	1360	1650	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	1225	1390	1685	2200	2470	2840	3210
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	3220	3705	4185
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	1250	1405	1715	2240	2505	2880	3260
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	1505	1690	2065	2695	3025	3475	3930
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	2100	2735	3080	3540	4000
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
55357	1060	1200	1460	1970	2240	2576	2912
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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	2810	3155	3630	4100
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55398	1220	1380	1690	2265	2540	2920	3300
55401	1830	2070	2530	3370	3770	4336	4901
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55403	1200	1360	1660	2210	2490	2864	3237
55404	1110	1250	1530	2040	2310	2657	3003
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	1110	1255	1525	2013	2288	2631	2974
55412	1300	1470	1790	2380	2670	3071	3471
55413	1280	1440	1755	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	1215	1370	1665	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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55426	1270	1430	1750	2330	2636	3032	3427
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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55433	1170	1330	1620	2160	2420	2783	3146
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
55438	1360	1540	1880	2510	2840	3266	3692
55439	1430	1606	1969	2651	3003	3453	3904
55441	1310	1480	1810	2410	2700	3105	3510
55442	1560	1760	2150	2860	3210	3692	4173
55443	1160	1310	1600	2130	2411	2772	3134
55444	1145	1290	1570	2060	2310	2657	3003
55445	1830	2070	2530	3370	3770	4336	4901
55446	1610	1820	2220	2960	3310	3807	4303
55447	1500	1700	2070	2760	3090	3554	4017
55448	1480	1680	2050	2730	3060	3519	3978
55449	1600	1810	2210	2940	3312	3809	4306
55450	1161	1305	1593	2106	2358	2712	3065
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