Metro HRA
Funding and Program Update

Committee of the Whole

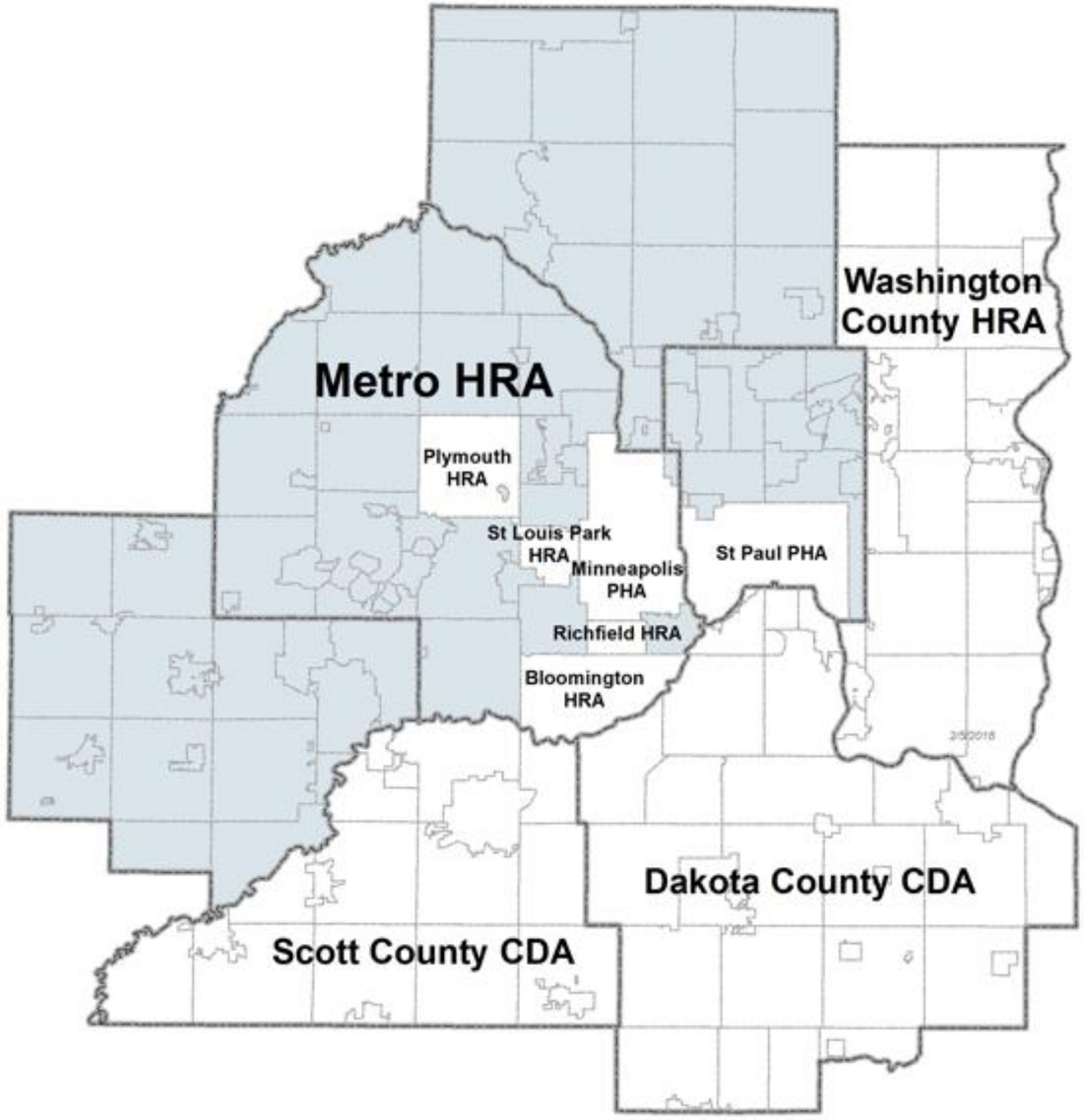
METROPOLITAN COUNCIL

April 15, 2026

Metro HRA Summary

Metro HRA's service area

- Anoka and Carver Counties and Suburban Hennepin and Ramsey Counties
  - 96 communities
- 7,284 Housing Choice Vouchers
- 9 Programs
- $100 million in annual rent payments to 1,400 active landlords



Metro HRA Funding

99% Federal Funds

- U.S. Department of Housing and Urban Development (HUD)
- Annual Congressional Appropriations
- Congress passed a full year Continuing Resolution on January 30, 2026
  - Funds program at prior year levels with a few exceptions

2025 in Review

Budget authority insufficient to fund all vouchers

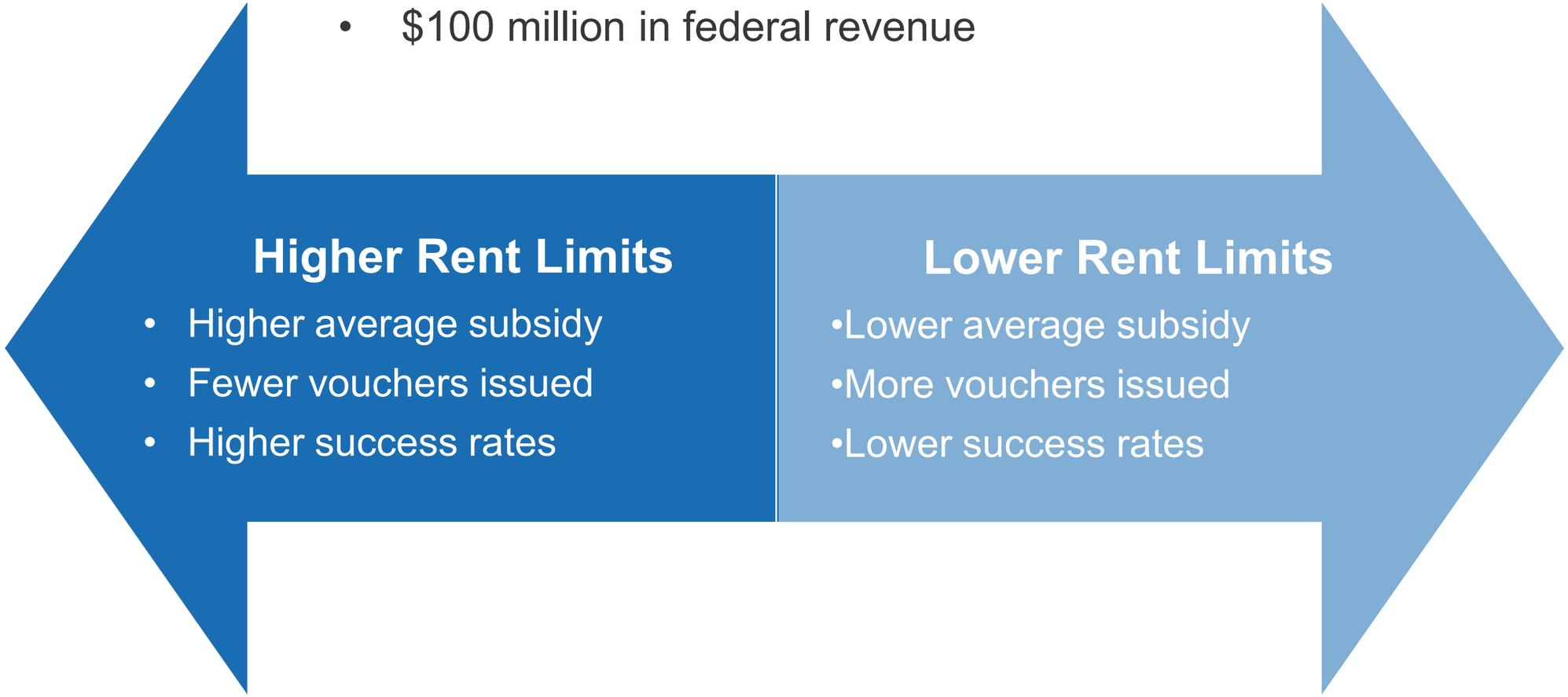
- Achieved 98% overall voucher utilization
- Issue 85,384 subsidy payments
- Leasing halted for all of 2025 due to budget shortfall
- **Ended 2025 at 96% voucher utilization**

- Spent 103% of HUD 2025 budget authority
  - Incudes $2.7 million carry over subsidy funds from 2024
  - Includes $3.2 million in additional HUD (shortfall) funds
- Issued $100 million in subsidy payments

Budget and Spending Considerations

HUD Rule: serve as many families as possible within budget authority

- Council can issue up to 7,284 vouchers
- $100 million in federal revenue



2026 Federal Funding Details

HUD must notify housing authorities of funding award within 60 days (March 31, 2026)

Housing Subsidy Funds

- 8% increase over 2025
- $2.8 Billion increase from 2025 levels
- Projected 95% proration of fund eligibility
- Not enough to issue all vouchers due to increasing rents

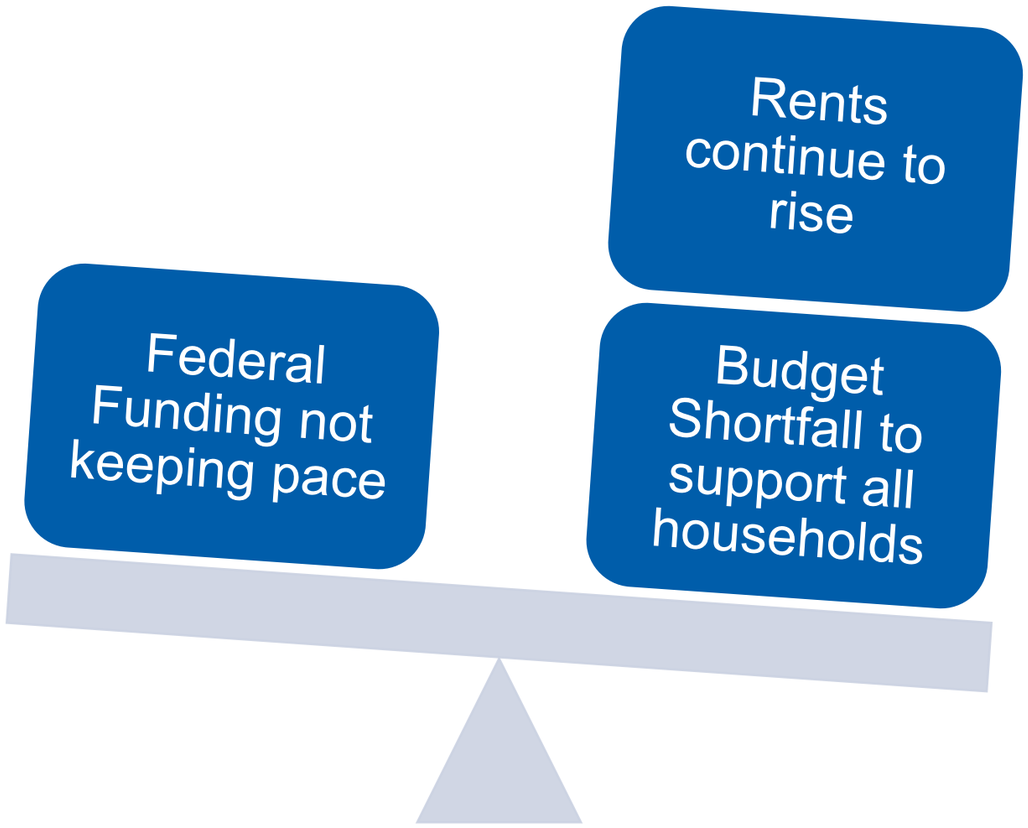
Administrative Fees

- 2% increase over 2025
- $65 Million increase from 2025 levels
- Projected 82% proration

Federal Funding Shortfall

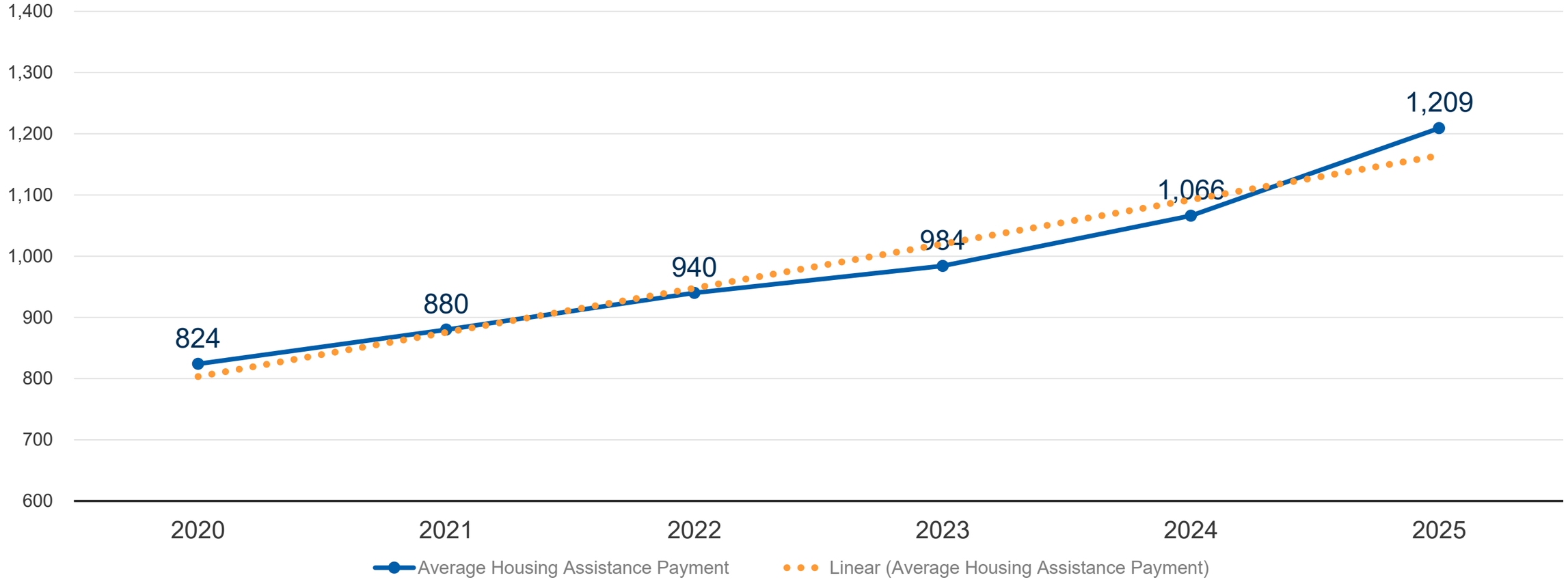
8% Increase in Funding

13% Increase in Average Subsidy Payment



Average Housing Assistance Payment

Average per-family monthly Housing Assistance Payment 2020-2025 has continued to increase every year



Metropolitan Council

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Budget and Subsidy Scenarios

Projected 2026 Subsidy Budget = $100 million

Number of Vouchers = 7,284

Average Subsidy	Total Annual Subsidy Projection	Shortfall?	Number of Families Served	Reduction in Families	% Families Served
$1,200	$104,889,600	-$4,889,600	6,944	-340	95%
$1,225	$107,074,800	-$7,074,800	6,803	-481	93%
$1,250	$109,260,000	-$9,260,000	6,667	-617	92%

Voucher Turnover History

Turnover vouchers fill a variety of purposes

- Waiting list applicants
- Initially filling Project Based Voucher units
- Project Based Voucher unit movers
- Absorbing vouchers from other housing authorities

Year	Monthly Voucher Turnover	Annual Voucher Turnover
2021	45	547
2022	47	574
2023	49	596
2024	33	591
2025	41	576

Letter from HUD to Executive Directors

Limited Shortfall Funds

- HUD remains concerned that a sizeable number of agencies may experience funding shortfalls this year. . .

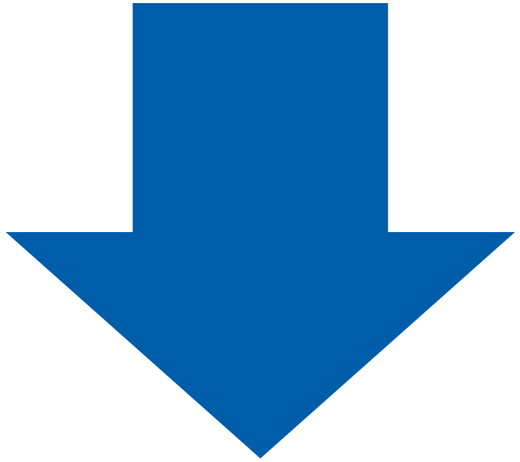
- HUD has very limited funds to address shortfalls in 2026, and agencies should not operate their programs under an assumption that such funds will be available . . .

- It is important that your agency take immediate steps to mitigate this risk. . .

Cost Saving Measures

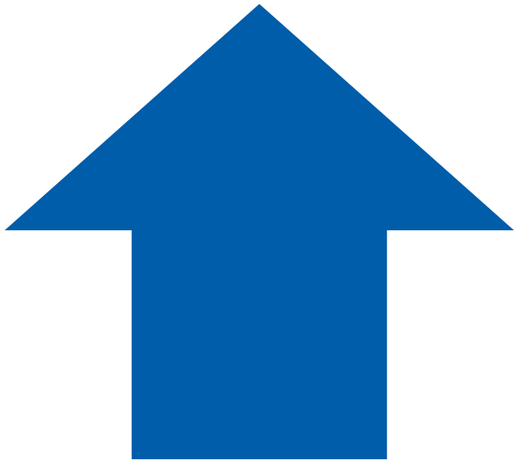
Review Payment Standards	High enough to allow success in finding a rental unit Low enough to serve as many families as possible
Reduce or Stop Issuing Vouchers	50 voucher turnovers per month No new waiting list applicants served Prevents termination of families
Put Freeze on Project Based Mover Vouchers	PBV occupants can request a voucher to move after 12 months of occupancy Put a freeze on PBV movers
Implement Minimum Rent	Minimum Rent implemented February 2026 Policy adopted prior to COVID but just implemented

2026 Leasing and Spending Projections



Utilize
95%
Vouchers

Spend
100%
Funds



Bring it Home (BIH) Rental Assistance Program

MINNESOTA HOUSING

METROPOLITAN COUNCIL

Statewide Rent Assistance Program

MN Legislature authorized state appropriations a quarter cent sales tax.

Administered by Housing Authorities, Tribal Entities, and non-profits.

Estimated 5,000 new vouchers for Minnesotans.

900 for Metro HRA
750 for Minneapolis PHA
500 for St. Paul PHA

Eligibility

- Priority shall be given to households with children 18 and under with annual income up to 30% AMI.
- Households with annual income up to 50% AMI, paying more than 30% of income on rent.
- Program administrators may establish additional priority populations based on local need.
- BIH restricts portability.

Program Operation: Three Options

1

Existing Procedures

Operate just like the federal voucher program.

2

Amended Procedures

Operate just like the federal voucher program unless specifically noted.

3

Alternative Procedures

Develop a brand-new program initiative.

Bring It Home (BIH)

Partnerships

MINNESOTA HOUSING

School to Housing

Hennepin County Partnership

Families experiencing homelessness enrolled in a partner district may be referred for assessment.

Metro HRA will accept up to 100 families for a BIH Voucher through the Hennepin County School to Housing Program.

Housing stability positively impacts educational outcomes.

Homeless Action Team

- People experiencing homelessness and using Metro Transit systems as temporary shelter
- 100 BIH Vouchers

Bring It Home Project Based Vouchers

Project-Based Vouchers

Metro HRA

BIH PBV Program

- Remove all project cap restrictions
- Project proposal minimum
- Remove Subsidy Layering Review, Environmental Review, and Davis-Bacon requirements
- Three-year occupancy requirement

Project-Based Vouchers

PBV Prioritization

- Statutory Requirements
- Metro HRA Priorities
- MN Housing Guidance

Families with children

Households at or below 30% AMI

Existing Housing

Initial Offer = 100 PBVs

Minimum of 10 PBV units

Project-Based Vouchers

Program Implementation

Administrative Plan and Operations

- Approval of BIH Administrative Plan – Chapter 20
- Operations: Guidance, forms, letters

Contract Grant Agreement Executed

- $30 million awarded from MN Housing – two-year agreement.

Hiring & Onboarding

- Two Coordinators
- One Payment Specialist
- One Business Analyst

Program Launch

- Q2 – 2026

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