

Metropolitan Council Housing and Redevelopment Authority

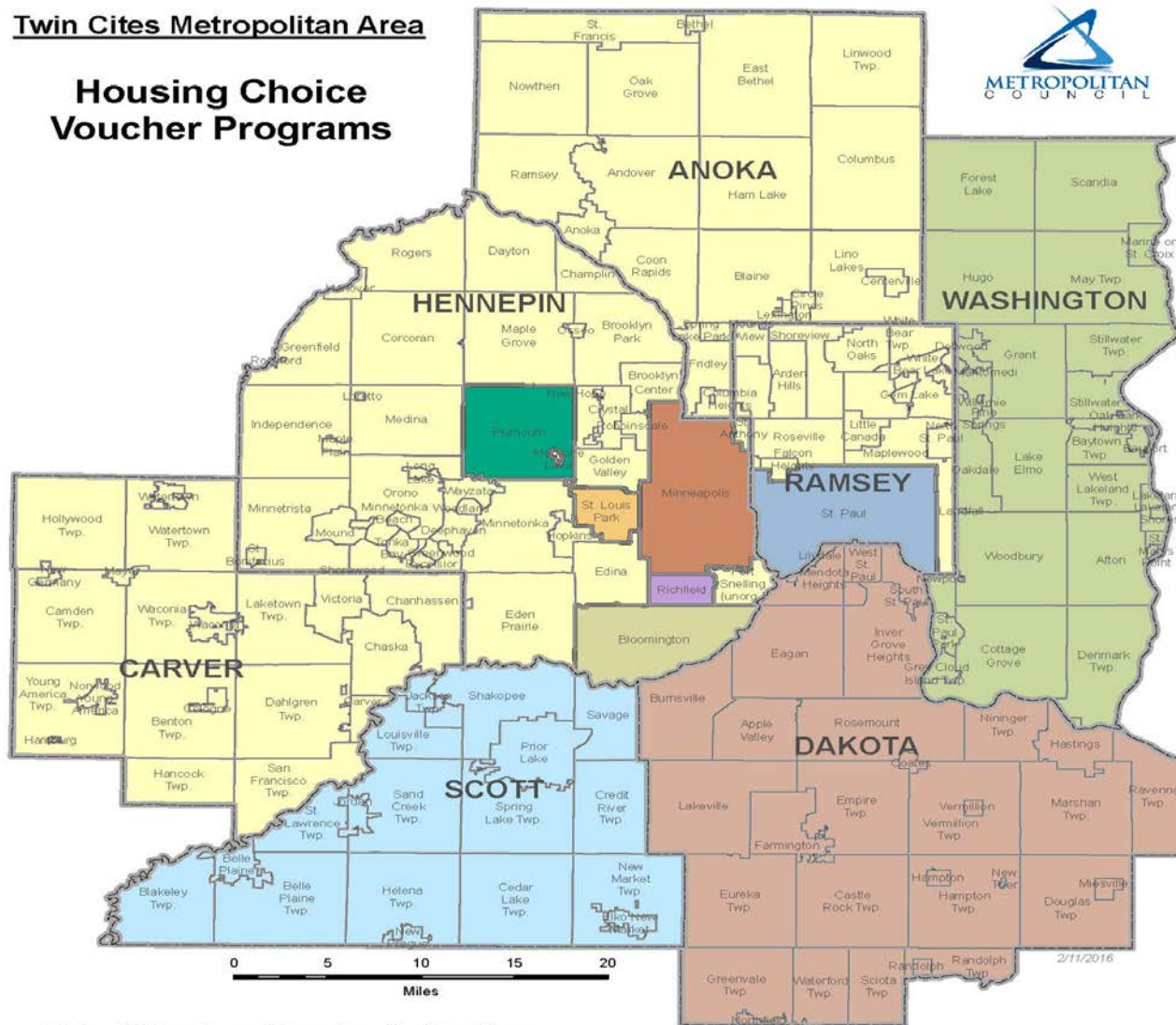
Funding Overview
Community Development Committee
April 17, 2017

About Metro HRA

- Created by MN Legislature in 1974
- Administers rent assistance programs for low-income families
 - Serve 7,200 households
- 96 communities
 - Anoka and Carver County, Suburban Hennepin and Ramsey Counties
- Distribute \$57 Million in rent subsidies annually
 - 2,200 private landlords

Twin Cities Metropolitan Area

Housing Choice Voucher Programs



Twin Cities Area Housing Authorities:

Metro HRA (651) 602-1428	Plymouth HRA (763) 509-5410	Dakota County CDA (651) 675-4400
Minneapolis PHA (612) 342-1480	Richfield HRA (612) 861-9770	Scott County CDA (952) 402-9022
St Paul PHA (651) 298-5158	St Louis Park HRA (952) 924-2579	Washington Co HRA (651) 458-0936
Bloomington HRA (952) 563-8937		



Metro HRA Programs

- Federally funded programs
 - Housing Choice Voucher program – 6,502 vouchers
 - Elderly, disabled, families with children, individuals
 - Continuum of Care – 375
 - Homeless persons with disabilities
 - Housing Opportunities for persons with Aids – 60
 - Housing subsidy for persons HIV positive
- State funded programs
 - Bridges – 200
 - Persons with serious and persistent mental illness
 - Rental Assistance for Anoka County – 50
 - Persons working towards self sufficiency

Housing Choice Voucher Funding

- \$58 Million - 94% of total HRA funding
 - \$53 Million Rent Subsidy Payments
 - \$5 Million Administrative Fees
- Awarded annually through Congressional Appropriations
- HUD Rule =
 - Serve up to baseline vouchers (6,502) while
 - remaining within budget authority
- Current year spending = future year funding
 - **IF** enough \$\$ appropriated

2017 Budget

- Federal fiscal year Oct 2016 - Sept 2017
 - Funding awarded prior to fiscal year start for next calendar year
- **Congress has not passed a budget that funds housing authorities for 2017**
 - Operating under continuing resolution through April 28, 2017
 - Funding being provided at 2016 levels
 - Congress will continue the resolution or adopt a budget

2017 Budget - Scenarios

- Full Year Continuing Resolution – 94% pro-ration
 - More families nationally under lease today than in 2016 results in pro-ration
 - \$2.6 Million reduction
 - Vouchers lost for 325 families
 - 100,000 families nationally
- Senate and House Funding bills – 97.5% proration
 - \$1.3 Million reduction
 - Vouchers lost for 160 families
 - 26,000 families nationally

Options – assuming full year CR

1. Keep current families housed

- Spend up to \$3 Million in Administrative Reserves
- Maximizes funding for 2018

2. Reduce program size through remainder of year

- Voucher attrition – 65 vouchers/month
- Halt service to new families – no waiting list selections
- Spend up to \$1.5 Million of Administrative Reserves
- Permanently reduces funding / program size (-125 families and \$1.3 million)

3. Stay within budget authority (94% pro-rated budget)

- Voucher attrition – 65 vouchers/month
- **Terminate 350 families for July 1, 2017**
- Permanently reduces funding / program size (-325 families and \$2.6 million)

Historical Funding Pro-rations

Year	Admin Fee Pro-ration	Subsidy Payments Pro-ration	Notes
2008	90%	101%	
2009	88%	99%	
2010	93%	100%	
2011	85%	99%	Budget Control Act
2012	80%	100%	
2013*	75%	94%	Sequestration
2014	79%	99%	
2015	81%	100%	
2016	84%	100%	
2017 projected*	77%	94%	

*lowest pro-ration factors in history of program

2018 Budget and Beyond

- 2018 federal budget negotiations in progress
- President released budget proposal
 - Deep cuts – 10% reduction in vouchers / funding
 - Metro HRA = 620 vouchers lost
 - Nationally = 200,000 vouchers lost
- Budget Control Act 2011 – Caps federal government spending
 - Must be lifted or amended to ensure federal rent assistance recipients remain housed

Next Steps

- Wait for Congress to make a budget decision
- HUD issues 2017 budget authority
- Staff will determine how many families can be served with the funds awarded
- Staff will likely bring forward a 2017 Budget Amendment

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