

Metropolitan Council Housing and Redevelopment Authority

# 2017 Federal Funding Discussion

August 21, 2017

Community Development Committee





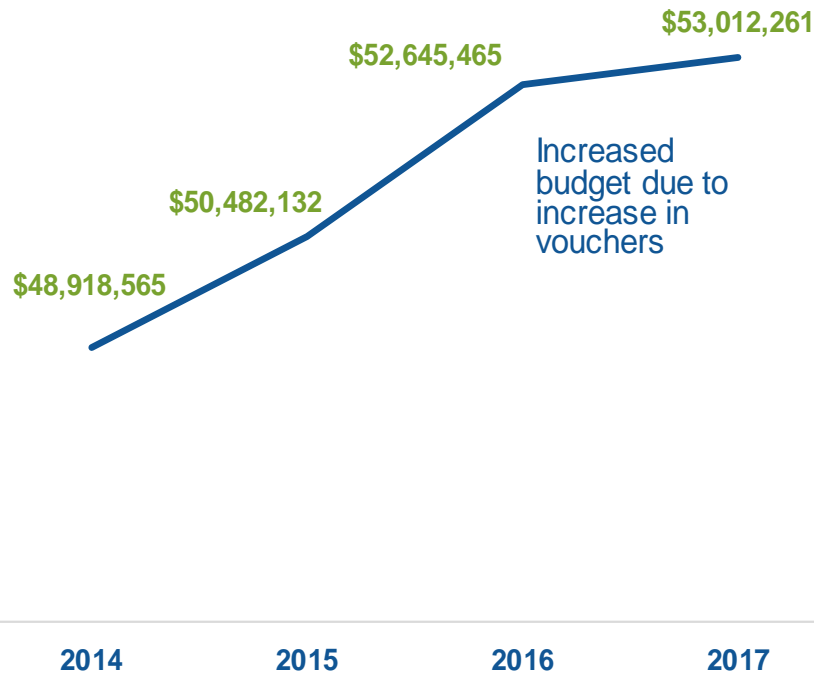
# Housing Choice Voucher Funding

- Federal program = federal funding
  - Awarded annually through Congressional Appropriations
- Congress passed a budget on May 5, 2017
  - 4+ months into the year
- Council received notification from HUD on June 28, 2017 of calendar year 2017 funding
  - 6 months into the year

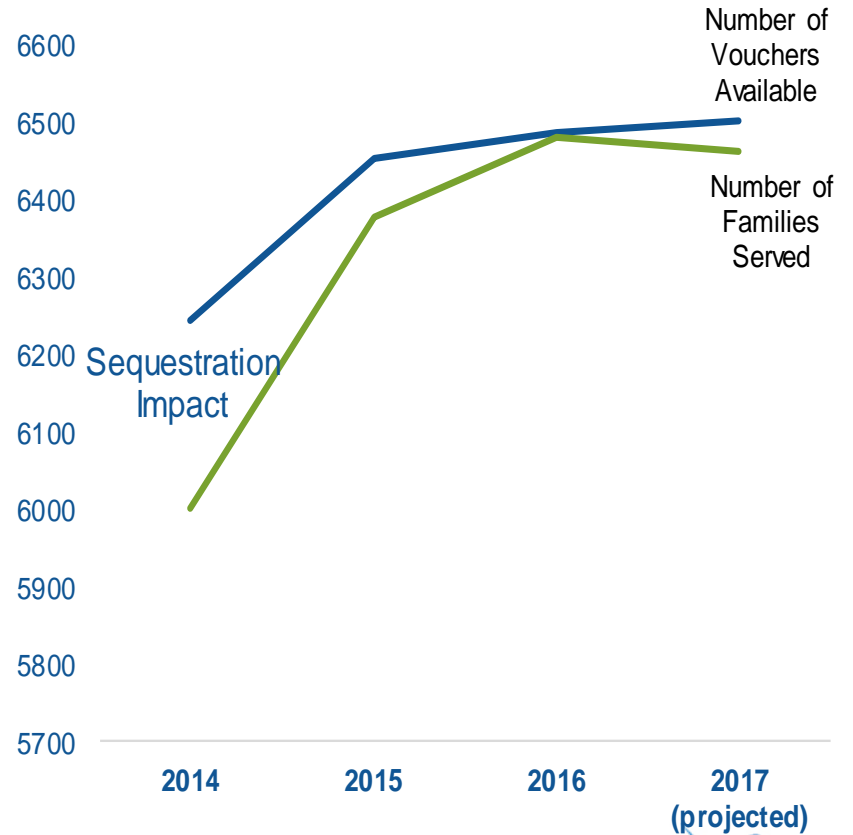


# 2014 – 2017 Comparison

## Budget Authority



## # Families Served



# Budget Considerations

- HUD Rule =
  - Serve up to baseline vouchers (6,502) while remaining within budget authority
    - *This can include use of own funds*
- Goal is to serve as many families as possible
  - Impacted by per family subsidy costs

Low vacancy rates =

higher rents =

higher average cost per family

# Rent Payments

- Tenants pay 30% of income towards rent
- HRA pays remainder

## Examples

Rent – 3 Bedroom apartment (Maplewood) \$1,200  
(minus) 30% family monthly income - \$500  
(equals) HRA subsidy payment = \$700

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Rent – 3 bedroom apartment (Eden Prairie) \$1,500  
(minus) 30% family monthly income - \$500  
(equals) HRA subsidy payment = \$1,000



# Budget Scenarios

- 2017 Budget = \$53 Million
- Higher subsidy per family = fewer families served

Average Per Family Subsidy	Families Served
\$650	6,794
\$670	6,592
\$690	6,401

# Options for 2017

1. Stay within budget authority
  - Serve 100 families less in 2017 than in 2016
  - Permanently reduces program size for future years
2. Serve maximum number of families – 6,502
  - Spend up to \$800,000 of Administrative Reserves
  - Maximizes program size for future years
3. Somewhere in between

# Next Steps

- Staff will bring forward a 2017 Budget Amendment
  - September 18: Community Development Committee meeting
  - September 27: Council meeting
- Questions?



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