

Metropolitan Council Housing and Redevelopment Authority (Metro HRA)

# Public Housing Agency Plan

September 16, 2019

Community Development Committee



# Public Housing Agency (PHA) Plan

- Required by U.S. Department of Housing and Urban Development (HUD) for any agency administering the Housing Choice Voucher Program

## Subject of Today's Approval

### 5 Year Plan

- Proposed 2020-2024
- Provides long range goals for meeting the needs of low-income persons in the region

### Annual Plan

- Proposed 2020
- Submitted each year
- Provides details and strategies for meeting housing needs in the coming year

### Administrative Plan

- Proposed 2019
- Regulatory and discretionary program policy document
- Attachment to the Plan

# PHA Plan Goal Elements



## 5-Year Plan Goals

- **Maintain / Increase the availability of affordable housing and be responsible stewards of financial resources**
  - Continue to work towards receiving a Moving to Work status through either a regional designation in partnership with Minneapolis Public Housing or through a HUD MTW Cohort Expansion
- **Increase assisted housing choice for all residents**
  - Conduct owner recruitment and retention activities
- **Encourage movement to areas in the region with less than 20% poverty**
  - Provide mobility counseling services to educate and encourage movement to resource rich areas and apply for Mobility Demonstration funds, when available.

# PHA Plan Goal Elements

## 5-Year Plan Goals

- **Administer programs to encourage integrated settings for person with disabilities**
  - Apply for additional Mainstream vouchers, if available
- **Contribute to the goal of ending long-term homelessness**
  - Explore additional opportunities for rent assistance programs to assist in stabilizing homeless families that partner with schools and other providers
- **Promote self-sufficiency and stabilize families**
  - Research and explore HCV Homeownership program



# Annual Plan / Administrative Plan Elements

- 13 Total Proposed Changes (See Summary of Changes)
  - 4 are HUD Required
  - 9 are Discretionary
    - 6 provide clarifying language to match existing policy and process
    - 3 Significant Policy Change Recommendations
      - Waiting list preference
      - Biennial inspections
      - \$50 minimum rent

# Community Engagement

- Follow Council engagement guidance
- Engage with key parties
  - Program participants and landlords
  - Increased outreach to those impacted by minimum rent
  - HRA staff engagement
- Resident Advisory Board (RAB)
  - Ongoing group of voucher holders who provide feedback on HRA policy and procedures
- Landlord Focus Group
  - Ongoing group of participating landlords who provide feedback on HRA policy and procedures

## Resident Advisory Board

- 3 Meetings in Community (Maple Grove, Edina and Roseville)
- 59 Total Attendees

## Landlord Focus Group

- 1 Meeting in July
- 8 Attendees

# Waiting list Preferences

## Move-Up Preference

- Set-aside 40 turnover vouchers per year
- Provided to persons occupying permanent supportive units that are ready for independent living
  - No longer need services
  - Opens a permanent supportive housing unit
- Partnership with 3 Continuums of Care
- Referrals through coordinated entry

# Biennial Inspections

- HUD allows PHAs to inspect assisted units every two years instead of annually.
  - The Metro HRA has been piloting biennial inspections since 2015
- Purpose of biennial inspections is to reduce administrative costs
- Metro HRA conducted 11,956 inspections in the last 12 months
- Policy would result in a reduction of approximately 3,000+ inspections per year
- Operational Assessment recommendation



# Biennial Inspections – RAB Comments

## The RAB discussed the following questions:

- *What do you think are good reasons to implement the policy?*
- *What do you think are reasons not to implement the policy?*
- *What should be the requirements to complete a complaint inspection?*
- *What should the qualification to continue to be biennial consist of?*
- *What might be the unintended consequences of only inspecting every two years?*

# Biennial Inspections Implementation

- Phase in implementation through qualifying criteria
- Set up qualifications to continue biennial
  - Becomes an incentive
- Design and implement Special (Complaint) Inspection Process
- Owner Education
- Tenant Education
- Monitor and analyze data

# Minimum rent

## Background and Facts

- The HRA is currently operating at a deficit
- Decision Points:
  - Reduce program size by about 200 families
  - Look at cost saving measures
  - Subsidize with other funds
- HUD requires housing authorities to establish a minimum rent between \$0 and \$50
- The Metro HRA currently has a \$0 minimum rent.
- Approximately 270 or 4% of current voucher holders would be impacted
- A \$50 minimum rent = estimated annual cost savings of \$162,000

# \$50 Minimum Rent Example

## Pre-Minimum Rent (Current)

• Total Tenant Payment	\$0
• Rent	\$1120
• Utility Allowance	<u>+\$57</u>
• Gross Rent	\$1177
• Subtract out TTP	<u>-\$0</u>
• Total HAP	\$1177

## Post Minimum Rent

• Total Tenant Payment	\$50
• Rent	\$1120
• Utility Allowance	<u>+\$57</u>
• Gross Rent	\$1177
• Subtract out TTP	<u>-\$50</u>
• Total HAP	\$1127

Full rent paid (\$1120) plus URP (\$57)  
paid to family.

Full rent paid (\$1120) plus URP (\$7)  
paid to family.

TTP = total tenant portion (30% of income)  
Gross Rent= Rent + Utility Allowance  
URP=Utility Reimbursement Payment



# \$50 Minimum Rent Example

## Pre-Minimum Rent (Current)

• TTP	\$40
• Rent	\$900
• Utility Allowance	<u>+\$37</u>
• Gross Rent	\$937
• Subtract out TTP	<u>-\$40</u>
• Total HAP	\$897

## Post Minimum Rent

• TTP	\$50
• Rent	\$900
• Utility Allowance	<u>+\$37</u>
• Gross Rent	\$937
• Subtract out TTP	<u>-\$50</u>
• Total HAP	\$887

Tenant Portion = \$3

Tenant rent portion = \$13.00

TTP = total tenant portion (30% of income)  
 Gross Rent = Rent + Utility Allowance

# Minimum Rent – RAB and Public Comments

## The RAB discussed the following questions:

- *What do you think are good reasons to implement the policy?*
- *What do you think are reasons not to implement the policy?*
- *What could be unintended consequences?*
- *If implemented what do you think the best way to communicate this change or any policy change would be?*
- *How should impacted families be notified that their rent is going up?*
- *How should we help families understand exemptions?*



# Minimum Rent – Additional Considerations

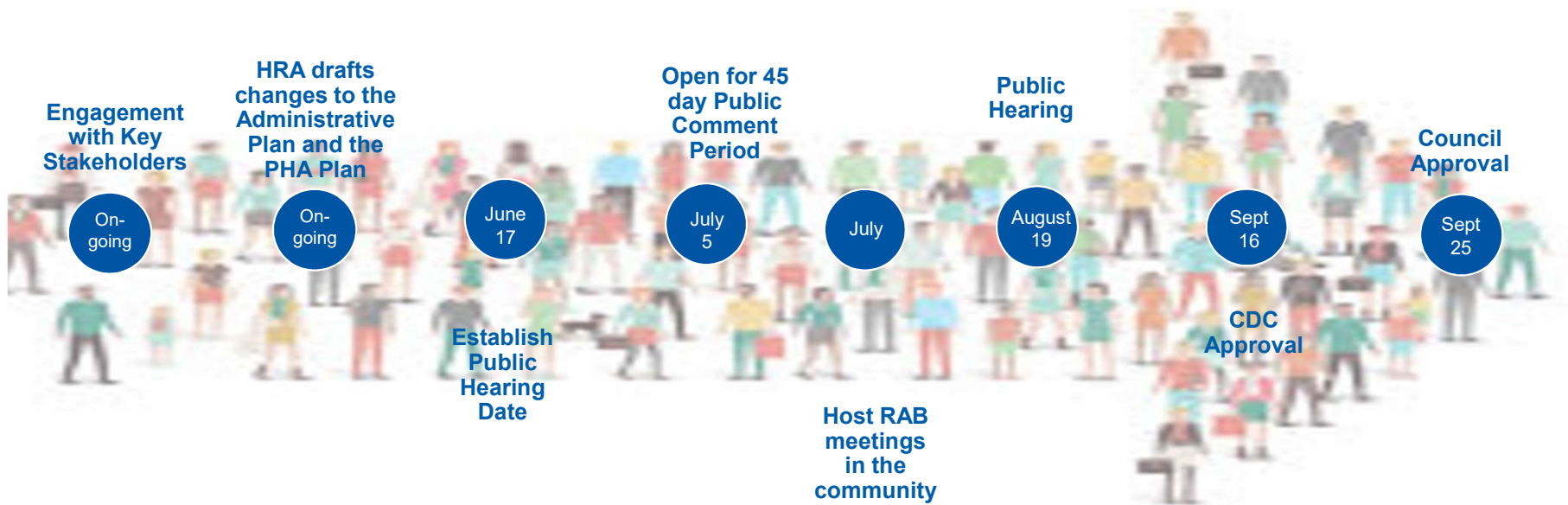
- One cost-containment strategy
- HUD shortfall team recommendation
- Operational assessment recommendation
- Industry standard
  - 88% of Housing Authorities have a minimum rent
    - 73% have \$50 minimum rent
    - 13% have \$25 minimum rent
  - 1% of participants impacted by minimum rent policy request a hardship exception
  - 7 out of 9 other Housing Authorities in the region have a minimum rent

# Minimum Rent Hardship Exemptions

- The Metro HRA must grant an exemption from minimum rent if the family is unable to pay because of financial hardship
- Four types of hardships
  - The family is awaiting an eligibility determination for a public assistance program
  - The family would be evicted
  - Family income decreases, including the loss of employment
  - A death has occurred in the family
- Three types of Hardships
  - No Hardship
  - Temporary Hardship
  - Long-Term Hardship



# PHA Plan Timeline



# Proposed Action

- That the Metropolitan Council:
  - Approve the 2020-2024 5 Year Public Housing Agency (PHA) Plan and the 2020 Annual Public Housing Agency (PHA) Plan, including changes to the Housing Choice Voucher Administrative Plan.
  - Direct staff to submit the final Plan to the U.S. Department of Housing and Urban Development.

# Questions?

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