

# Metropolitan Council Housing and Redevelopment Authority Policy Input Discussion

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Equity Advisory Committee

July 17, 2017



# Today's Discussion

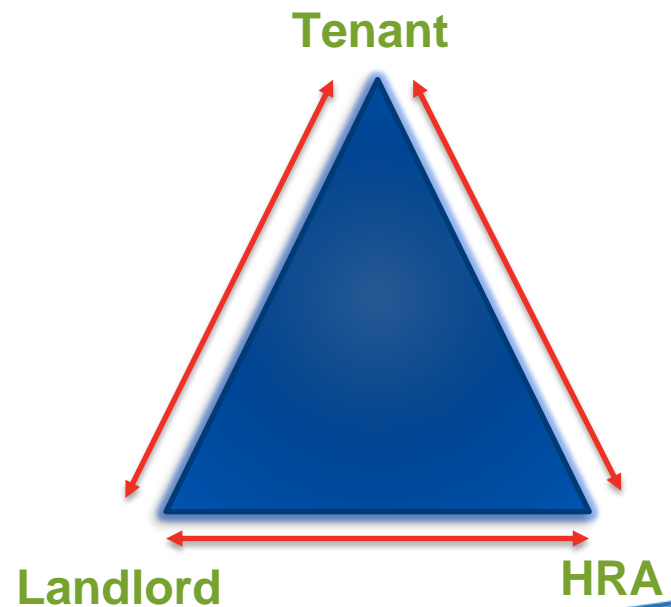
- Brief summary of Metro HRA and the Section 8 Housing Choice Voucher (HCV) Program
- Rent Limits
  - Balancing rising rents with budget
- Project Based Vouchers
  - How Many?
  - Where?



**Section 8**

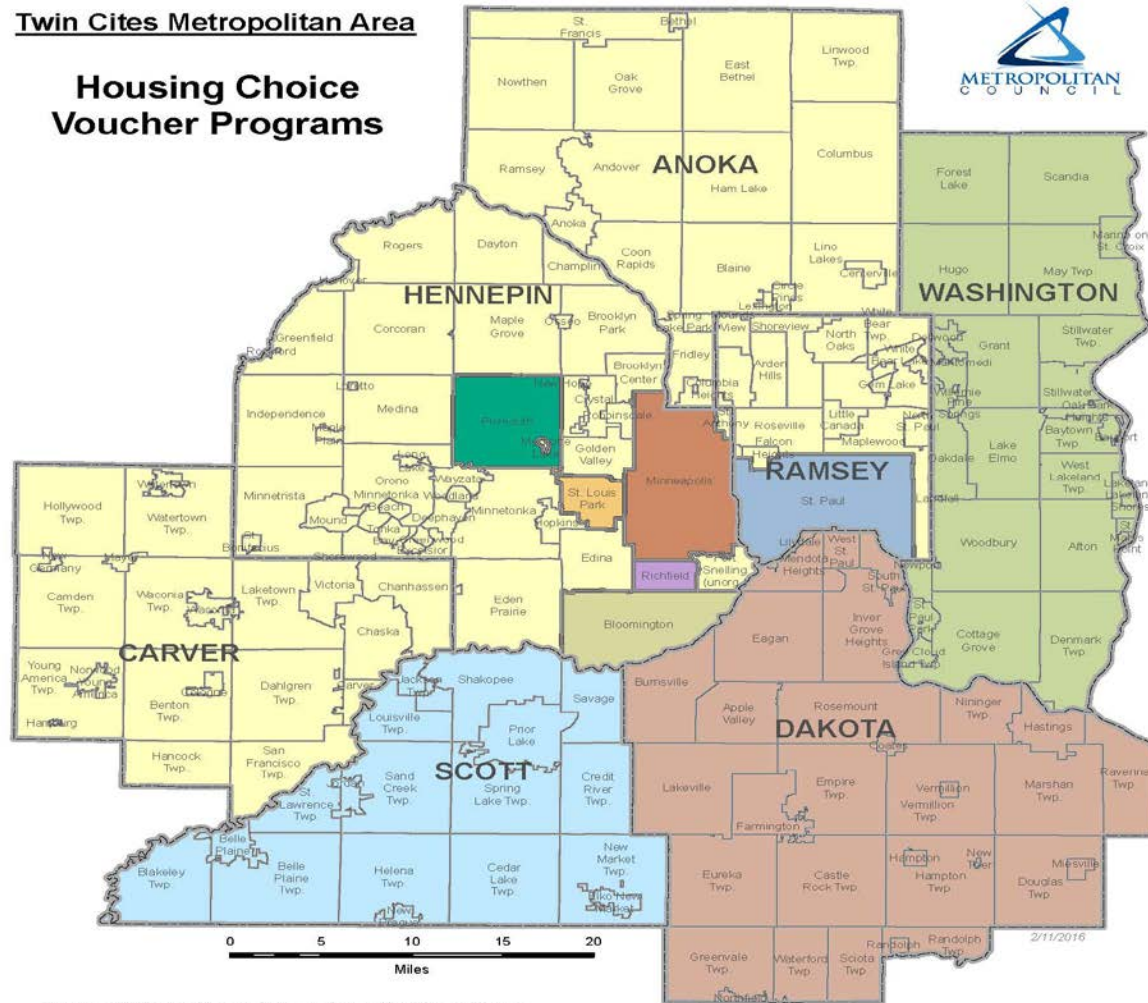
# About the Metro HRA

- Operates MN largest Section 8 HCV program
  - Nations largest rent subsidy program
  - Helps families afford rental housing in the private rental market
  - Federally funded
- Tenant pays 30% of income
- Federal “Voucher” makes up difference
- 6,500 families served
- Distribute \$52 million 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		



# Payment Standards – Rent Limits

- Payment Standards = Rent Limits
- Limited by Market Rent set at the federal level
  - Some agency discretion
  - Allow for local market conditions
- High enough to allow choice in all neighborhoods
- Low enough to serve as many families as possible



# Current Payment Standards

BR Size	Current <b>Basic</b> Payment Standards	Current <b>Exception</b> Payment Standards
0	\$700	\$765
1	\$900	\$945
2	\$1090	\$1190
3	\$1540	\$1690
4	\$1800	\$1975
5	\$2070	\$2275

- Exception = higher rent limits for higher rent communities

\*Exception communities: Chanhassen, Chaska, Eden Prairie, Edina, Excelsior, Golden Valley, Hopkins, Maple Grove, Minnetonka, Roseville, Shoreview and St. Anthony

# Rent Payments

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

## Examples

Rent – 2 Bedroom apartment (Maplewood)	\$1000
(minus) 30% family monthly income	- <u>\$400</u>
(equals) HRA payment amount	= \$600

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Rent – 2 bedroom apartment (Eden Prairie)	\$1350
(minus) 30% family monthly income	- <u>\$400</u>
(equals) HRA payment amount	= \$950



# Budget Scenarios

- Budget = \$52 Million

Average Monthly Subsidy	# Families Served	Difference
\$650	6,665	
\$675	6,420	245 less families
\$700	6,190	476 less families

- Higher subsidy per family = less families served



# Questions for EAC

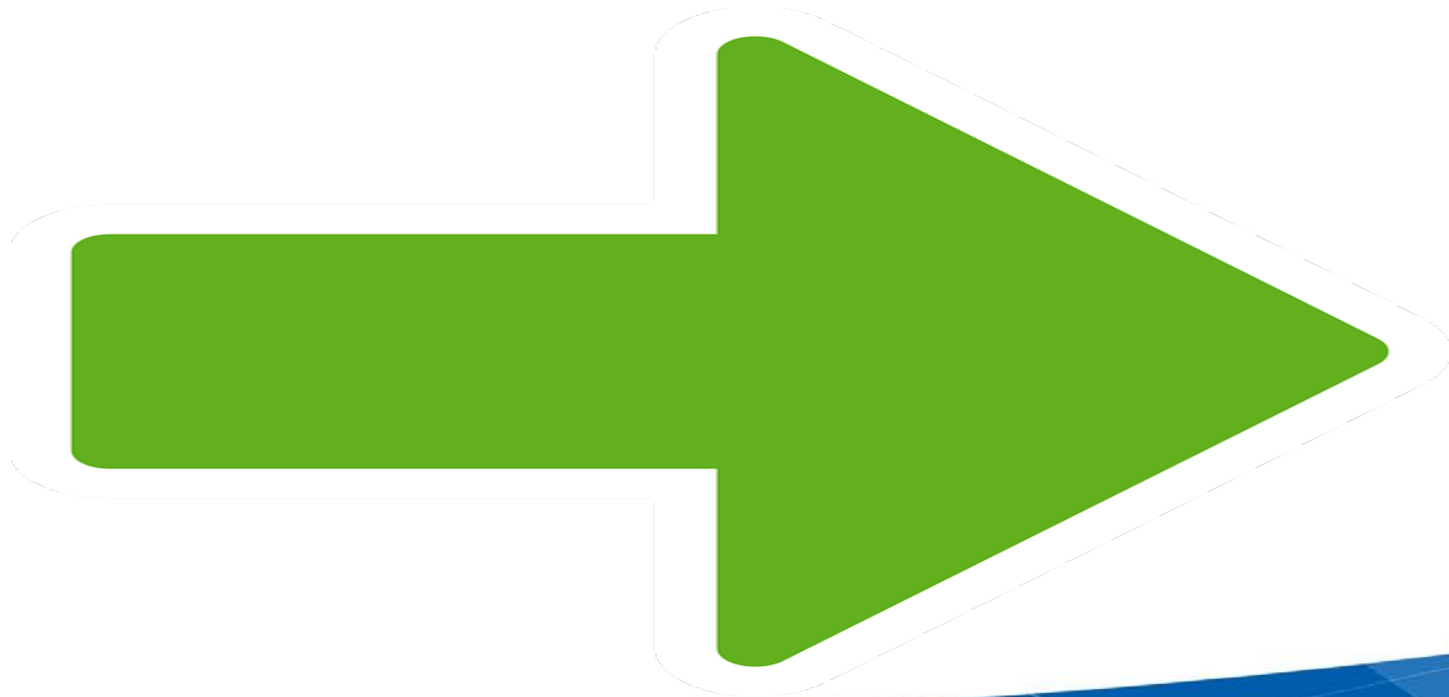
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- Serve less families with more rent subsidy (higher rent limits);
  - More units available to choose from
  - More choices in higher-rent areas
  - Fewer families served
- Serve more families with less rent subsidy (lower rent limits);
  - Less units to choose from
  - Limited choices in high rent areas
    - Concentration in low rent areas
  - More families served



Next Topic . . . .

Project Based Vouchers



# Two Types of Vouchers

- Tenant Based
  - Attached to the family
  - Family can move with subsidy
- Project Based
  - Attached to the unit
  - If family moves – unit is filled with a new low-income family
  - Can be attached to a variety of housing
    - New construction
    - Rehabilitated Housing
    - Existing Housing

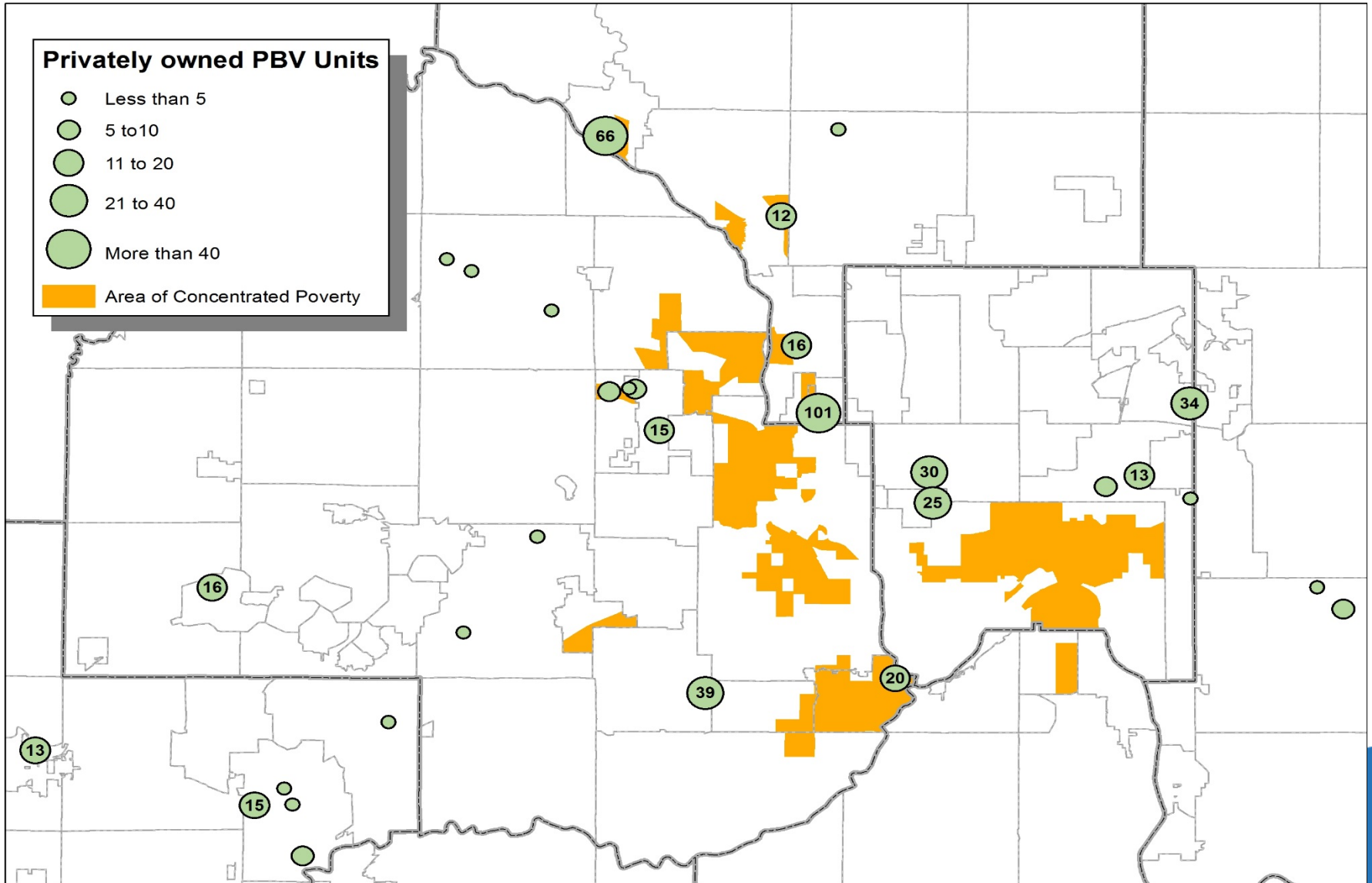


# How are PBVs offered and awarded?

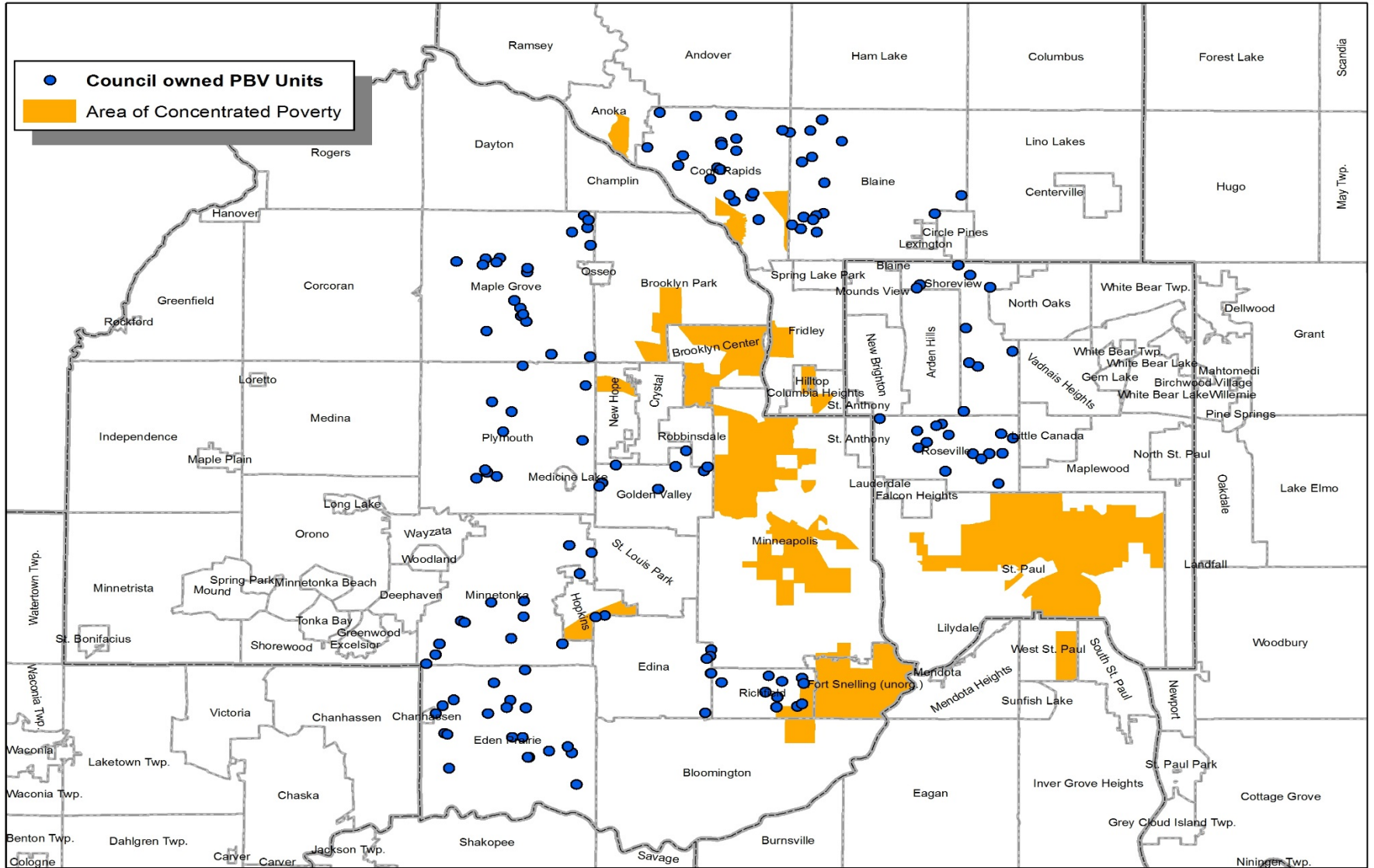
- PBVs are competitively offered
- Housing developers/owners request PBVs when applying for other public financing
- Project Based Voucher Award criteria:
  - Owner experience
  - Poverty deconcentration
  - Increase supply of affordable housing
  - Housing and tenant services
  - Economic integration
  - Housing for larger families
  - Linkages among housing, jobs and transportation
  - Community support



# Privately Owned Project Based Voucher units - 515



# Council-Owned Project Based Voucher units - 150



# Pros vs. Cons

Pros	Cons
Family not burdened with finding a landlord willing to accept a voucher	Family locational choice reduced as family is only offered unit available
Ensures permanent affordable housing units are placed in desired neighborhoods	Project based vouchers are more administratively burdensome
Offers families another alternative while waiting for a traditional voucher	Family is eligible for a tenant-based voucher after one year – creates a tail of vouchers.

# Questions for EAC

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- Can “Project-Base” up to 20% of vouchers
- Should the Council “Project-Base” more?
  - Current status = 10% (665 vouchers)
  - Maximum = 1300 vouchers
  - Available = 635 units
- Where?
- Ranking criteria?





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