

Survey of Applicants to the Minneapolis Public Housing Authority Section 8 Waiting List

November 2008



Funding for Minnesota Housing Partnership research comes from The McKnight Foundation, the Greater Minnesota Housing Fund (GMHF) and the Family Housing Fund (FHF). The findings and conclusions presented in this report are those of the authors alone, and do not necessarily reflect the opinions of the funders.

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Acknowledgements

This study was designed and authored by Leigh Rosenberg, Research and Outreach Coordinator. MHP staff members were responsible for conducting interviews and providing editing and design support. MHP would especially like to recognize Andrew Bloomberg, Research Intern, for his invaluable assistance in producing this report. Also providing feedback and support were Cheryl Borden with the Minneapolis Public Housing Authority (MPHA) and Al Hester of the St. Paul Public Housing Authority, as well as a number of MPHA caseworkers staffing the Section 8 application sites. Finally, a special debt of gratitude is owed to the 161 Section 8 applicants who took a few minutes of their day to participate in the study.

On June 12-13, 2008, the Minneapolis Public Housing Authority (MPHA) opened its Section 8 or Housing Choice Voucher waiting list. Over 12,000 households applied for a voucher during this period. This deluge of applications demonstrates extremely high demand for Section 8 vouchers. Yet with only about 30 vouchers coming available each month for use, most eligible applicants were placed on a waiting list, where they may face a wait of many years. In fact, there were people still awaiting vouchers from the two previous openings of the waiting list in 2003 and 1998. Although preferences for vouchers are given to some categories of applicants, such as people experiencing homelessness, many people in serious need of housing stability will be unable to access one of the only 4,600 vouchers authorized for use by the MPHA.

The Minneapolis PHA is not the only Minnesota housing authority with high demand and long waiting lists for Section 8 vouchers. In late June, 3,663 people requested an application from the Bloomington HRA for 1,500 waiting list positions. However, half way through 2008, the HRA had issued only about 75 new vouchers, due to limited turnover. In Plymouth, 3,700 people picked up applications for 300 waiting list spots in February, 2008. And in 2007, when the St. Paul PHA opened its Section 8 waiting list, it received 11,000 applications.

In order to obtain a deeper understanding of the housing and economic situations of those applying for Section 8 vouchers, Minnesota Housing Partnership (MHP) staff surveyed people at the libraries and workforce centers during the application period for the Minneapolis PHA on June 12-13, 2008. A total of 161 interviews were conducted.

KEY FINDINGS:

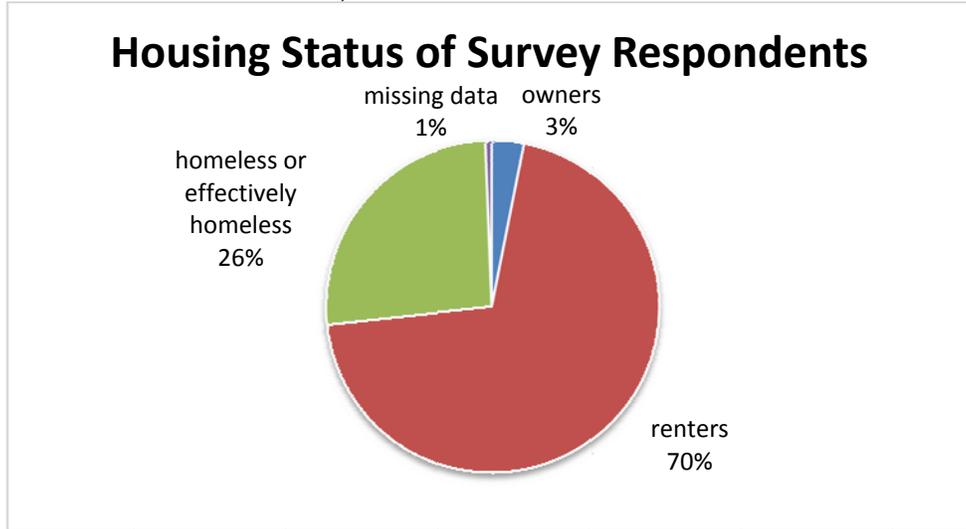
The key findings of this research suggest that those applying for Section 8 vouchers frequently have challenges meeting their basic needs, such as housing, food, and household items, and that a Section 8 voucher is perceived as a means to a more stable life.

- **One quarter of people interviewed were homeless** or effectively homeless living doubled up with friends and family or in temporary, unstable housing.
- About 7% of people interviewed were **direct victims of foreclosure**, with almost all being renters. Over a third had friends and family who had suffered rental foreclosure.
- Utility costs were a major burden for many respondents, with **12% of families reporting monthly utility costs of \$400 or more**.
- Respondents frequently reported being unable to meet the costs of basic needs. When asked how they would use the money saved if the cost of gas or food went down, the most common response was that they would **buy more food**.
- 40% of respondents were **employed**, and 23% of unemployed respondents had been **laid off in the last year**.
- Obtaining a Section 8 voucher is seen as an **improbable, but life-changing opportunity** by most applicants.

DETAILED FINDINGS:

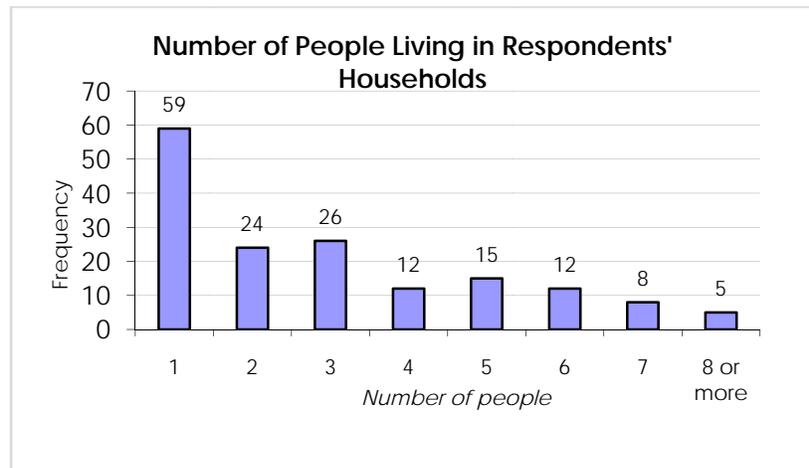
Housing Status and Household Composition

Of the 161 people who were interviewed, the majority reported that they were currently renting, though over a quarter of respondents reported being either homeless or effectively homeless (includes those who are doubled up with friends or family or in a temporary treatment facility with no home to return to afterwards).



Of those without stable housing, people were split between being on the streets or in shelters (33%), doubling up temporarily in existing housing space with friends or family (43%), and being in another type of transitional housing or treatment program (24%).

On average, respondents reported that there were three people living in their household, including the respondent. A majority of households (57%) had children in the home. A substantial number of respondents (16%) reported living in households with six or more people together under the same roof. However, for over a third of the people interviewed, the respondent was the only person in the household.



(n=161)

Of those responding to the question about location of residence, 68% were residing in Minneapolis. The remainder of those interviewed were living outside of Minneapolis, many in St. Paul or the inner ring suburbs. At least one person traveled from as far as St. Cloud to avail of the opportunity to be placed on the Minneapolis Section 8 waiting list.

Applying for Section 8: Expect the Unexpected

*In many cities nationwide, the opening of the Section 8 waiting list is a seemingly idiosyncratic event, happening once only every few years. Due to its occasional nature, the procedure for adding names to the list of potential of Section 8 voucher recipients has **an element of drama** to it, which is **perhaps unique among benefits** such as child care assistance, health care benefits, or food stamps.*

Section 8 vouchers are not an entitlement, and demand far exceeds supply. From the perspective of housing authorities, which are typically underfunded and over-extended, there is a natural incentive to limit the applications they receive, simply because it is impossible to award vouchers to all of the people that qualify for them. But from the perspective low-income applicants and advocates, the application process can be fraught with uncertainty and stress to the detriment of those in need.

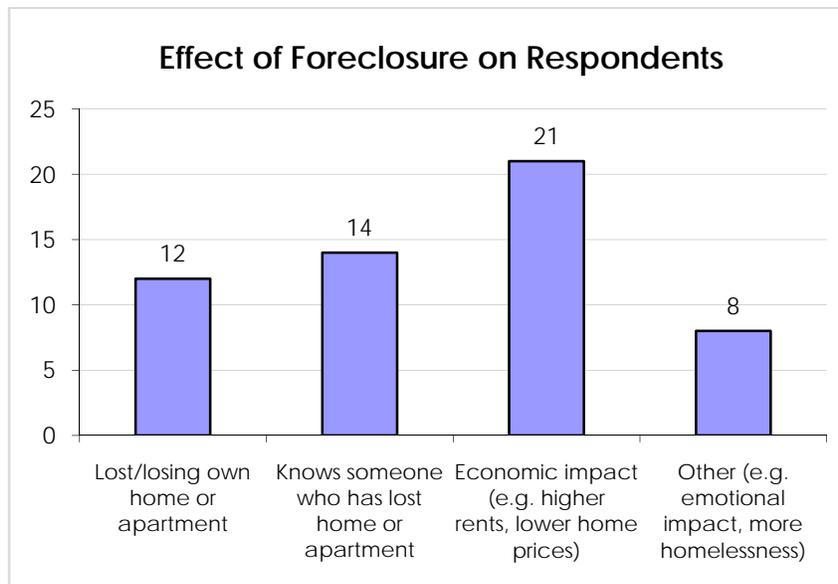
*For example, despite the efforts the Minneapolis PHA made to institute a new, streamlined online application procedure for this recent round of openings, technical difficulties added an unexpected wrinkle. This unexpected occurrence may have shortchanged some would-be applicants. The PHA had a two-day window during which online applications could be submitted, with paper applications mailed and postmarked by the following week being the other alternative. The first day, some people lined up at 8:00 am at workforce centers and libraries to apply online with PHA staff assistance. Others took time off from work or arrived after the workday. Other people tried to apply online from home, work, or elsewhere. The computer servers quickly overloaded, in keeping with the chaotic nature of the day. Some people were sent home with a paper application; others were asked to try submitting their online application again later. There is no good way to know how many people lost out on the chance to apply due to the **natural confusion that can be expected with a once-in-five-year chance** to apply for a Section 8 voucher.*

Another tricky matter for applicants is that although they are told to notify the public housing authority to which they have applied of any changes of address, PHAs find that frequently people do not send address updates. This causes them to lose their chance at getting a Section 8 voucher. Failure to keep the PHA informed of address changes over a multiple year period is perhaps not surprising, given applicants' limited resources and housing instability, including homelessness. However, it does raise the concern that many people with a serious need for housing stability may miss out on a Section 8 voucher, even when their name does come to the top of the queue.

Home Foreclosures

With foreclosure being a feature of key importance in the current housing market, a survey question was included to gauge the impact of foreclosure on respondents. People were asked: "How has the recent increase in foreclosures impacted you personally, if it has?" and were given the opportunity to respond in an open-ended manner. A total of 55 people (34% of all surveyed) responded that foreclosure has had a personal impact. About 7% of all survey respondents,

predominately renters, have personally been the victim of a foreclosure. Other survey respondents know people who have lost housing due to foreclosure or expressed fear about rising rental costs. The responses of those who recognized a personal impact fell into the categories below:



Foreclosed—Again?

One soft spoken young woman explained that she, as a renter, has lost an apartment through foreclosure three times and was currently undergoing her fourth foreclosure. She explained, "My daughter and I aren't stable right now. This will be the fourth time this has happened to me. And I'm only 18!" Asked how her situation would change if she received a Section 8 voucher, she responded that she would be able to live in one place, and not have to worry about losing her housing and moving—again.

Another woman said she knew of five families, all of whom were renters, who lost their homes when their landlords foreclosed on the properties. In some cases, the landlords did not tell the tenants that the foreclosures were imminent. Some families got only one week's notice that they would have to leave their home. Some lost their belongings because they did not have time to find a new apartment before having to leave. Losing their apartments meant staying in hotels or doubling up with friends for some of these families, and others were currently homeless living in shelters.

Utilities and Cost of Living

About 7 in 10 renter households surveyed reported paying gas and electric utilities in addition to rent. This figure included those reporting that they already live in subsidized units.^a All homeowners paid utilities.

^a This report does not include analysis of rents paid by respondents because there was no question specifically asking if current housing was subsidized. Fourteen respondents mentioned, unprompted, that they live in subsidized housing. However, this may be a conservative estimate.

Utilities Paid by Renters (n=113)

	Number	Percent
Utilities included	29	26%
Utilities not included	78	69%
No response	6	5%

On average, for those market rate renters responsible for some or all of their utilities in this survey, the average cost of gas and electricity was \$178 per month. However, 12% of families reported paying \$400 or more for these utilities each month. (Note that some bills may include existing balances.)

Special Focus: Gas and Food Price Increases

Given the trend towards increased gas and food costs at the time of the survey, open-ended questions to gauge the impact of these rising costs were included. People were asked to respond to the following two questions:

1. *If the price of gas went down, what would you do with the money you would save?*
2. *If the price of food went down, what would you do with the money you would save?*

Based on responses, 93% mentioned that food cost decreases would impact them, and 67% said that gas cost decreases would impact them. Most of the people who said that gas prices would not impact them told interviewers that they do not own cars, so they are therefore not affected directly by gas prices.

The answers given by respondents about ways they would spend the money saved were grouped into nine categories: food, household items/family needs, bills, savings, clothes/shoes, car/transportation, education, charity, and other impacts. The findings suggest that the survey respondents were finding it hard to meet their own basic nutritional needs and living expenses on their current budgets. For example, when the answers to both questions were taken together for each individual respondent, **the most common way that people would spend extra money saved would be on additional food.** When interviewees responded to these questions, they typically said things like "I would eat better" or simply "I would buy more food." One mother trying to earn a college degree was doubled up in a friend's house at the time of the interview. She explained the difficult choices she was facing:

"Do I pay for gas or milk? It's hard to decide. If these things cost less, I'd buy food and use any extra money to take my kids places and maybe save for a rainy day."

Other commonly mentioned needs for which additional money would be used were **transportation needs or cars, household and family items, bills, and savings for future use.**

Responses included replies like:

"I have ten grandkids— there's a lot to buy. I'd spend the money on clothes, food, shoes, paper towels and more gas, too."

"First I would get a car. Then I'd save money so I could get a cheaper apartment or maybe to have some money in the bank."

"I would be able to pay friends for more rides, and I'd save to get my own car. I would also buy more food."

based on the number of people reporting rental rates far below average market rates. Subsidized units are also more likely to have utilities included in rent.

If the costs of food or gas decreased, where would the money go? (n=159)

Responses given	Number of responses	Percent of respondents mentioning this category*
Food	48	30%
Transportation or car	38	24%
Household items or family needs	37	23%
Bills or rent	34	21%
Savings	32	20%
Clothes or shoes	25	16%
Education	10	6%
Charity or remittances abroad	8	5%
Other (various)	34	21%

* Percentages do not total 100% because some people mentioned more than one item in response to the gas and/or food question.

Employment and Commutes

About 40% of respondents reported being employed, mostly in low-wage jobs, at the time of the survey. Although the survey did not ask about disability or retirement status, nine respondents not in the labor force mentioned that they were disabled or retired. Data about layoffs was collected from 69 unemployed people (including disabled or retired).^b Of these unemployed people, 23% reported being laid off in the last year. The most commonly mentioned occupations are detailed in the table below.

Most Common Occupations among Employed and Recently Laid-Off Respondents (n=80)

Type of Occupation	Number reporting
Personal care (for elderly, disabled, medical patients, etc.)	12
Manual labor or construction or repair	9
Administrative or office work	8
Food service (including fast food managers)	8
Cashier	6
Retail sales	5
Driver	4
Education (including teacher, assistants, etc.)	4
Temp work	4

Other occupations included customer services, child care, security, nursing, laundry, and others.

Of those who are employed or recently laid off, 46% have (or had) work in Minneapolis. The rest worked in St. Paul or a suburban community. Thirty people (43%) reported working and living in the same city, while 40 (57%) were working outside the city in which they live.

Caught in the Downturn

One respondent, a middle aged man who was homeless and staying with a friend, worked in the home construction industry, until he was laid off during the recent downturn in the housing market. Asked how his situation would change if he were to receive a Section 8 voucher, he responded in a matter-of-fact way, "It would help me keep a roof over my head."

^b The question about layoffs was asked only if the person reported being unemployed. In addition, the layoff question was not included in the initial 41 interviews.

Commute times for workers were closely related to mode of transportation and living near to work. About 45% of current and recently laid off workers used a car to get to work, and over a third used public transportation. About 13% used a combination of modes or worked at home. Those relying on public transportation or a combination (most often public transportation plus driving) had a far longer commute time of 43 minutes, as opposed to 23 minutes for those who drove to work. Commutes were shorter for those walking to work. In addition, those who live and work in the same city had a much shorter commute time (19 minutes) than those who commute to another community (40 minutes).

Perceived Benefits of Section 8

Respondents applying for Section 8 vouchers tended to convey a strong sense that life would improve, if they were able to get a Section 8 voucher. This was especially true for people who were homeless or living doubled up with others. A Section 8 voucher was seen as a ticket to stability and a place of one's own. Nearly everyone answered the question "If you were able to get a Section 8 voucher, what would change in your life?" with a sense that obtaining a voucher would be incredibly fortunate and life-changing for them.

"I'd be able to live in a better neighborhood for the sake of my grandson. It would be safer for him. It would be like a gift."

"I'm about to go into a shelter with my kids because I'm losing my place. If I got a Section 8 voucher, everything would change, literally. I might not be able to save anything, but at least I could keep up with the bills."

One homeless man with mental health challenges explained, *"I'd have peace of mind, and a place to live. Peace of mind."*

"I'd like be able to enrich my kids' lives. They would be able to explore sports, band, and extracurricular activities. I could pay off my student loans, and I'd be able to afford dental and medical expenses. I want to live!"

The most popular kinds of responses spoke to being able to spend extra money on other pressing needs, and having a better, safer, or more stable housing situation. The breakdown of the responses is detailed in the table below.

**Question: If you were able to get a Section 8 voucher, what would change in your life?
(n=157)**

Category of response given	Number of responses	Percent of respondents*
It would be easier financially	39	24%
I would have more secure housing or a place of my own	36	22%
I would have a better or larger place	28	17%
I would pay less for rent	16	10%
I would save money	15	9%
I would live in a better location or neighborhood	15	9%
Things would be easier in general	14	9%
I could buy more items or offer more opportunities for children	11	7%
I would have less stress or emotional burden	10	6%

I would be able to buy more food	8	5%
I would be able to afford more clothes	6	3%
I would be able to pursue more education	5	3%
I would have money for better transportation or car	5	3%
Other (various)	19	12%
TOTAL	227	---
Missing or unsure	4	3%

* The percent total does not add to 100% because some respondents mentioned more than one item.

Out of a Job, Out of a Home

One immigrant from a country in southern Africa reported losing a job recently, which led to his current homelessness. He sees a Section 8 voucher as providing an opportunity for a secure place to live while he gets back on his feet, working and saving money.

Methodology and Limitations

This research was based on face-to-face interviews of 161 people applying to be added to the Section 8 waitlist for the Minneapolis PHA. The interviews, conducted by Minnesota Housing Partnership (MHP) staff, were based on a 20-question survey which usually took under five minutes to complete. Surveys were conducted at the libraries and workforce centers where Section 8 applications were being distributed and assistance was being provided for those applying online. People were approached for an interview after obtaining a paper application or while waiting for their number to be called to receive assistance. Potential respondents were informed that their participation was voluntary and would have no impact on their Section 8 application. The vast majority of applicants approached by MHP staff for an interview agreed to participate.

This research project was designed to gain a deeper understanding of the situations facing people likely to need affordable housing, rather than to produce a comprehensive report about all Section 8 applicants. Survey respondents are not necessarily representative of the actual pool of MPHA Section 8 applicants. According to the MPHA, about 30% of applicants to the waiting list filed their applications online. Some or all online applicants could have filed from internet locations inaccessible to interviewers. Applicants with internet access may also have better access to other resources. This could mean that the survey sample under-represents people with better resource access. Other sources of potential bias include the fact that MHP staff approached nearly all, but not all, of the applicants at each workforce center and libraries during the times when they were stationed at each location. There may have been an inadvertent source of bias in the selection process by staff. Staff interviewing techniques may have differed by interviewer, despite efforts to standardize these techniques. These limitations notwithstanding, the information presented in this study is useful in enhancing an understanding of the issues low-income households face in the Minneapolis-St. Paul metropolitan area.

Questions about research findings and methods may be directed to Minnesota Housing Partnership, 651-649-1710, www.mhponline.org.