



Vouchers in the New Housing Market

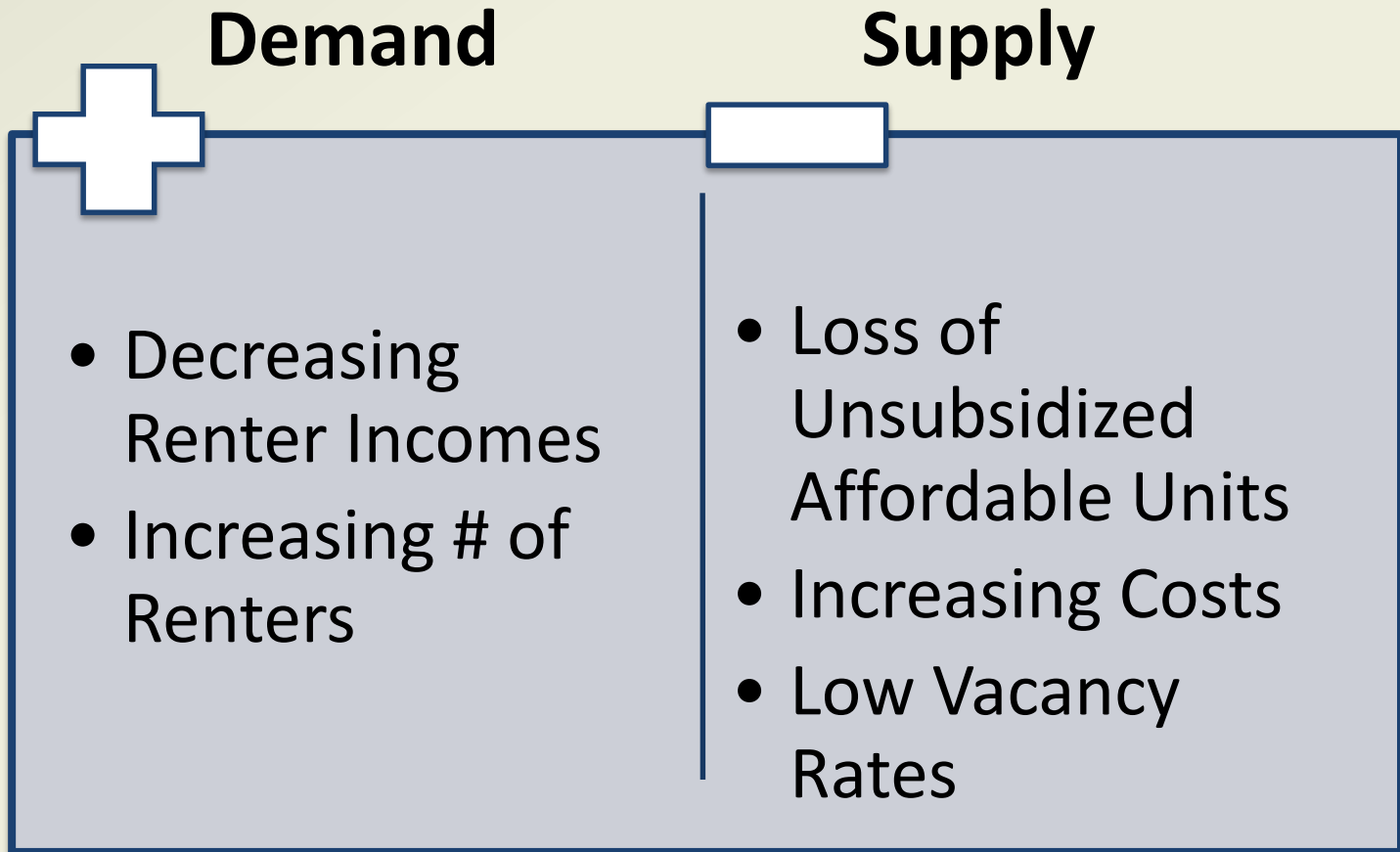
Minnesota Housing
Partnership Investors
Council Breakfast

November 9, 2016

Overview

- **Market Conditions for Affordable Rental**
 - The Need for Additional Affordable Housing
 - Impacts on Voucher Holders
 - Impacts on Unsubsidized Affordable Housing
- **Federal Policy Roundup**

The Market for Affordable Rental



The Market for Affordable Rental

By the Numbers in Minnesota

66,000

- Estimated Gap of housing units affordable to households with incomes at or below 50% of Area Median Income

31,100

- Low Income Households in Minnesota using Housing Choice Vouchers

\$203,000,000

- Amount of HCV assistance payments that Minnesota property owners received in 2015.

How Market Conditions Impact Section 8 Voucher Holders

- **Voucher holders face more barriers to securing housing**
 - Apartments accepting vouchers are limited, and need to meet fair market rent standards
 - Tenants may face discrimination and stringent application and screening processes
- **Risk of loss of federal subsidy if vouchers go unused**



How Market Conditions Impact Unsubsidized Affordable Units



- **Naturally Occurring Affordable Housing is at risk**
 - Sales of older apartment buildings
 - Increasing rents place outside of affordability
- **Landlords also face barriers in vouchers**
 - Perceived risk, lack of familiarity with programs, housing quality inspections, two rent payments

Federal Policy Changes on the Horizon

- **Legislation**

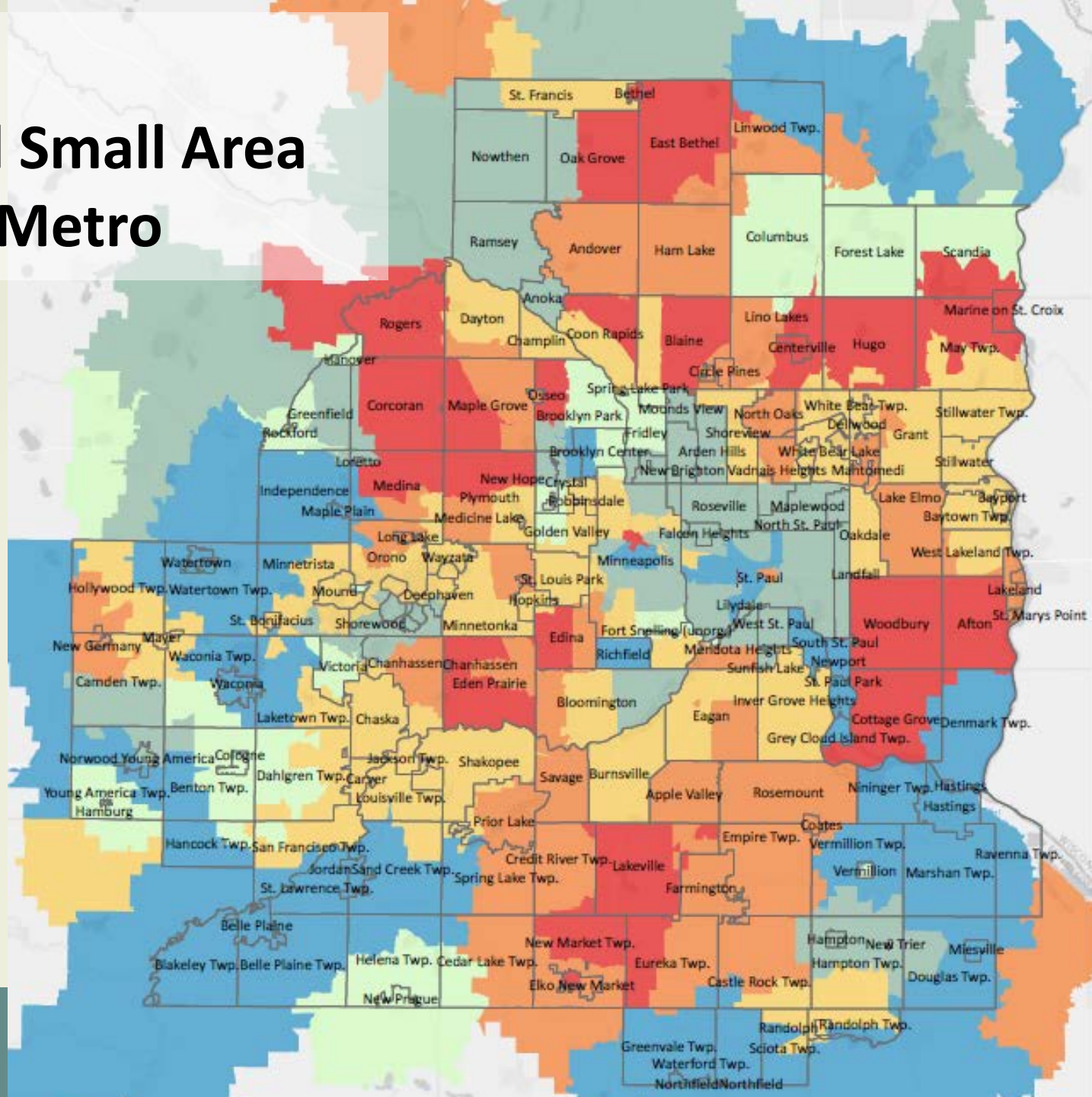
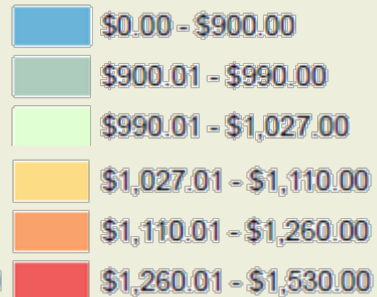
- Housing Opportunity through Modernization Act of 2016 (HOTMA) (H.R. 3700)
- Common Sense Housing Investment Act (H.R. 1662)
- Affordable Housing Credit Improvement Act of 2016 (S. 3237)

- **Rules, Guidance, and Notices**

- Tenant Protection Voucher Notice
- Small Area Fair Market Rents (Proposed Rule)
- Fair Housing Activities
 - Criminal Screening
 - Violence Against Women Act

Example: Hypothetical Small Area FMRs in the Metro

SAFMR for 2 BR
current 2 BR FMR for
Region: \$1,027



For More Information

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