EXECUTIVE SUMMARY

In Minnesota, the shortage of decent, affordable housing has destabilized the lives of thousands of low-income renters. Despite recent signs of economic recovery, real renter incomes have fallen by 14% while rents have risen by 8% since 2000. Working families have been hit hard, as rental vacancy rates have plummeted. The number of homeless people has increased 32% statewide since 2006.

The Housing Choice Voucher Program (HCV or Section 8 Vouchers) and Public Housing are the two most important federal housing programs for the nation’s lowest income renters. Together, these programs provide housing assistance to over 50,000 Minnesota households with an average yearly income under $14,500. Nearly 60% of these households include someone who is elderly or has a disability. Over a third of the residents are children. Yet funding for these and other federal housing safety net programs is in jeopardy due to federal budget cuts and “sequestration.”

During the summer of 2013, Minnesota Housing Partnership and Minnesota NAHRO surveyed Minnesota’s housing authorities to understand how these two programs and the families they serve are being impacted by federal budget cuts. Agencies administering over 80% of Minnesota’s vouchers and public housing units were represented by survey responses. Key findings from the survey and supplemental data analysis include the following:

- Nationally, federal funding has fallen dramatically. Since 2010, funding for HCV has been cut 8% and public housing has been cut by 25%, after adjusting for inflation.

- By reducing expenses in reaction to budget cuts, the state’s housing authorities are attempting to minimize disruption to current residents and voucher holders.

- Low-income residents are still being impacted with higher housing and utility costs, longer waiting lists, and poorer building maintenance.

- Staffing cuts have been common. For the HCV program, 35% of Minnesota housing authorities administering vouchers have already eliminated staff. Agencies expect to lose fully 27% of their staff as a result of the budget cuts of 2012-13.

- In some cases, voucher holders are being asked to pay more or move to lower cost apartments. Moving can disrupt children’s schooling and cause people to move to communities that have higher crime or schools with fewer resources.

- Over half of the Minnesota agencies administering HCV expect their waiting lists to exceed two years by January of 2014. Sixteen percent have a waiting list that already exceeds six years.

- Half of Minnesota’s public housing authorities are deferring capital improvements to their buildings as a result of budget cuts, even though the state’s public housing stock already requires over $300 million in major repairs.

- Eight percent of housing authorities reported changing public housing preferences to favor higher income residents in order to offset lower federal subsidies. An additional 14% planned to do so within the six months after the survey.

- As housing authorities run out of avenues to protect residents from sequestration-related cuts, the number of vouchers and units available will decrease and financial burden on residents will increase, unless other budget solutions can be found.

- Minnesota stands to lose between 2,500 and 3,200 vouchers by the end of 2014, as program reserves are used up and agencies run out of options, predicts the Center on Budget and Policy Priorities.

The Housing Choice Voucher and public housing programs have been effectively housing people and preventing homelessness for decades. In fact, the cost to operate these programs is often less than the cost of using emergency homeless shelters. Unless sequestration is reversed, cuts to our largest safety net housing programs will force more vulnerable families, seniors, and people with disabilities into unacceptably high housing payments or housing instability. Some will become homeless. This research underscores the urgent need to find smarter budget solutions to protect Minnesota’s Housing Choice Voucher and public housing programs.

For more information on the study findings or to learn more about advocacy to reverse federal housing budget cuts, please contact the Minnesota Housing Partnership at 651-647-1710 www.mhponline.org or Minnesota NAHRO at 651-925-4070 www.mnnahro.com.
In Minnesota, the shortage of decent, affordable housing has destabilized the lives of thousands of low-income renters. Despite recent signs of economic recovery, real renter incomes have fallen by 14% while rents have risen by 8% since 2000. Working families have been hit hard, as rental vacancy rates have plummeted. By 2012, on any given night, an estimated 14,000 Minnesotans were homeless. The number of homeless people identified on a single night increased 32% statewide between 2006 and 2012.

Given the severe housing crisis facing our state’s poorest residents, our reliance upon federal housing programs is increasingly important. Yet sequestration and budget cuts are putting federal housing programs in jeopardy.

To better understand the implication of the squeeze on federal housing programs that serve the state’s low income families, Minnesota Housing Partnership (MHP) and the Minnesota chapter of National Association of Housing and Redevelopment Officials (NAHRO) conducted a survey of the state’s local and regional housing authorities responsible for administering the Housing Choice Voucher Program (HCV or Section 8 Vouchers) and Public Housing.

These two programs are the most important federal programs providing housing assistance to the state’s lowest income renters. “Out in the Cold: Sequestration and Federal Housing Programs in Minnesota” details the findings of this survey and the impact of budget cuts and sequestration on the state’s HCV and public housing programs.

Housing Choice Voucher and Public Housing: Homelessness Prevention

The households served by HCV and public housing have extremely low incomes, averaging below $14,500 annually. At this income level, a family would be able to afford a rent of only about $360 per month without paying more than 30% of their income for housing, the basic affordability guideline used by HUD. There is no county in Minnesota where a household with this income would be able to afford a typical, modest studio apartment, let alone a larger apartment suitable for a family. Because they serve residents with such low incomes, both HCV and public housing can be considered programs that prevent homelessness.

Nearly 60% of the households with vouchers or in public housing have a member with a disability or who is elderly. Over a third of residents are children. The vulnerability of the people served by these housing resources underscores the need to maintain these programs now and into the future.
Out in the Cold: Sequestration and Federal Housing Programs in Minnesota

Minnesotans with Housing Choice Voucher or Public Housing Assistance

<table>
<thead>
<tr>
<th></th>
<th>Housing Choice Vouchers</th>
<th>Public Housing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of households</td>
<td>30,711</td>
<td>21,006</td>
</tr>
<tr>
<td>Average annual household income</td>
<td>$13,564*</td>
<td>$14,449</td>
</tr>
<tr>
<td>Number (percent) of residents under age 18</td>
<td>28,776 (46%)*</td>
<td>8,633 (33%)</td>
</tr>
<tr>
<td>Percentage of households with an elderly or disabled member</td>
<td>54%*</td>
<td>64%</td>
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</tbody>
</table>

*Excludes Minneapolis Public Housing Authority (PHA)*

Housing Choice Vouchers and public housing also tend to cost less than homeless shelters nationally. For this reason, it is fiscally prudent to invest fully in these important federal housing programs.

Sequestration and Budget Cuts

Over the last several years, both Housing Choice Vouchers and public housing have been subject to a series of federal budget cuts, including the cuts known as sequestration. The table below describes key budget decisions to date.

Cuts due to sequestration and related budget decisions for HCV and public housing are shown in the chart to the right. Nationally the two programs have been cut 8% and 25%, respectively, adjusted for inflation. Data on cuts to these programs specific to Minnesota is not readily available, but diminishing funding levels at the national level are echoed locally.

Percent Change in Federal Funding for Housing Choice Vouchers and Public Housing, 2010 to 2013

<table>
<thead>
<tr>
<th></th>
<th>Housing Choice Vouchers</th>
<th>Public Housing</th>
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<tbody>
<tr>
<td>-1%</td>
<td>-1%</td>
<td>-20%</td>
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<tr>
<td>-8%</td>
<td>-8%</td>
<td>-25%</td>
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<td>-30%</td>
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Data source: Center on Budget and Policy Priorities

Key Federal Budget Decisions and Sequestration from 2010 - 2013

<table>
<thead>
<tr>
<th>Year</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>Following the 2010 elections, as Congress passed program budgets for the 2011 fiscal year, it made the first in a series of cuts to the programs that are not mandatory for the federal government to fund. Congress also passed the Budget Control Act, which established spending caps for fiscal years 2012 through 2021, as well as sequestration (permanent, across-the-board cuts to discretionary programs) if Congress failed to approve additional deficit reduction measures.</td>
</tr>
<tr>
<td>2012</td>
<td>As a result of the Budget Control Act spending caps, Congress made a second series of cuts in FY 2012. For HCV and public housing, 2012 cuts were somewhat offset by requirements that housing authorities use their reserves to maintain program levels. Without this requirement, the magnitude of the cuts would have been even larger.</td>
</tr>
<tr>
<td>2013</td>
<td>Because deficit reduction measures were not ultimately approved after the Budget Control Act was passed, sequestration went into effect for FY 2013.</td>
</tr>
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</table>
Survey Responses Account for Over 80% of Minnesota’s Vouchers and Public Housing Units

The MHP-NAHRO survey was conducted online in the summer of 2013 and sent to 144 housing authorities. Some housing authorities operate public housing only, some HCV only, and some operate both. Of Minnesota’s 69 agencies administering HCV, 34 (49%) returned surveys. These 34 agencies, however, are responsible for approximately 84% of the state’s Housing Choice Vouchers. Of the 124 public housing authorities, 50 (40%) returned surveys; these 50 are responsible for 81% of Minnesota’s public housing units. In total, 54 surveys were returned (38%). The state’s larger agencies were more apt to respond to the survey.

HOUSING CHOICE VOUCHERS: KEY FINDINGS

High levels of concern. The vast majority of housing authorities administering the HCV program reported that budget cuts in the 12 months before the survey will have a notable impact on their programs. This was true both for housing assistance costs and the administrative costs behind the program.

For HCV, housing assistance payments cover the difference between what voucher holders pay to their landlords and what the apartment costs. Administrative fees cover staff for essential functions. These functions include: selecting, approving, and monitoring voucher holders; safety and quality inspections; recruiting and working with landlords; managing waiting lists; setting rent amounts; and handling disputes and grievances. Ultimately, funding shortfalls cause staff backlogs, slower processing, and delays in getting families into safe apartments.

High levels of concern by administrators are not surprising given that 33 of 34 HCV housing authorities responding to the survey reported already experiencing the effects of budget cuts. The 34th agency expected to feel effects within six months of the survey.

Serious impacts for families and agencies. From the responses, it appeared that agencies are opting to protect voucher holders from being impacted to the extent possible. The most common strategy for dealing with cuts has been reducing program reserves, which was reported by 88% of agencies responding. Other common strategies impact families not yet in the program, rather than those already receiving benefits. These included refraining from issuing new housing choice vouchers (65%), longer waiting lists (71%), and closing waiting lists (53%). Stepping up efforts to reduce fraud and abuse to save money was reported by 71% of respondents. Reducing employee hours (26%) and eliminating staff positions (35%) were not at all uncommon for housing authorities in the face of budget cuts.

Some programs have already made decisions impacting current residents, the survey found. Twenty-six percent of housing authorities have asked residents to pay more for their housing by reducing payment standards, and 24% reported raising minimum rents for residents with exceedingly low incomes who would not otherwise pay rent. No agencies reported terminating assistance for existing recipient households, though one housing authority believed that they would do so within six months.

**Perceived Impacts of Cuts from July 2012 to June 2013 on HCV Program by Housing Authorities**

<table>
<thead>
<tr>
<th>Impact Level</th>
<th>Housing Assistance Funding</th>
<th>Administrative Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Significant/Moderate</td>
<td>88%</td>
<td>94%</td>
</tr>
<tr>
<td>Little/No Impact</td>
<td>12%</td>
<td>6%</td>
</tr>
</tbody>
</table>

We have operated at significant reduced funding for years. We have also lost local funding. We have absorbed these losses but cannot continue to do so without jeopardizing our housing quality and services to our residents and participants.

Minneapolis Public Housing Authority Administrator
Some agencies also reported requesting voluntary rent reductions from landlords, increasing staff caseloads, reducing quality control systems, and seeking increased local levy supports to raise money. Some reported refusing voucher holders’ requests to “port” (transfer) to other communities with higher rents, with the consequence of potentially denying families access to better employment or school options.

**HCV waiting lists** are known to be lengthy and to move slowly. When asked about the length of the waiting list, of 25 valid responses, **68% of housing authorities predicted that it would take longer for people on their waiting lists to obtain a voucher by January of 2014, compared to a year earlier.** The rest predicted no change (24%) or a shorter waiting list (8%). With lengths of HCV waiting lists projected to grow (see bar chart), well over half of the agencies responding expect their waiting lists to be over two years long by January of 2014. Already, one housing authority had a waiting list extending eleven years, and 16% had a wait of at least six years. Especially in the Twin Cities area, agencies rarely even open their HCV waiting lists because they are already so long. **Such lengthy waits are of little help to families currently facing unaffordable housing costs or homelessness.**

The survey aimed to gauge more specifically the implications of **reducing payment standards**, which has been undertaken by 26% of responding agencies. Lowering payment standards effectively restricts voucher holders to choosing lower-priced units, by decreasing the subsidy and increasing the tenants’ share of the rent. In the survey, agencies were asked if in the past they had ever reduced payment standards and what the impacts have been.
Comments warned of serious consequences of reducing payment standards, especially in tight rental markets. These included:

- Inability to lease units with vouchers when families cannot find suitable units in a lower price range.\(^8\)
- Fewer landlords willing to participate in the program.
- Families paying higher proportions of their income to make up for the difference between what the voucher covers and what suitable units cost.

Ultimately, lower payment standards also maintain or increase concentrations of poverty since voucher holders can end up living where apartments are cheaper and poverty higher. This undermines an important intention of the program to give low income families access to neighborhoods with high opportunity.

An administrator from the Housing and Redevelopment Authority (HRA) of Bemidji, which has reduced payment standards and left the reductions in place to date, explained the results:

Our lease up rate has plummeted from 35% to 5%. Most families used to pay around 30% of their adjusted income; now around 40% is the norm. We have lost 30% of our housing assistance payment funds due to not being able to lease up in the last year following [reduction of payment standards].

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Facing Budget Cuts, One Housing Authority Asks 650 Families with Vouchers to Move

In late September of 2013, a few months after the survey for this report was completed, the Twin Cities Metropolitan Council was asked to respond to a major budget shortfall for the Metro Housing and Redevelopment Authority’s (HRA) Housing Choice Voucher program. Facing a $1.1 million shortfall due to federal budget cuts, the Council faced a choice between asking 650 families to rent smaller units, and cutting 150 families from the program altogether.

The HRA administers over 6,000 Housing Choice Vouchers. Ultimately a decision was made not to cut vouchers, but to issue vouchers for smaller bedroom-sized units to 650 of the families. Families could opt to move or stay in their current units by paying for the difference in cost. However, by covering the difference, families would ultimately pay a very high percentage of their income for housing, the very problem the HCV program is meant to solve.

Starting in December 2013, about 50 voucher-holding families per month will face moving to smaller units or paying higher rents. With a total of 650 families impacted, this change affects about 1,300 children. School aged children could face transitions mid-school year, which risks interruptions to their learning and school performance.

With a Twin Cities apartment vacancy rate hovering between 2 and 3%, it is unclear how readily families who choose smaller units will be able to find suitable places. The apartments would need to be priced within the allowed range, and owned by landlords willing to accept vouchers. Under tight rental market conditions, landlords often prefer avoiding participating in the HCV program since they can easily fill their vacancies.

Tough program decisions in the face of budget cuts are not unique to the Metro HRA, but are playing out in housing authorities and board rooms all across the state.
A Vicious Cycle of Cuts and Unpredictability

To account for the severe HCV funding shortfalls, Minnesota’s housing authorities have been under increased financial strain, draining reserves and local funding sources, leaving vouchers unfilled, and sharing financial burden with vulnerable families. Nationally, from 2010 to 2013, inflation adjusted cuts to HCV totaled about 8%. This includes a 7% cut to the funding that covers the direct costs of housing assistance and a 23% cut to HCV administrative fees.9

For housing assistance, in June, 2013, Minnesota’s housing authorities actually spent about 5% more (or $850,000) on direct voucher costs than the federal funding allocated to them for that purpose.10 They did so by relying on reserves and other funding sources. Even then, housing authorities are not utilizing all of the vouchers they are technically authorized by HUD to lease. This leaves otherwise eligible families without vouchers, because funds are not available.

Administrative funding cuts have been especially consequential for agencies.11 Prior to sequestration, housing authorities were awarded about 90% of eligible administrative fees. In 2013, this amount dropped to approximately 69%. This means that housing authorities have been operating with inadequate HCV administrative funding for years, but the squeeze is much tighter now.

Extra strain and unpredictability for housing authorities result from the fact that federal budget negotiations have been dragging out months into the housing authorities’ fiscal year. For 2013, housing authorities were informed of their annual budgets fully five months into the year. The same is likely for next year given Congressional deadlock on budget agreements. This, in combination with rising rents, makes it extremely difficult for staff to know how many families to provide with vouchers in order to maximize assistance without going over budget. This is especially true for smaller housing authorities.12 As a result, some housing authorities are withholding using a portion of their funded vouchers. For families desperately in need of housing assistance, holding back funded vouchers is far from ideal.

The tenuous funding situation for Housing Choice Vouchers cannot continue indefinitely. Reserves will not last, program cuts can only go so far in saving money, and other sustainable funding sources are hard to come by. Though Minnesota has so far avoided an overall loss of vouchers, the Center on Budget and Policy Priorities predicts that Minnesota will lose between 2,500 and 3,200 vouchers by the end of 2014, as program reserves are depleted and agencies run out of options.13

PUBLIC HOUSING: KEY FINDINGS

Public housing, like HCV, is designed to make sure that our nation’s lowest income families are stably housed. But rather than using vouchers, public housing involves apartments owned and operated by local housing authorities.

Public housing is funded through two major federal housing budget accounts, both of which have been hit hard by federal funding cuts. The operating fund covers day-to-day expenses, including property management, utilities, and ongoing maintenance and small repairs. The capital fund is used for property improvements, major repairs, and renovations. Nationally, between 2010 and 2013, the budgets for these two funds have experienced marked cuts. Cuts have totalled 15% (21% adjusted for inflation) for operating funding and 29% (34% adjusted) for capital funding.
Together, these cuts have made maintaining the public housing program increasingly challenging. This year public housing agencies received only 82% of the actual costs of operating their units, as determined by HUD. Meanwhile, the public housing stock is aging, and was known to be in need of $300 to $450 million in upgrades in Minnesota alone, even before the budget cuts of the last few years.\(^\text{14}\)

Concern for Residents and Buildings

High levels of concern about the recent cuts are reflected in the surveys completed by administrators of public housing. Of the 50 public housing authorities that responded, 88% reported that operating budget cuts will have a moderate or significant impact on the program. Ninety percent expected a moderate or significant impact due to capital fund cuts.

As with HCV, the measures most commonly taken by housing authorities to cope with budget cuts minimize immediate financial impacts on residents. The most common strategy reported was for housing authorities to spend down reserves (86% reported doing this), followed by reduced spending on contracts (60%) and staff training (56%). After that, the strategies chosen tended to be those with a delayed impact on existing residents, such as deferring major property (capital) improvements (50%), keeping vacant units open longer, reducing employee hours, and postponing maintenance. Longer waiting lists were also reported.

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**Areas Impacted by Budget Cuts: Public Housing**

- Reduced reserves: 86% (2% happened within last 12 months, 16% within next 6 months)
- Reduced spending on contracted services: 60% (16%)
- Reduced/eliminated staff training, travel and education: 56% (6%)
- Deferred major property improvements: 50% (12%)
- Increased time to fill vacant units: 28% (14%)
- Eliminated overtime/reduced employee hours: 32% (6%)
- Increased maintenance backlogs: 24% (14%)
- Increased waiting lists: 32% (4%)
- Reduced security expenditures: 24% (10%)
- Reduced employee benefits: 22% (6%)
- Eliminated staff positions: 20% (6%)
- Imposed increased utility costs on tenants: 20% (6%)
- New preference for higher-income residents who will pay more rent: 8% (14%)
- Imposed parking or other fees on tenants: 16% (4%)
- Reduced services for seniors: 12% (4%)
- Sold, demolished, or left units vacant: 6% (6%)
- Reduced services for children: 2%
Yet, measures with direct, negative consequences for families such as reducing security, and increasing utility costs, parking fees, and service were not uncommon. Eight percent of housing authorities’ administrators reported changing preferences to favor higher income residents to cope with reduced program funding. An additional 14% planned to do so within the next six months. With public housing being one of the state’s most important housing programs for the lowest income Minnesotans, shifting preferences to higher income residents for public housing will leave some of the state’s most needy people out in the cold.

Even deferred maintenance and capital improvement can significantly impact residents, as well as the physical and financial viability of the public housing stock. In terms of capital needs, housing authorities reported delays addressing building problems such as replacing and modernizing windows, repairing roofs, and implementing security measures. Energy savings are lost if windows cannot be replaced and efficient heaters cannot be purchased. Delayed repairs can lead to much more expensive rehabilitation costs down the road.

### STAFF CUTS UNDERMINE PROGRAMS

While efficiency is essential in lean times, extensive staffing cuts can ultimately undermine, rather than streamline, housing programs meant to serve families and communities. Fully 30% of all of the agencies responding to the survey expect to lose staff as a result of cuts in the past year.

For housing authorities responding to the survey, staffing levels are expected to take hits of 27% for the HCV program and 2% for public housing. Overall a loss of 55 full time equivalent positions, or 7% of all current staff, is expected.

The implication of staffing cuts is illustrated by survey comments left by housing authority staff across Minnesota. For example, a Virginia Housing and Redevelopment Authority (HRA) administrator wrote:

> If Section 8 [HCV] funding for administration continues at these historically low levels, I am not sure that the HRA will be able to continue to operate the program.

It is not clear what housing options the 450 households receiving Housing Choice Vouchers in Virginia, Minnesota would have if not for the program. The average income of this housing authority’s voucher recipients is only $10,300.

The Becker County EDA housing authority staff commented,

> With cuts coming from both federal and state agencies, we are forced to lay off staff. There will be a point when there is not an adequate staff left to provide the program administration. Then what?

And for the Alexandria HRA, staff cuts have been avoided by draining local resources which could have been used for other community priorities.

The only reason we have not had a staff reduction is because we are ‘paying’ for the reduction in federal funding with local resources. While we are lucky that we have those resources, it has a negative impact on the HRA’s ability to provide other required services in the community. Therefore this reduction in federal funding has only shifted the burden to local levy resources.
This study of our largest safety net housing programs, Housing Choice Vouchers and public housing, is a clear reminder that sequestration and related cuts are short-sighted, harmful approaches to deficit reduction. Cuts to these key housing programs will prevent families, seniors, and people with disabilities in large and small communities all across the state from receiving assistance that can stabilize their lives. Families that would otherwise have received assistance will face unacceptable rent burdens at best, or become homeless at worst. Children who need to be concentrating on their schooling will likely fall behind if they lose stable housing. And children, people with disabilities and elderly Minnesotans who would otherwise be able to access housing assistance to stabilize their lives will be unable to do so.

Yet from a fiscal standpoint, it is often less expensive to cover the cost of public housing or Housing Choice Vouchers than it is to cover shelter costs, not to mention other costs to society when people become homeless or unstably housed. From an investment standpoint, following the course of sequestration positions Minnesota to lose the physical and organizational infrastructure for running efficient housing programs. Once lost, these resources cannot be easily regained.

Since preventing homelessness is a basic safety net function for governments, it makes sense to shore up, rather than squeeze out, programs that have been serving vulnerable Minnesotans effectively for decades. It is time to find smarter budget solutions and to protect Minnesota’s precious Housing Choice Vouchers and public housing programs.

For more information on the study findings or to learn more about advocacy to reverse federal housing budget cuts, please contact the Minnesota Housing Partnership at 651-647-1710 www.mhponline.org or Minnesota NAHRO at 651-925-4070 www.mnnahro.com.
NOTES

1 MHP analysis of 2000 Census and 2012 American Community Survey data.
2 Homelessness in Minnesota: Findings from the 2006 and 2012 statewide homeless studies, Wilder Research. 
   http://www.wilder.org/studies/Homelessness%20in%20Minnesota%202012%20Study/1023 and
3 2013 Out of Reach Report, National Low Income Housing Coalition. Based on fair market rents (FMRs).
4 HUD HCV Programmatic Reports for June 2013 (plus May 2013 for missing June data) for number of vouchers 
   Report (RCR) (Oct. 31, 2013) for public housing units, income, age, and disability status for both programs http://portal.hud.gov/hudportal/ 
   HUD?src=/program_offices/public_indian_housing/systems/pic/50058/rcr. Minneapolis PHA data for HCV is excluded from the RCR because it 
   is a moving to work agency and reports differently.
5 Costs Associated with First-Time Homelessness for Families and Individuals, HUD Office of Policy, Development and Research, March 2010  
6 Housing authorities have the option to set their payment standards to within 90 to 110% of the fair market rent, though exceptions can be 
   granted by HUD. A lower payment standard reduces the maximum rent for units that voucher holders are allowed rent, as well as the amount 
   of subsidy the housing authority covers. Families can elect to pay the difference for a higher priced unit, as long as rents and utilities do not 
   initially exceed 40% of their monthly adjusted income. See http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_11751.pdf and 
7 Minimum rents are determined by housing authorities and range up to $50 per month, even if this payment would exceed 30% of adjusted 
   income for a household, as long as this would not result in eviction or other extreme hardship.
8 Initially, vouchers cannot be used for units that would require families to spend more than 40% of their income.
9 Data from Center on Budget and Policy Priorities provided by Doug Rice in October, 2013. Adjusted for inflation.
10 Calculated using HCV Programmatic Reports for June 2013 (plus May 2013 for missing June data) compared to 2013 HCV Renewal Funding 
11 The amount of administrative funding available to each housing authority is based on the number of voucher-assisted households that are in 
   active use (leased). As the proportion of vouchers leased for the program falls due to reduced housing assistance dollars, administrative funding 
   also falls. To compound matters, recent federal funding cuts have led to reduced administrative fee reimbursement, even when the number of 
   vouchers stays the same.
12 Small housing authorities often lack resources to do sophisticated budget predictions. This unpredictability in budgeting is especially 
   challenging in a context of rising rents, which unexpectedly increase budget strain.
13 Sequestration Could Cut Housing Vouchers for as Many as 185,000 Low-Income Families by the End of 2014, Douglas Rice, Center on Budget 
   and Policy Priorities, November 6, 2013. See http://www.cbpp.org/cms/index.cfm?a=view&id=4044 for prediction methodology and 
   assumptions.
14 See Investment at Risk: Public Housing in Minnesota, MHP, 2008 http://www.mhponline.org/mhp-blogs/mhp-connect/225-shoring-up-
15 Steeper cuts in staff for HCV than public housing reflect deeper administrative funding cuts to HCV than public housing. In addition, for 
   public housing, capital funding can be transferred to support operating costs (including administrative functions) within agencies. Shifting 
   dollars between housing assistance and administrative funding is not an option for HCV.
ACKNOWLEDGEMENTS

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Minnesota Housing Partnership (MHP) convenes, guides, and supports those working to improve the conditions of home and community. Building on decades of experience, we strengthen development capacity and promote policies that expand opportunity, especially for people at the lowest income levels. In partnership, we help translate aspirations into action.

The Minnesota Chapter of the National Association of Housing and Redevelopment Officials (NAHRO) serves the state’s housing and community development needs. Our mission is to be the leading housing and community development organization in Minnesota by promoting strong, viable communities for all Minnesotans, particularly those with low and moderate incomes. Our goal is to enhance the knowledge and effectiveness of our members through professional development, education and advocacy.