

Metropolitan Council Housing and Redevelopment Authority

Housing Choice Voucher Program Success Rates

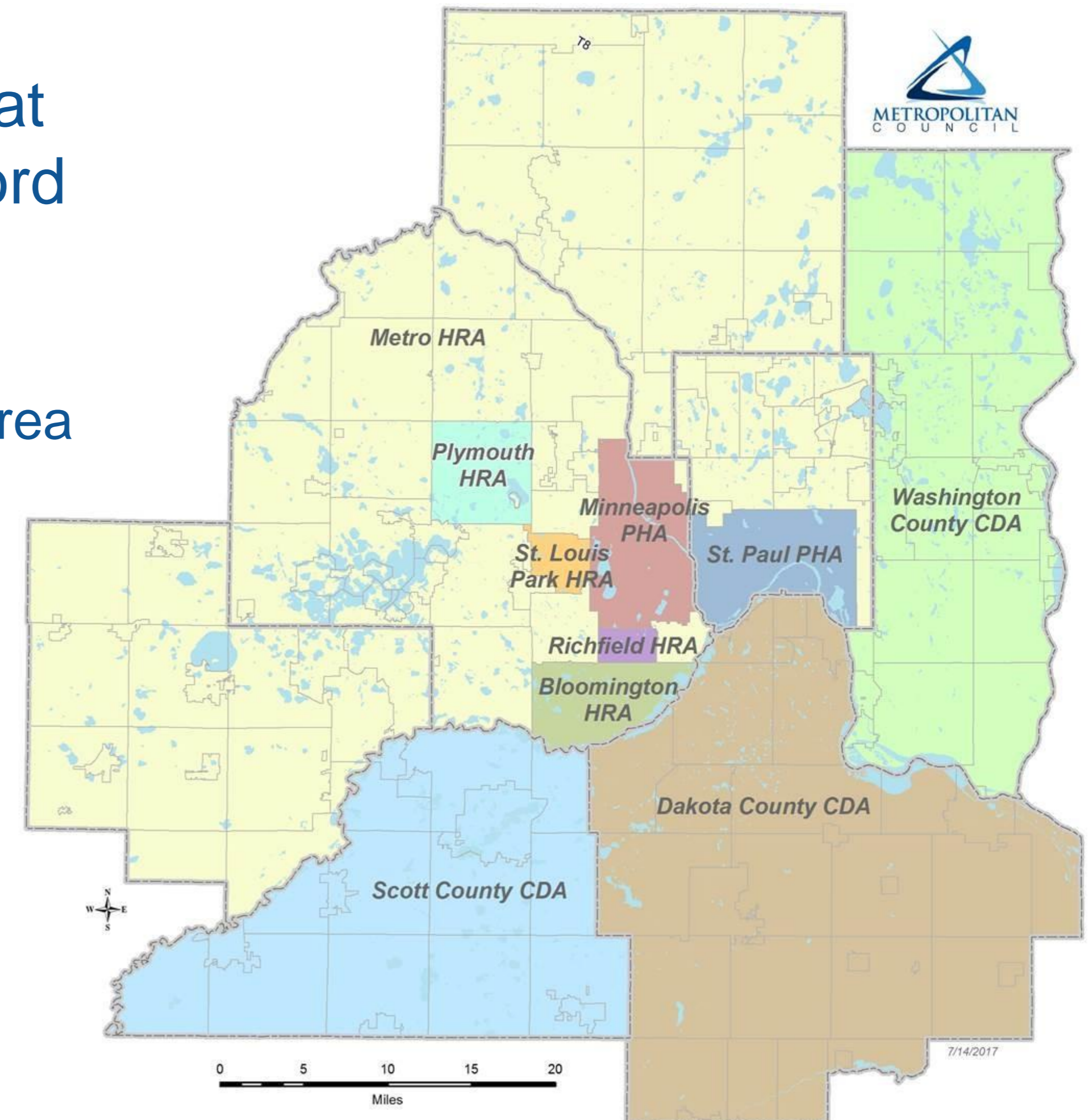
February 18, 2021

Presentation to the Housing Committee
Minnesota House



Housing Choice Voucher Program

- Federally funded rent assistance program that helps 2.2 million low-income households afford rent
 - 32,000 Minnesota households
 - Nearly 7,000 households in Metro HRA service area
- Waiting lists are closed and long
- 2019 HCV Waiting List opening – Metropolitan Council HRA, St. Paul PHA and Minneapolis PHA
 - 45,000 application requests
 - 7,000 randomly placed on waiting lists
 - 38,000 – not even placed on a list



Housing Choice Voucher Process and Success

- Household comes to the top of the waiting list
- Charged with finding a rental unit on the open market
- Many factors influence voucher placement success

Rents and Vacancy Rates

- Vacancy rates historically low since 2011
- Results in rising rents (sometimes beyond what program rules allow)

Landlord Acceptance

- **Landlord participation is voluntary**
- Landlords get more selective when vacancy rates are low

Tenant Rental and Credit History

- Tenants with background barriers have difficult time finding a unit
- Landlords get more selective in who they rent to

Housing Search times

- Housing authority discretion for search time (typically 60-120 days)
- COVID-19 creates housing search challenges



Metropolitan Council HRA Success Rates

- Success rates of voucher holders fluctuate as rental market conditions change

Year	Success Rate Voucher Issuance to Lease Up	Influences
2010	82%	Historically typical
2012	70%	Low Vacancy
2013	60%	Low Vacancy
2014	45%	Low Vacancy and Old Waiting List
2015	69%	Hired Housing Search Specialist
2016	69%	Continued Low Vacancy Skyrocketing Rents Decreased Landlord Participation
2017	66%	
2018	61%	
2019	62%	

*2020 rates not available – voucher freeze in place most of year

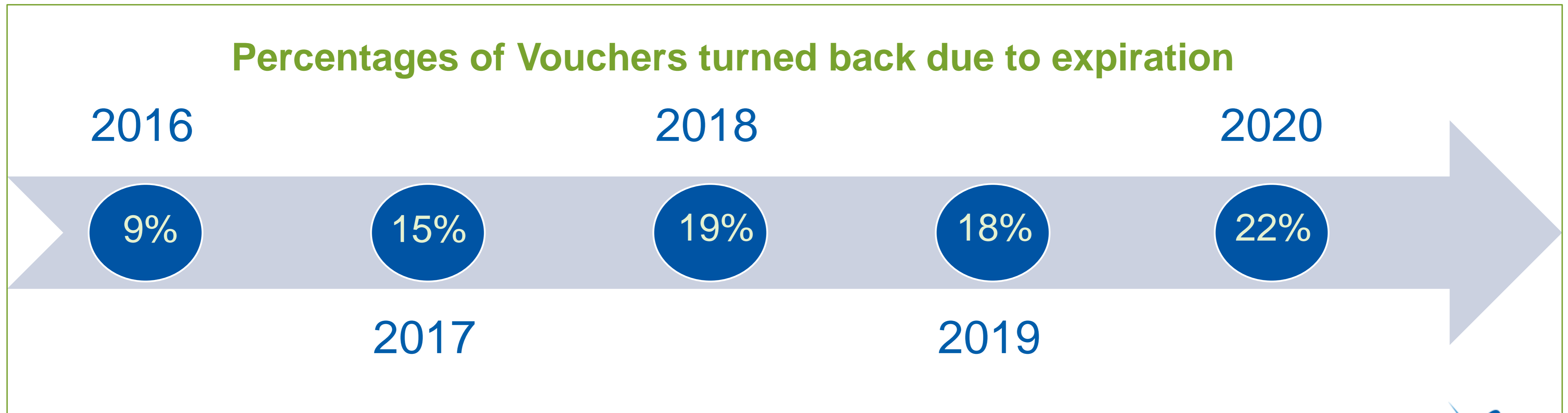


Metropolitan Council HRA Voucher Attrition

Total Voucher Allocation = 6,800 Vouchers

Average Voucher Attrition Rate = 11%

- 750 Vouchers Annually
- 62 Vouchers Monthly



Housing and Redevelopment Authority of Duluth, MN



1,550 Rent Subsidy Vouchers

2017 – 56% success rate (from voucher issuance to lease-up)

2018 – 55% success rate

2019 – 48% success rate

- * Performed wait list purge in February leading to better response
- * Received notification of decreased FMRs effective January 1, 2020

2020 – 43% success rate

- * Increased payment standard effective October 1, 2020 to maximum allowed by HUD
- * Low vacancy rate (2.6% in Duluth)
- * Payment standards that aren't high enough to meet current average rent in the jurisdiction resulting in decreased landlord participation (2 BR max payment standard is \$950, average rent in Duluth for a 2BR is \$1,200)

Duluth HRA - Actions Taken



- Attend landlord association meetings to perform outreach, provide information on HCV program and HQS requirements, and answer questions
- Increased payment standard effective January 1, 2021 to maximum allowable amounts
- Fund the Tenant Landlord Connection (education and mediation services)
- Created a team consisting of HRA Rent Subsidy Supervisor, Tenant Landlord Connection Representative, Education and Counseling Director at a local non-profit, and City of Duluth's Economic Developer to brainstorm and implement ways to increase landlord participation
- Create and distribute newsletter to area landlords providing HCV information and success stories from landlord and tenant perspectives

Questions?

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