

HTF Budget Reduction Administrator Feedback and Discussion Summary

On March 23, 2011, a memo was sent to Housing Trust Fund (HTF) rental assistance administrators. http://www.mnhousing.gov/idc/groups/public/documents/webcontent/mhfa_010764.pdf Included were three potential budget scenarios to address the expected HTF funds shortage for FY12 and beyond. Administrators were asked to consider and comment on these three scenarios and offer additional suggestions or input, either at a meeting held at Minnesota Housing on April 5th, in a telephone conference call on April 6th, or by email or phone. Approximately 24 individuals attended either the in-person meeting or the phone conference, and a number of administrators also offered feedback by email or phone. Several administrators expressed appreciation for the opportunity to provide feedback.

In summary, the following feedback was received regarding the proposed options

- A strong majority preferred the 3rd budget scenario in which the households pay approximately 40% of their income toward rent:
 - No households are terminated;
 - The lowest number of households are reduced through attrition; and
 - The admission freeze is in effect for the shortest amount of time.
 - For households who are eligible for Section 8 or public housing, it was mentioned that increasing the HTF client portion of the rent may incentivize some households to transition to other housing subsidies.
- Feedback on the 2nd scenario (subsidy caps) was primarily negative:
 - There were concerns regarding how this would affect those on General Assistance of \$203 per month, as well as those receiving other sources of limited fixed income.
 - Concern was expressed that turnover due to non-payment of rent may increase, and relationships with landlords may also be affected.

General discussion and comments

- Administrators noted that the assistance they provide is sometimes a complex grouping of services, of which housing assistance is one important component.
- An important theme stated throughout both discussions revolved around households with very low incomes.
 - Many administrators serve households with zero income, or who are assisted with General Assistance at a rate of \$203 per month. Families who receive MFIP were also mentioned as having incomes with very little discretionary spending or not enough to meet basic needs. Even a \$20 increase per month, in the case of those receiving General Assistance, may have a substantial impact on people's lives.
- Many of the HTF rental assistance grants serve households who have experienced long-term homelessness. In addition to having very low incomes, these households often have additional barriers which interfere with obtaining increased income as well as maintaining housing.
 - Transitions to employment or other income supports such as food stamps and SSI may be very difficult, slow, or not within the range of short-term goals.
- Criminal histories also prevent access to other housing options, including public housing. Additional suggestions were made regarding changes to the use of HTF funds for security deposits and utility allowances.

Minnesota Housing will continue to consider options in order to preserve housing opportunities. Agency staff anticipates that decisions for the October 1st grant awards will be made in August 2011. The decisions to be made are a response to an imminent budget shortfall and do not reflect any change in general policy.