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**Waiting lists for public housing and the Section 8 Housing Choice Voucher program surpassed 47,000 individuals and families in the first half of 2006, as indicated by telephone and email questionnaires completed by housing authorities across the state. Respondents reported that they are authorized to issue 29,741 vouchers and operate 18,135 public housing units to serve a total of 47,876 households; nevertheless, thousands of Minnesotans continue to wait for affordable housing.**

With the assistance of Minnesota NAHRO, the National Association of Housing and Redevelopment Officials, Minnesota Housing Partnership compiled information from housing authorities in an effort to inform discussion around proposed Section 8 Housing Choice Voucher and public housing legislation. Both programs ensure that some of the poorest households in the state do not spend a disproportionate share of income on housing, a function that is desperately needed as the gap between incomes and housing costs continues to grow. The results below demonstrate the unmet affordable housing need in Minnesota, a need that persists even as Congress considers changes to the Section 8 and public housing programs.

### ***Methodology***

Between February and July, 89 housing agencies responded to a questionnaire designed by the Minnesota Housing Partnership to collect information about Section 8 and public housing programs across the state. The questionnaire was completed by housing agency staff responsible for issuing 96 percent of Section 8 vouchers and operating 81 percent of Minnesota's public housing units.<sup>1</sup> Out of 89 respondents, 54 housing agencies responded to questions about Section 8, and 76 housing agencies answered questions about their public housing program (41 administer both programs).

### ***Section 8 Housing Choice Voucher Findings***

The Section 8 Housing Choice Voucher program is a federally-funded, locally administered program that helps low-income households affordably rent market-rate housing. Voucher-holders find privately-owned rental units that meet program standards related to cost and quality; housing authorities then make a payment to the landlord that bridges the gap between 30 percent of the tenant's income and the actual rent.

Housing agencies administering Section 8 vouchers reported a total of **26,464 households on Section 8 waiting lists**, although it was impossible to verify that this was an unduplicated count. Because of the volume of applicants, the waiting list was closed at one-quarter of the participating housing agencies at the time they were surveyed; one respondent had closed the list to non-residents only.<sup>2</sup>

Only 2 respondents had no households on their Section 8 waiting list. In most cases the number was much higher: the **median number of households on respondents' Section 8 waiting lists was 158**. Housing authorities in the Twin Cities metro tended to have much larger waiting lists. All six of the housing authorities with more than 1,000 households on their waitlists at the time staff were surveyed were located in the Twin Cities, although the Duluth and St. Cloud housing authorities were not far behind, with waitlists of 932 and 888, respectively.

Many respondents emphasized that presence on a waiting list does not guarantee that a household is eligible for the Section 8 program, or that the household will choose to participate when contacted. Nevertheless, the **median average wait time for a Section 8 voucher in Minnesota is about 12 months**, although some PHAs have instituted preference systems based on residency and income which may shorten wait time for some applicants.<sup>3</sup> Larger housing agencies have much longer wait times. **Households seeking a Section 8 voucher in the Twin Cities metropolitan area can expect to wait between 3 and 5 years.**

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<sup>1</sup> Responses were received from all housing agencies administering more than 100 Section 8 vouchers or operating 100 public housing units, with the exception of the Cass County HRA, Clearwater County HRA, Richfield HRA, Washington County HRA, and Winona HRA.

<sup>2</sup> The Kandiyohi County HRA administers the Section 8 voucher program for Kandiyohi and McLeod Counties; the waitlist for McLeod County has been closed.

<sup>3</sup> Where respondents gave a range for the average wait time, the midpoint of the range was used. For example, for an HRA indicating an average Section 8 waitlist time of 9 to 12 months, 10½ months was used in calculations.

Because of funding shortages and program cuts, housing authorities have instituted an array of strategies to reduce costs. **Limiting portability** was by far the most popular means of responding to tight funding. Reforms to the Section 8 program in 1998 made vouchers “portable,” meaning their use is no longer limited to the area served by the housing authority that issued the voucher. Participants in the Section 8 program have the option to use their voucher anywhere in the country, and the issuing agency must continue to cover the rent subsidy even if it increases as the household moves to a higher-cost area.

Voucher portability serves an important function, allowing low-income families to move to higher-cost areas that may offer greater opportunities for educational advancement and employment. However, almost **three-quarters of respondents (39 housing authorities)** reported that they had **limited portability to lower cost areas** only.

In order to continue providing rental subsidies with reduced funding levels forty percent of respondents (22 housing agencies) reported implementing rent freezes or **asking landlords to take less rent**, and almost one-quarter (13 housing agencies) had made **administrative cuts** including reducing hours worked, leaving vacancies un-filled and cutting healthcare benefits for employees. Thirteen housing agencies had limited moving or restricted lease terms, except under extenuating circumstances, 18 percent used funds from other programs to cover Section 8 costs.

More than three-quarters of respondents that administer the Section 8 program (44 of 54 respondents) receive full funding and are able to use their authorized number of vouchers. Two respondents, however, mentioned that preferences for tenants with higher incomes had been adopted to ensure sufficient funding to use all vouchers.

### ***Public Housing Findings***

Housing agencies were also asked about their public housing programs. Public housing is home to some of the states’ poorest households, many of whom are elderly or disabled and live on a fixed income. Public housing is owned by local government agencies, which receive annual appropriations from Congress to pay for the costs associated with operation and maintenance that are not covered by tenants’ rent. Respondents reported a total of **21,191 households on public housing waiting lists**, although four agencies declined to provide a waitlist number. Again, MHP was unable to verify that this was an unduplicated count.

Those housing agencies administering a **public housing program had a median waiting list of 14 households**; however, as with the Section 8 program, agencies with a larger public housing inventory tend to have much longer lists.<sup>4</sup> For example, both the Minneapolis and St. Paul PHAs have public housing waiting lists of roughly 7,000 households. With the Duluth PHA, these agencies operate over 60 percent of the public housing units operated by respondents.

Many respondents were unable to give an average public housing waitlist time, as lists are often separated by bedroom size, unit type, or other specifications. For example, a PHA may maintain different waiting lists for 1-, 2- and 3-bedroom apartments, senior housing projects and single family homes. Moreover, as with the Section 8 program, many PHAs have implemented preference systems that allow local residents and other types of households to secure public housing units more quickly than other applicants.

**In 2005, the latest year for which data is available, more than 110,000 renters in Minnesota spent more than half of their income on housing. These families may be forced to choose between paying for basic necessities like food and medication, and paying for housing. Without the Section 8 Housing Choice Voucher and public housing programs, there would be many more households making these tradeoffs. The need for these programs is particularly acute in the Twin Cities metro and in several parts of Greater Minnesota, where waiting lists show thousands of households waiting for assistance.**

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<sup>4</sup> Some respondents noted that they have plans to clean up their waitlists in the near future, which should reduce wait times. For example, one study showed that in FY 06 40 percent of applicants for St. Paul public housing were denied admission as a result of a poor housing history, criminal history, or other “lease compliance” issues.