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

Demand

• Decreasing Renter Incomes
• Increasing # of Renters

Supply

• Loss of Unsubsidized Affordable Units
• Increasing Costs
• Low Vacancy Rates
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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