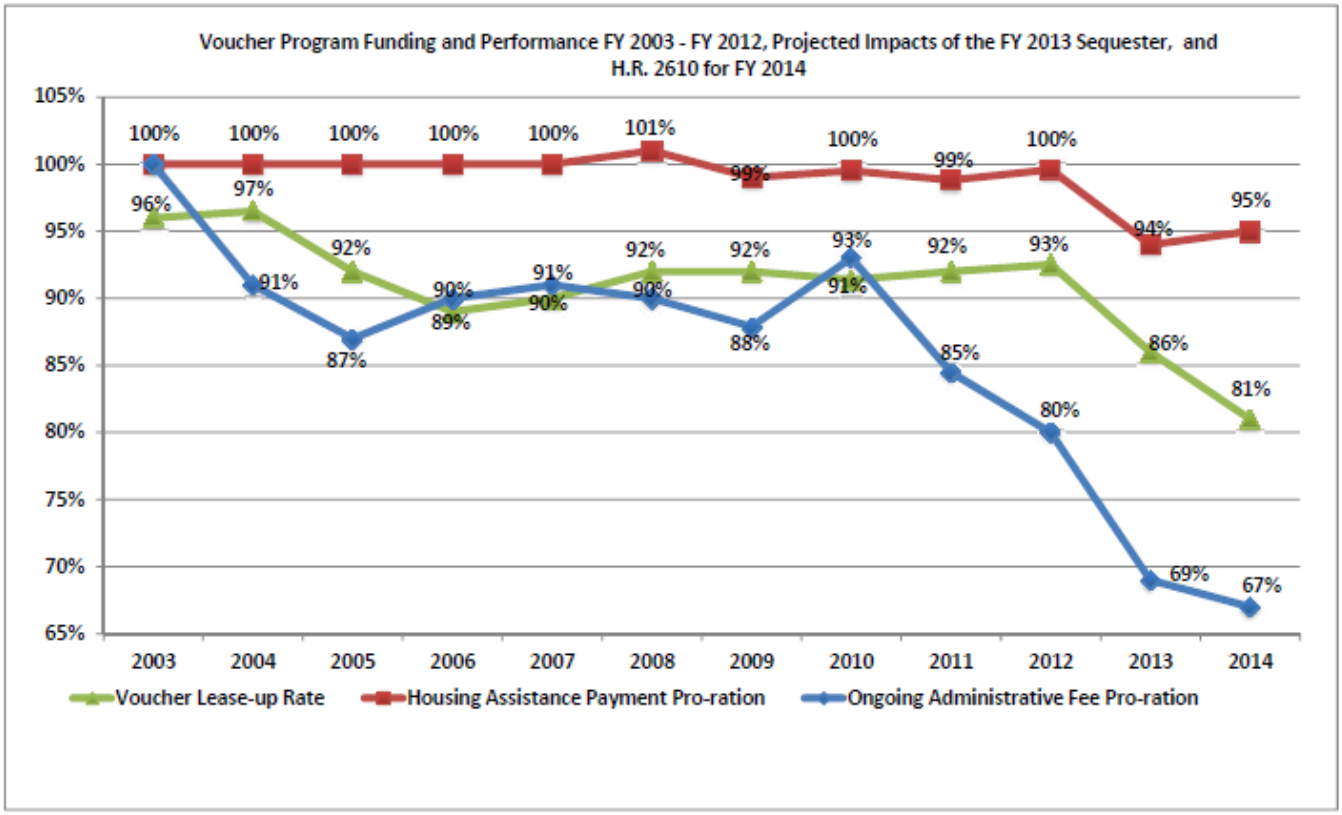
MINNESOTA NAHRO

Minnesota Housing Partnership

Preliminary findings: Federal Budget Cut Survey

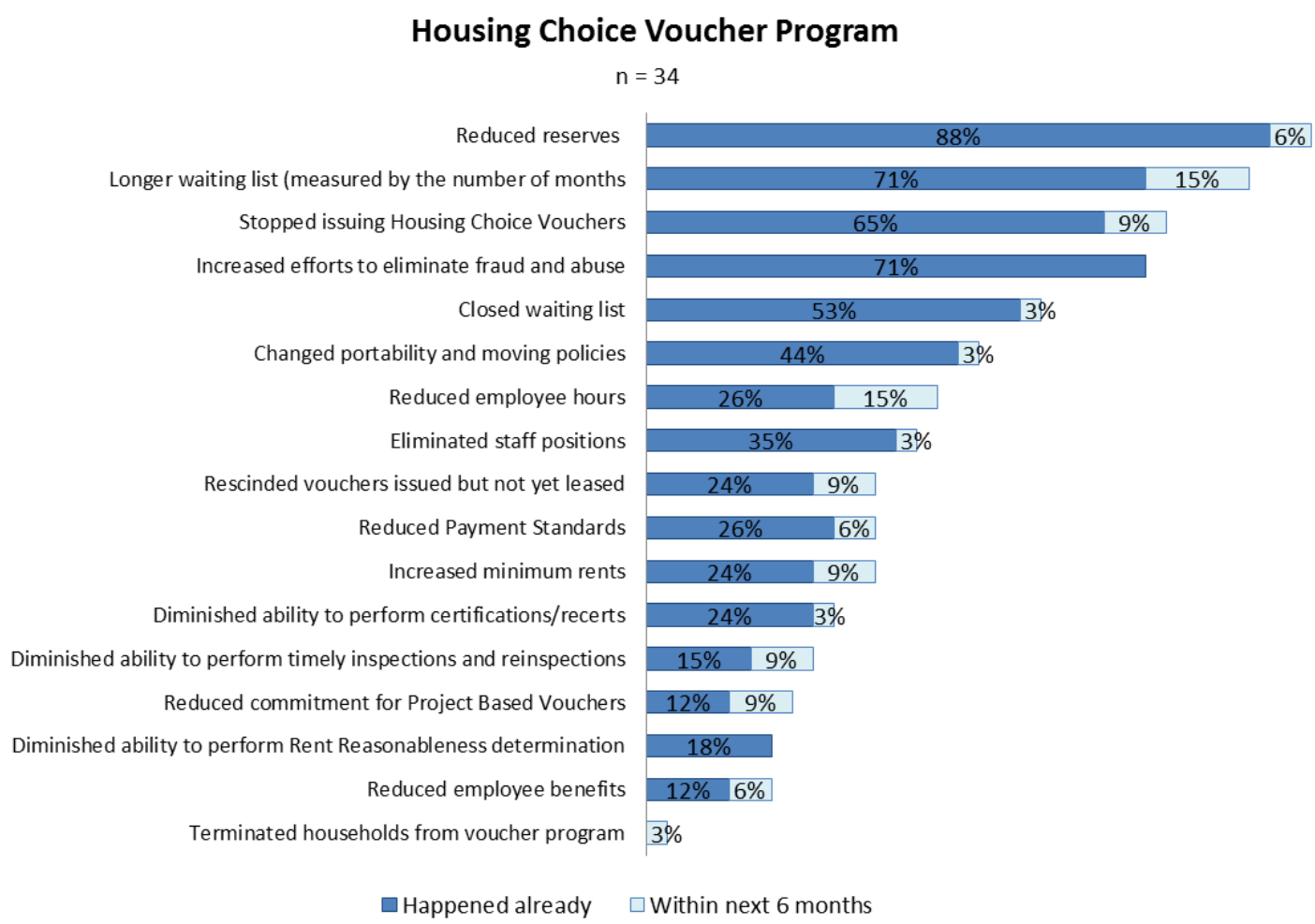
Beginning in June 2013, MHP and Minnesota NAHRO administered an online survey to 144 qualifying PHAs and HRAs to assess the impact of federal budget cuts and sequestration on the Public Housing and Housing Choice Voucher (HCV or Section 8) programs. The survey responses received to date represent 81% of Minnesota's public housing units and an estimated 84% of Minnesota's Housing Choice (Section 8) vouchers. While the survey is ongoing, this document provides some of the initial findings in addition to the funding trends of the past decade.

HOUSING CHOICE VOUCHERS



- In Minnesota, 85% of the responding agencies have or expect to reduce the number of Section 8 vouchers in their program due to the federal funding reductions.
- The funding level provided under both the House and Senate version of the FY2013 appropriations bill would provide less than 94 percent of what is needed to support the number of households served in 2012.
- **This 94% proration would be the lowest in the 38 year history of the voucher program.**

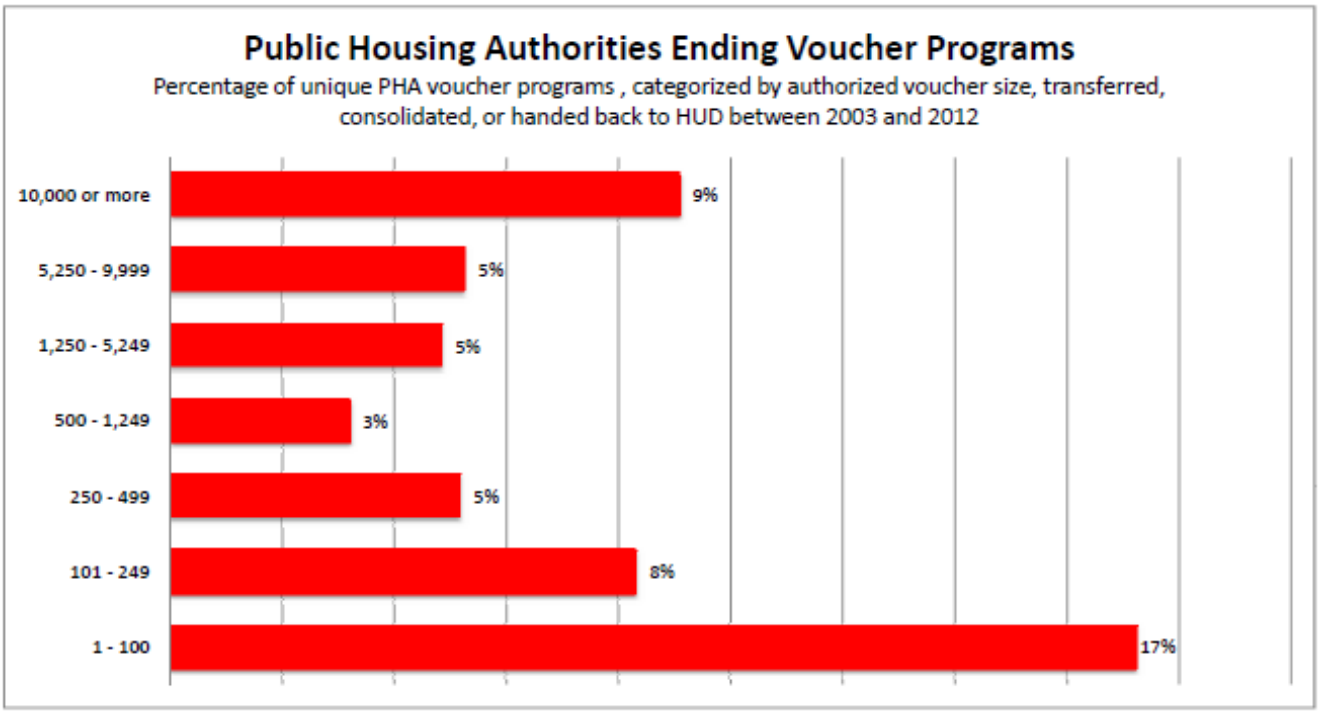
Over the last 12 months, agencies across Minnesota are utilizing the following strategies to respond to the federal budget cuts. (Agencies checked all that applied)



Waiting lists for the Housing Choice Voucher are increasing across the state (measured by the number of months)?

- Over 72% of the respondents currently have a waiting list of more than one year and this is expected to increase to 88% of agencies by January 2014.
- 44% of the reporting agencies currently have waiting lists over 2 years and the number of agencies will increase to 54% by 2014.

Number of years	On January 1, 2013	Expected January 1, 2014
0-1 years	28% (7)	12% (3)
1-2 years	28% (7)	32% (8)
2-3 years	12% (3)	16% (4)
3-4 years	16% (4)	20% (5)
Over 4 years	16% (4)	20% (5)



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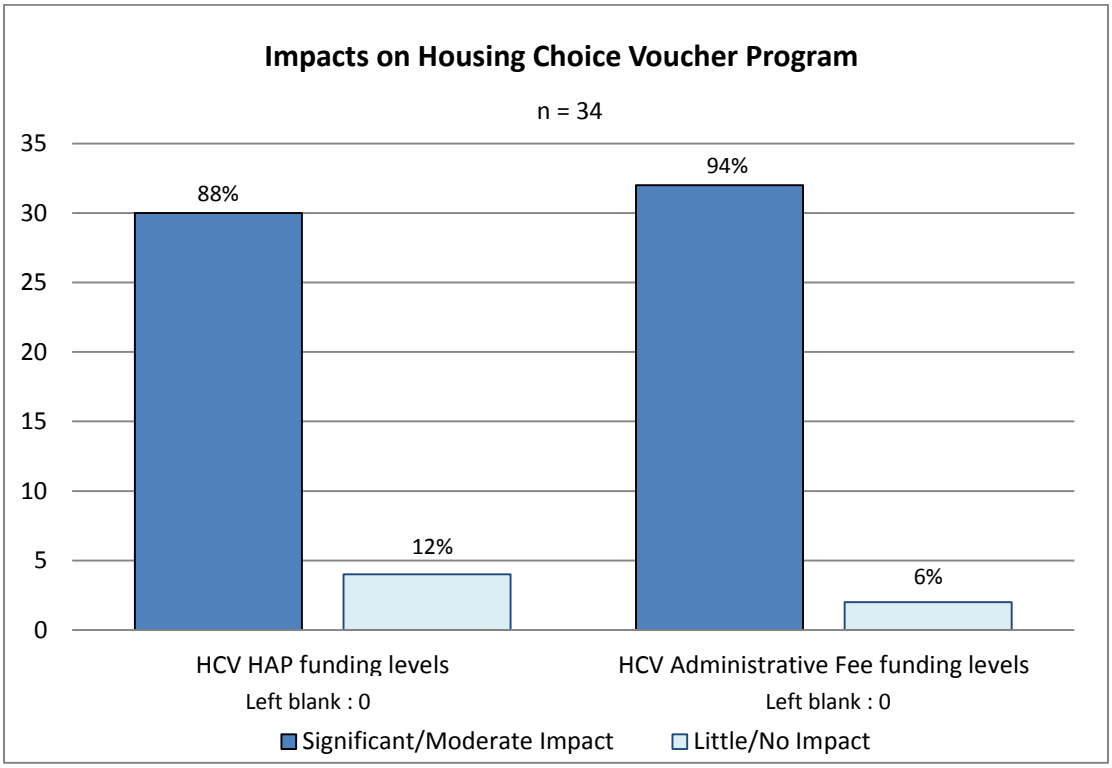
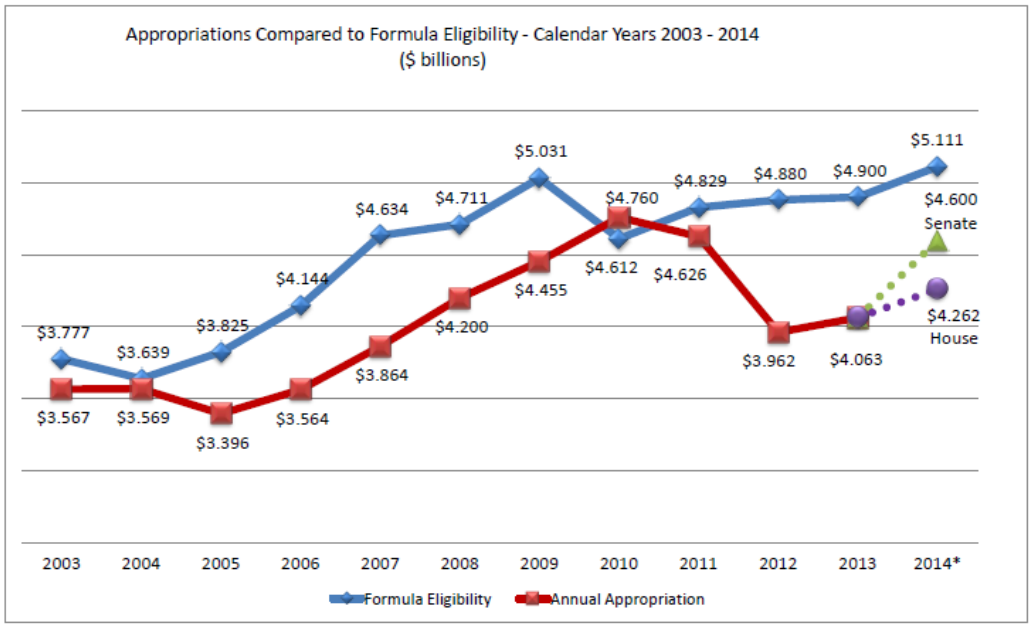


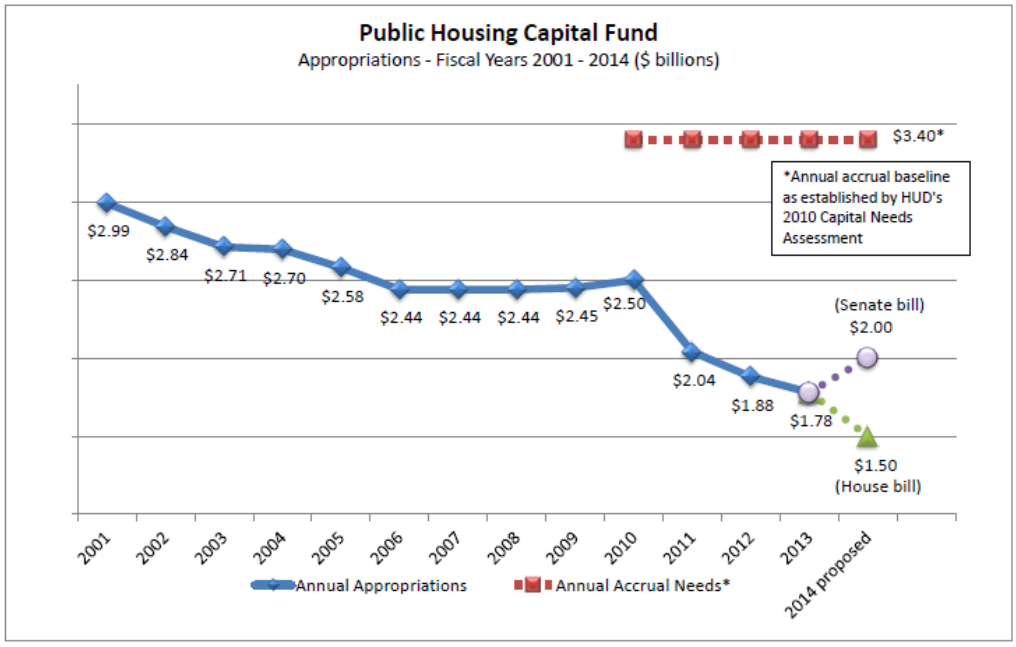
PUBLIC HOUSING

- Of the 21,000 families living in public housing, 64% of the households are headed by seniors or those with disabilities
- Nearly 75% of the residents of public housing have annual incomes less than $15,000
- On average, households in public housing pay over $300 per month in rent & utilities
- One third of public housing residents are children, many of whom are at high risk of homelessness or recently homeless

Public Housing Operating Funding 10 Year Trendline



Public Housing Capitol Funding 10 Year Trendline



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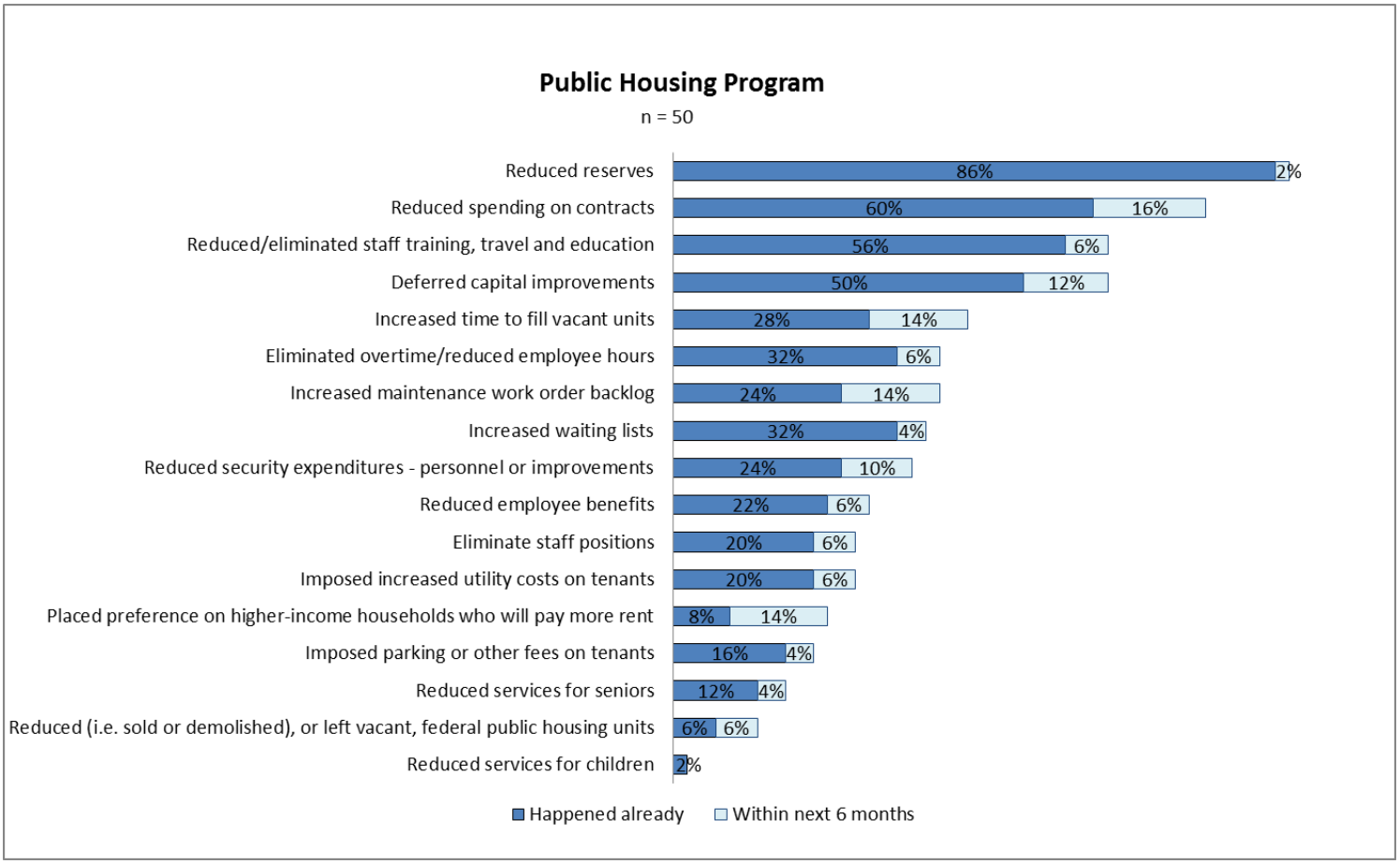

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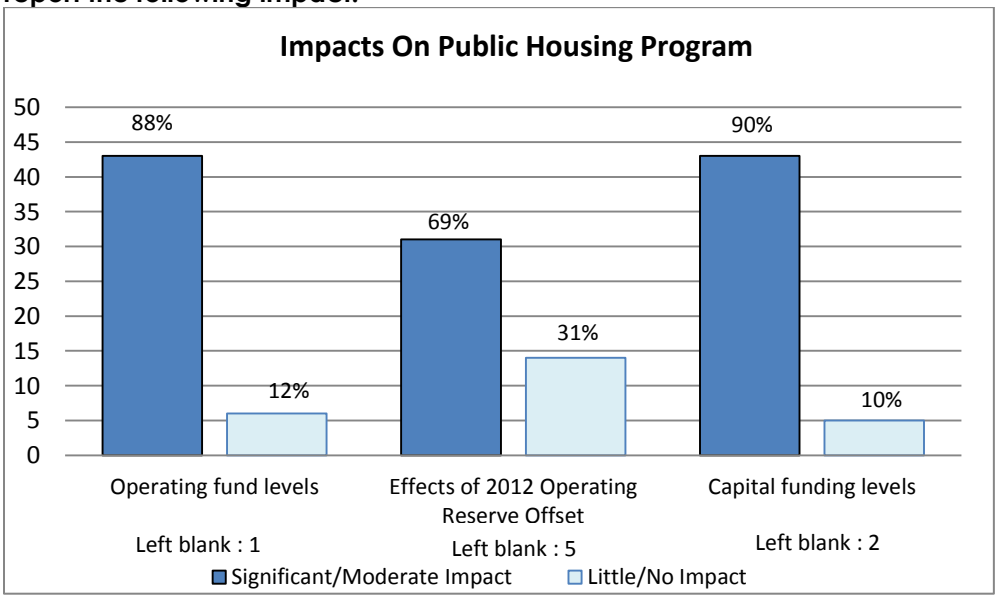

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Recent Legislative Efforts Play a Critical Role in Preserving Stable & Affordable Housing for Minnesota Families

- In recognition of the importance of affordable housing to the stability and health of Minnesota families, the 2013 session included funding increases for many housing programs. Specifically, an additional $22 million investment in base funding for Minnesota Housing (see chart below) supports preservation efforts.
- The 2013 Session also strengthened many local tools used by HRAs to preserve affordable housing through property tax reforms and LGA funding.
- In 2012, the legislature approved over $30 million in bonds for housing including Housing Infrastructure Bonds, a new tool to preserve federally subsidized affordable housing and administered by MHFA.
- The legislature also approved $5.5 million in GO Bonds for Public Housing Rehabilitation which MHFA awarded in November 2012 and all 14 projects are underway.

HOUSING BUDGETS PASSED IN 2013 BY MINNESOTA LEGISLATURE

MHFA Programs	2012-2013 funding level (in millions)	2014-2015 funding level (in millions)	Notes	Increase (decrease) over 2012-13 base (in millions)
Family Homeless Prevention Assistance Fund (FHPAP)	$14.930	$15.724		$0.794
Challenge Fund	$13.910	$28.406	Includes 10m workforce housing pilot	$14.496
Housing Trust Fund	$19.110	$23.552	Includes 2m highly mobile pilot; 0.5m ex-offenders pilot; 0.5m high risk adults demo	$4.442
Rental Assistance for the Mentally Ill (Bridges)	$5.276	$5.676		$0.400
Preservation (PARIF)	$14.626	$8.436	Receives federal funding that offsets state budget reduction for 2014-15	-$6.190
Housing Rehab– Rental	$4.898	$6.276		$1.378
Housing Rehab– Single Family		$5.544	Increase equal to the amount of budget base transferred from PARIF	$5.544
Housing Rehab– 2012 Flood Area Priority		$3.000		$3.000
Homebuyer Education (HECAT)	$1.502	$1.582		$0.080
Capacity Building	$0.250	$0.750		$0.500
Homeowner Assistance Fund	$1.594	$1.660		$0.066
Open Access Connection		$0.140		$0.140
HOME Line		$0.400		$0.400
East African Woman's Org.		$0.350		$0.350
TOTAL MHFA	$76.096	$101.496		$25.400
DHS Housing Programs				
Long-Term Homeless Supportive Services Fund	$9.900	$11.900		$2.000
Transitional Housing	$5.900	$6.400		$0.500
Emergency Services Program	$0.688	$1.188		$0.500
Homeless Youth Act	$0.238	$4.238		$4.000
Safe Harbor Act*		$1.000	*Also has 1m in Dept of Health and 0.8m in Public Safety for a total of 2.8m	$1.000
TOTAL DHS	$16.726	$24.726		$8.000
TOTAL MHFA PLUS DHS	$92.822	$126.222		$33.400