
2009 **h**Sum Report

Unit-Based and Section 8 Voucher Assistance
in the Twin Cities Metro Area



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About *hSum*

The *2009 hSum Report* is designed to provide a comprehensive, updated count of unit-based and tenant-based rental assistance in the Twin Cities seven county metro area summarized by geographic area. The report provides information in three categories:

- 1) Total of unit-based rental assistance and Section 8 Housing Choice Vouchers.
- 2) Distribution of rental assistance throughout the metro.
- 3) Gap in the supply and demand of affordable rental housing, with a focus on those making 30% or less of the area median income.

About HousingLink

Since 1997 HousingLink has served as the Twin Cities' only non-profit clearinghouse of affordable rental housing information. Every day housinglink.org is visited by thousands of Twin Cities residents, service agencies, landlords, and policy makers to search for affordable rental housing; view subsidized housing waiting list information, and read HousingLink's industry-leading housing research. For more information visit www.housinglink.org or call 612-522-2500.

hSum is made possible by the support of the Interagency Stabilization Group (a multi-jurisdiction group of affordable housing funders) and HousingLink.

Key Findings

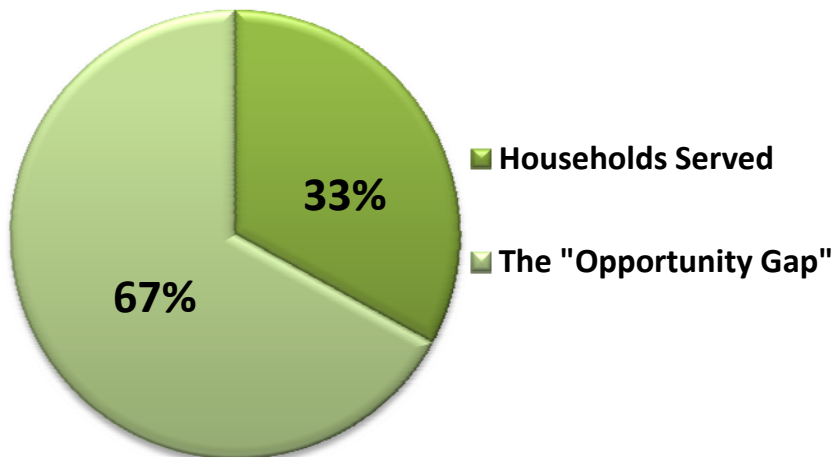
- There were 80,178 subsidized housing opportunities, both unit- and tenant-based, in the Twin Cities metro area¹ in 2009².
- 50,103 of those opportunities were targeted for households making less than 30% of the area median income (AMI)³.
- By contrast, there were 151,788 metro households making less than 30% of the AMI in 2009⁴.

Subsidized rental opportunities exist for 33% of Twin Cities households that make less than 30% of the area median income.

This 67% represents the “opportunity gap,” or gap between the supply and demand of housing targeted to households making less than 30% of the AMI (*figure 1*)⁵.

Figure 1.

Opportunity Gap for Households Making Less Than 30% AMI



¹ The Twin Cities metro area consists of the following counties: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, Washington.

² For purposes of this report, HousingLink considers both rental subsidy for individual units and Section 8 Housing Choice (tenant) Vouchers as “opportunities.”

³ 30% of AMI is “extremely low income” as defined by the US Department of Housing and Urban Development (HUD).

⁴ 2009 quarter-three US Census estimates by *STI:PopStats*

⁵ This gap between supply and demand assumes that all families making less than 30% of the AMI are in need of subsidized housing, and that all families in need have equal access, both of which may or may not be the case.

Additional Findings

- Unit-based assistance targeted to households making less than 30% of the area median income represents 51% of all subsidized unit assistance, Metro-wide. When combined with Section 8 Housing Choice Vouchers, that figure rises to 62% of all units (*figure 2*).
- 69% of rental assistance in Minneapolis and St. Paul is targeted to households making under 30% of the area median income, as compared to 54% in the suburban metro (*figure 3*).

Figure 2.

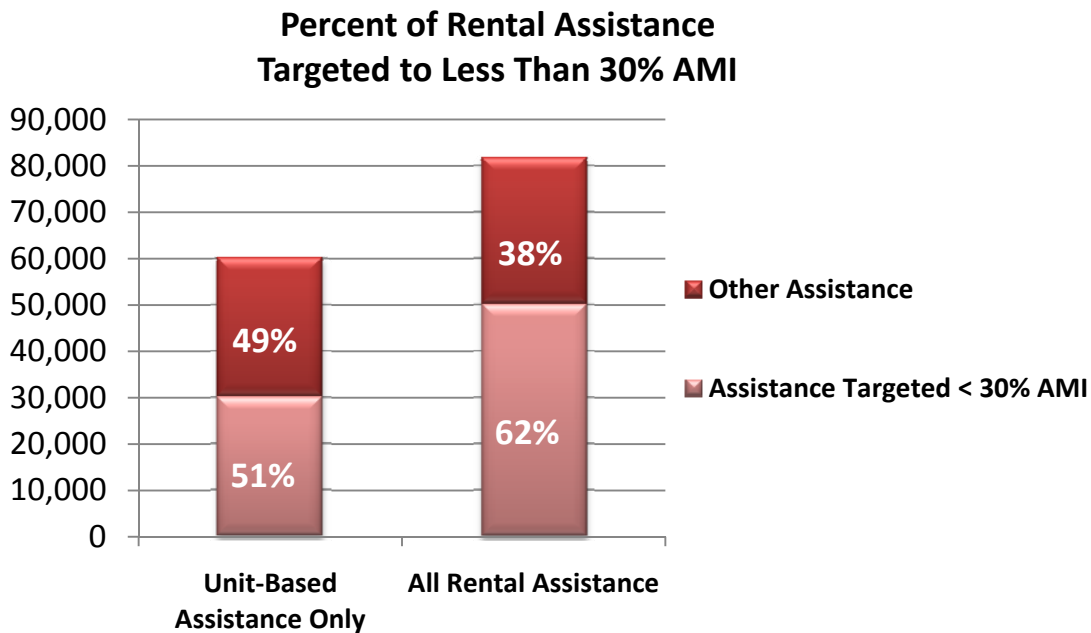
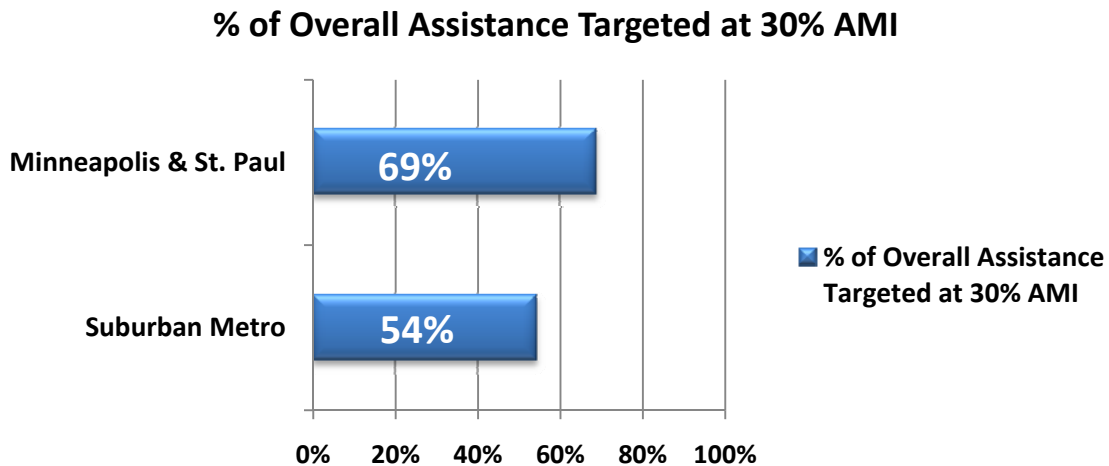


Figure 3.



The "Opportunity Gap"

Figure 4.

The Opportunity Gap Under 30% AMI Population

The "gap" refers to the difference, in percent, between the number of households making less than \$25k/year (approximately 30% of the area median income) and the number of subsidized rental opportunities targeted to households making 30% of the AMI.

Rental assistance is based on the total of unit-based assistance and Section 8 Housing Choice Vouchers.

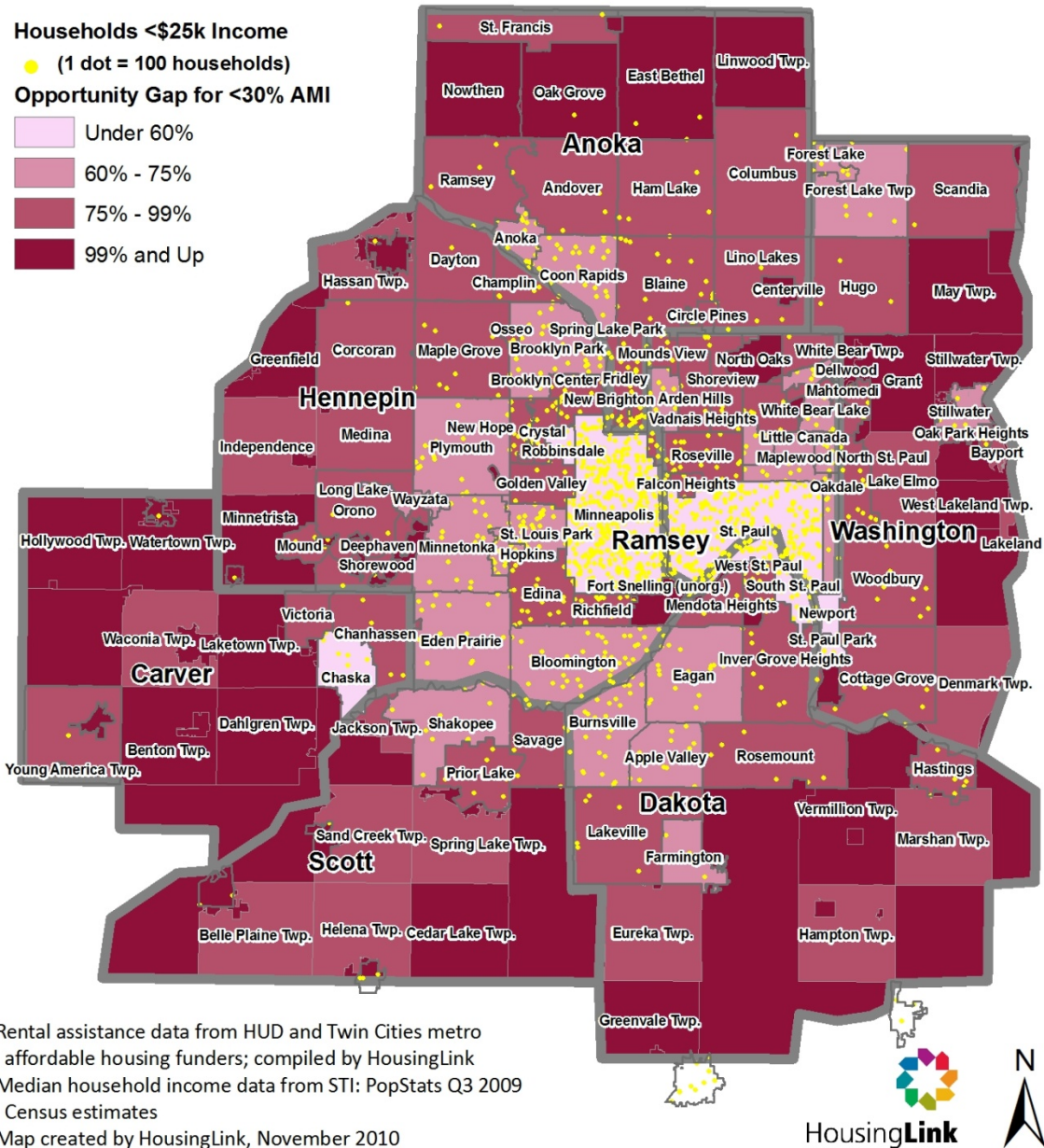
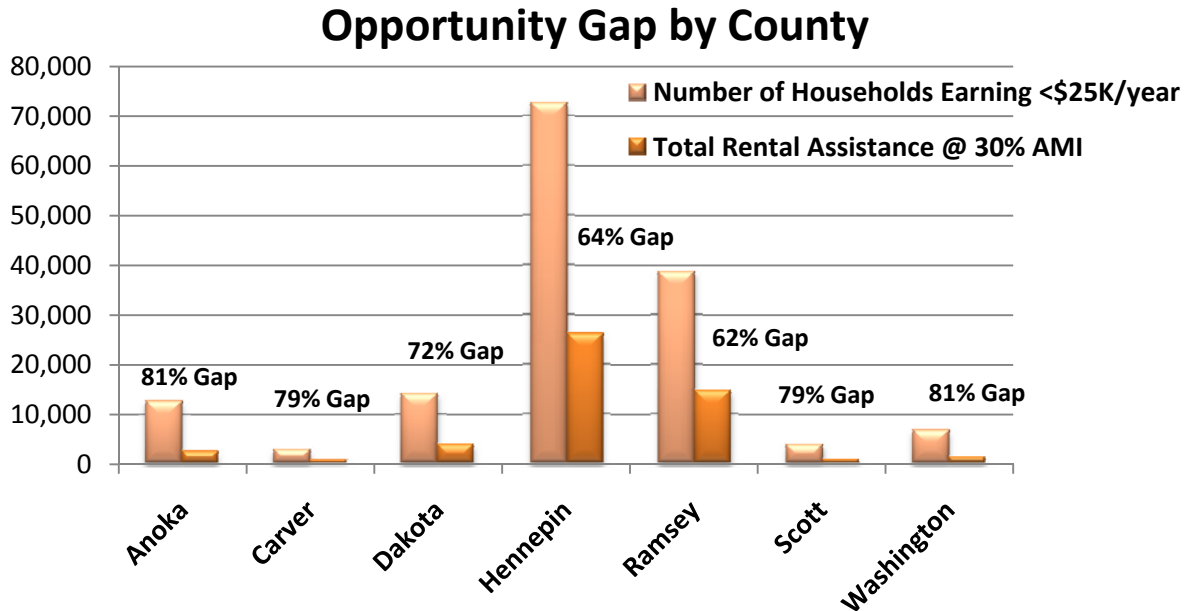


Figure 5.



“Opportunity Gap” represents the difference between total rental assistance opportunities at 30% AMI and total households earning <\$25,000/year⁶.

Figure 6:

Opportunity Gap by County

Rank by Opportunity Gap	County	Total Rental Assistance @ 30% AMI	Number of Households Earning <30% AMI	Opportunity Gap
1	Anoka	2,464	12,782	81%
2	Washington	1,340	6,891	81%
3	Carver	617	2,929	79%
4	Scott	822	3,838	79%
5	Dakota	3,899	14,138	72%
6	Hennepin	26,155	72,567	64%
7	Ramsey	14,656	38,643	62%
-	Unspecified	150	-	-
	Total Metro	50,103	151,788	67%

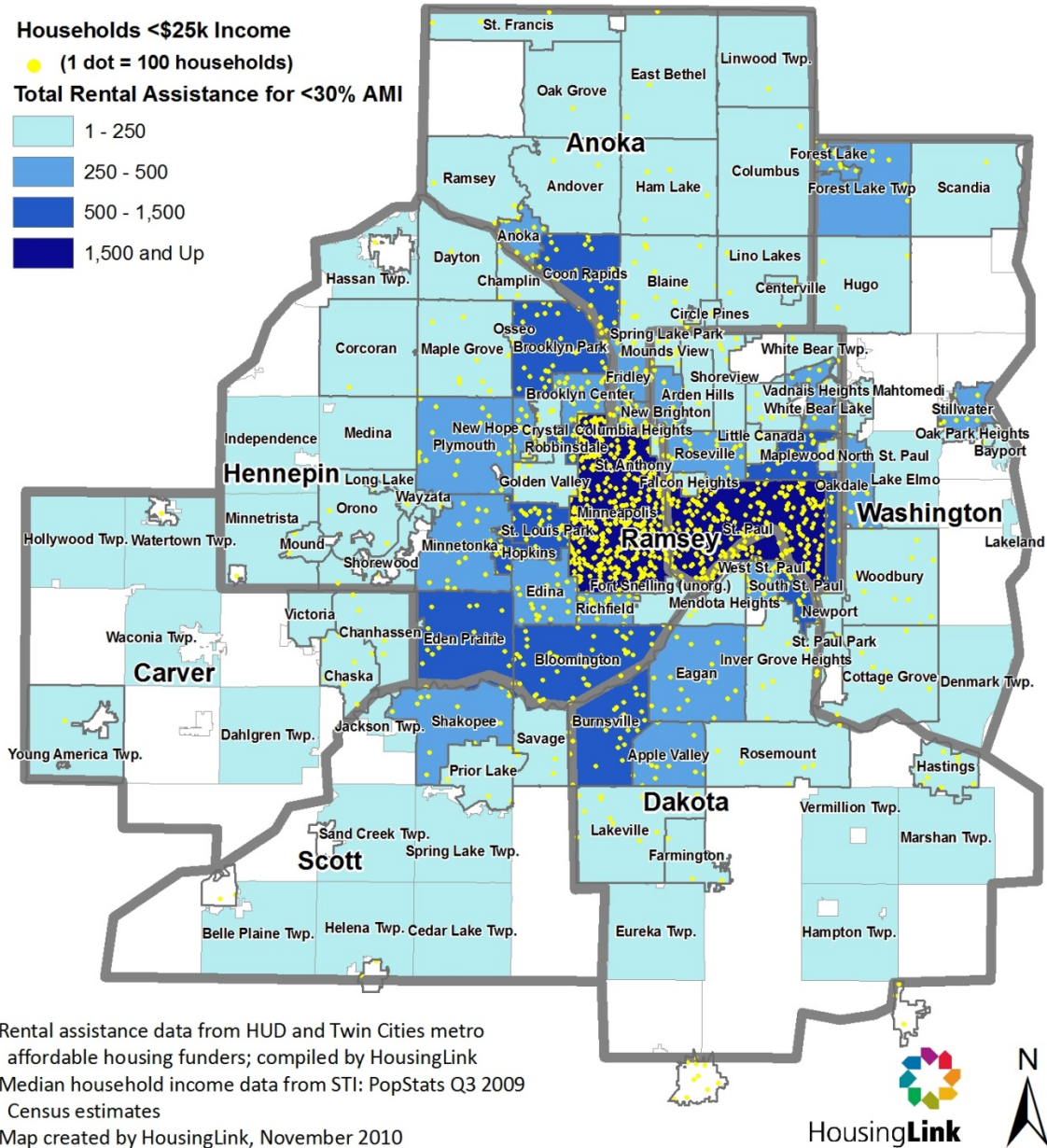
All counties have fewer opportunities for subsidized rental targeted to less than 30% of area median income than the total number of households in that income range.

⁶ HousingLink chose a \$25,000 median household income threshold for this “households in need” metric, as it roughly corresponds to 30% of the family income-based \$80,900 AMI (Area Median Income) for the Twin Cities Metro, as determined by the federal government’s Department of Housing and Urban Development (HUD). Household income and family income are distinct measures, but family income data was not available for any communities under 20,000 in population.

Figure 7.

Distribution of Rental Assistance Under 30% AMI Population

Rental assistance is based on the total of unit-based assistance and Section 8 Housing Choice Vouchers.



Methodology

Definitions and Concepts

Affordable Unit: Rental units that serve households earning 80% or less of the area median income.

Area Median Income (AMI): A Housing and Urban Development (HUD)-defined dollar amount below which lie incomes of half the families in a given area⁷. For the Twin Cities in 2009, that amount is \$25,170. For purposes of this study, HousingLink analyzes household incomes below \$25,000, the closest approximation to the HUD estimate available.

Section 8 Vouchers or Section 8 Housing Choice Vouchers: The total number of Section 8 Housing Choice Vouchers reported as in use by local issuing agencies in calendar year 2008. For more information on how housing choice vouchers work, see “Tenant-Based Assistance,” above. For purposes of this report, it is assumed that Section 8 Housing Choice Vouchers are targeted for use to households making 30% or less of the area median income.

Unit-Based Assistance: HousingLink maintains a database of subsidized rental units in the Twin Cities metro area. Unit-based assistance provides an affordable housing option by restricting rent amounts on a given unit over time. New assisted units are generally developed through the use of tax credits, philanthropic contributions, or a variety of other public and private funding sources. Funding support is provided in exchange for a commitment to limit unit rents for an established duration. Rent limits are set to make the unit affordable to households earning less than a specified percentage of area median income (AMI)⁸. Both the duration of the rent restrictions and the rent limits can vary; though for purposes of this study, we are analyzing the total number of assisted (e.g. rent-restricted) units targeted to AMI at or below 80% of the AMI, with specific focus on those or those who earn 30% or below.

Units at 30% AMI: The total number of subsidized rental units targeted to households earning 30% or less of the area median income.

Total Rental Assistance: The sum of the unit-based assistance and Section 8 Housing Choice Vouchers reported in a given area.

Tenant-Based Assistance: Tenant-based assistance provides rental assistance to low-income households through the use of a rental voucher. Tenant-based assistance is not typically tied to a physical unit. Instead, an issuing agency will pay a portion of rent directly to the landlord of a private market property. Although voucher acceptance is voluntary on the part of landlords, the intent of tenant voucher programs is to give families more choice in their housing location. The *2009 hSum Report* uses Section 8 Housing Choice Vouchers from the US Department of Housing and Urban Development (HUD)⁹ as the program constitutes a bulk of tenant vouchers in the

⁷ Income is generally analyzed at the *household* level, rather than *family* level, due to the relative timeliness of available, detailed data. HousingLink uses household income data from STI:PopStats.

⁸ AMI rent restrictions are typically intended to keep rents affordable to households with incomes at 80% of area median income and below.

⁹ Section 8 Housing Choice Voucher data is obtained through The US Department of Housing and Urban Development’s (HUD’s) “A Picture of Subsidized Households” <http://www.huduser.org/portal/picture2008/index.html>

Twin Cities. This allows for a level of granularity for analysis down to the census tract level, and also ensures analysis is based on income, rather than including vouchers from programs that may be targeted to special populations and thus not available to all households earning less than 30% of the area median income. According to HousingLink's analysis of data collected from local voucher-issuing agencies, Section 8 Housing Choice Vouchers accounted for 92% of total rental assistance in the Twin Cities metro area in 2008.

Total Rental Assistance at 30% AMI: The sum total of units with rent subsidy targeted to households earning 30% or less of AMI and *Section 8 Housing Choice Vouchers* (which are by definition targeted to households earning 30% or less of AMI).

Assumptions

1. The Section 8 Voucher Program is an income eligible program. Households earning less than 80% of the area median income can qualify, although currently our local program targets extremely low-income households, which HUD defines as less than 30% area median income.
2. HousingLink's determination of an "Opportunity Gap" simplifies what is in actuality a complex system for housing assistance eligibility. For purposes of this report, we assume that all households making less than 30% AMI qualify for housing opportunities targeted to that income range.

Data Collection Approach

Unit-Based Assistance

Unit-based information was gathered from (federal, state, county, and city) public funders operating within the Twin Cities seven county metropolitan area. Since one property may have multiple funders involved, HousingLink verifies property addresses along with other relevant information to ensure that an unduplicated count of unit-based assistance is reached. This report counts all units that current exist or for which financing was closed by the end of calendar year 2009.

Section 8 Housing Choice Vouchers

This report counts utilization of *Section 8 Housing Choice Vouchers* from the US Department of Housing and Urban Development (HUD) at the census tract level. HUD makes this data available through their *Picture of Subsidized Households* web portal¹⁰.

¹⁰ <http://www.huduser.org/portal/picture2008/index.html>, accessed 10/26/2010

Appendix A: Twin Cities Seven County Metro Area Rental Assistance

	Unit-Based Assistance		Section 8 Vouchers		TOTAL Rental Assistance	
	Number	%	Number	%	Number	%
Hennepin	30,690	50%	8,515	46%	39,205	49%
Ramsey	18,167	29%	4,538	25%	22,705	28%
Dakota	4,345	7%	3,117	17%	7,462	9%
Washington	3,627	6%	480	3%	4,107	5%
Anoka	2,544	4%	1,351	7%	3,895	5%
Scott	1,101	2%	295	2%	1,396	2%
Carver	1,132	2%	126	1%	1,258	2%
Unspecified Location	150	0%	-	0%	150	0%
Total Metro	61,756	100%	18,422	100%	80,178	100%

Appendix B: Twin Cities Seven County Metro Area Rental Assistance Targeted to 30% AMI

	Units @ 30% AMI		Section 8 Vouchers		TOTAL Assistance @ 30% AMI	
	Number	%	Number	%	Number	Percent
Hennepin	17,640	56%	8,515	46%	26,155	52%
Ramsey	10,118	32%	4,538	25%	14,656	29%
Dakota	782	2%	3,117	17%	3,899	8%
Anoka	1,113	4%	1,351	7%	2,464	5%
Washington	860	3%	480	3%	1,340	3%
Scott	527	2%	295	2%	822	2%
Carver	491	2%	126	1%	617	1%
Unspecified Location	150	0%	0	0%	150	0%
Total Metro	31,681	100%	18,422	100%	50,103	100%

Appendix C: Total Assistance Targeted to 30% AMI as a Percentage of Overall Assistance

	Total Rental Assistance	Total Assistance @ 30%	Total Rental Assistance @ 30% as a % of Overall Assistance
Hennepin	39,205	26,155	67%
Ramsey	22,705	14,656	65%
Anoka	3,895	2,464	63%
Scott	1,396	822	59%
Dakota	7,462	3,899	52%
Carver	1,258	617	49%
Washington	4,107	1,340	33%
Unspecified Location	150	150	100%
Total Metro	80,178	50,103	62%

Appendix D: Top 20 Cities with Rental Assistance in the Twin Cities Metro Area

Rank	City	County	Unit-Based Assistance	Section 8 Vouchers	TOTAL Rental Assistance
1	Minneapolis	Hennepin	21,335	4,432	25,767
2	St Paul	Ramsey	14,735	3,826	18,561
3	Brooklyn Park	Hennepin	1,116	695	1,811
4	Bloomington	Hennepin	1,121	516	1,637
5	Burnsville	Dakota	797	751	1,548
6	Maplewood	Ramsey	928	315	1,243
7	Oakdale	Washington	1,069	166	1,235
8	Coon Rapids	Anoka	788	419	1,207
9	St Louis Park	Hennepin	864	285	1,149
10	Plymouth	Hennepin	708	347	1,055
11	Eagan	Dakota	580	455	1,035
12	Brooklyn Center	Hennepin	657	287	944
13	South St Paul	Dakota	536	261	797
14	West St Paul	Dakota	365	415	780
15	Eden Prairie	Hennepin	524	248	772
16	Robbinsdale	Hennepin	592	170	762
17	Richfield	Hennepin	503	251	754
18	Stillwater	Washington	704	48	752
19	Minnetonka	Hennepin	628	124	752
20	New Brighton	Ramsey	595	130	725

Appendix E: Top 20 Cities in Rental Assistance Targeted to 30% AMI

Rank	City	County	Units @ 30% AMI	Section 8 Vouchers	TOTAL Assistance @ 30% AMI
1	Minneapolis	Hennepin	13,563	4,432	17,995
2	St Paul	Ramsey	8,797	3,826	12,623
3	Bloomington	Hennepin	637	516	1,153
4	St Louis Park	Hennepin	673	285	958
5	Brooklyn Park	Hennepin	160	695	855
6	Burnsville	Dakota	66	751	817
7	Coon Rapids	Anoka	311	419	730
8	South St Paul	Dakota	373	261	634
9	Eden Prairie	Hennepin	327	248	575
10	Maplewood	Ramsey	256	315	571
11	Robbinsdale	Hennepin	372	170	542
12	Hopkins	Hennepin	191	335	526
13	Eagan	Dakota	37	455	492
14	Brooklyn Center	Hennepin	191	287	478
15	Minnetonka	Hennepin	351	124	475
16	Plymouth	Hennepin	122	347	469
17	Anoka	Anoka	259	210	469
18	Edina	Hennepin	336	86	422
19	West St Paul	Dakota	3	415	418
20	Richfield	Hennepin	152	251	403

Appendix F: Top 20 Cities in Total Assistance -30 AMI Assistance as a Percent of Overall Assistance

Rank	City	County	Total Rental Assistance	Total Assistance @ 30% AMI	Total Assistance @ 30% AMI as a % of Overall Assistance
1	Minneapolis	Hennepin	25,767	17,995	70%
2	St Paul	Ramsey	18,561	12,623	68%
3	Brooklyn Park	Hennepin	1,811	855	47%
4	Bloomington	Hennepin	1,637	1,153	70%
5	Burnsville	Dakota	1,548	817	53%
6	Maplewood	Ramsey	1,243	571	46%
7	Oakdale	Washington	1,235	251	20%
8	Coon Rapids	Anoka	1,207	730	60%
9	St Louis Park	Hennepin	1,149	958	83%
10	Plymouth	Hennepin	1,055	469	44%
11	Eagan	Dakota	1,035	492	48%
12	Brooklyn Center	Hennepin	944	478	51%
13	South St Paul	Dakota	797	634	80%
14	West St Paul	Dakota	780	418	54%
15	Eden Prairie	Hennepin	772	575	74%
16	Robbinsdale	Hennepin	762	542	71%
17	Richfield	Hennepin	754	403	53%
18	Minnetonka	Hennepin	752	475	63%
19	Stillwater	Washington	752	277	37%
20	New Brighton	Ramsey	725	390	54%