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# The **h**Sum Report

A Summary of Unit-Based and Tenant-Based Rental Assistance  
2008



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## About HousingLink

HousingLink is an independent, policy-neutral nonprofit organization that offers resources to simplify the housing search process in the Twin Cities metropolitan area, including tools to understand affordable housing options and tools to market vacancies. In addition, HousingLink provides affordable housing information to service agencies, housing providers, and policymakers in the Metro; as well as contributing other resources to inform discussion regarding the regional supply of affordable housing.

## Purpose

The **2008 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<sup>1</sup> summarized by geographic area. The report provides counts in three categories: 1) Housing with unit-based assistance as of December 31, 2008, 2) Households receiving tenant-based assistance on December 31, 2008, and 3) Total unit- and tenant-based assistance. hSum is a joint project of the Interagency Stabilization Group (a multi-jurisdiction group of affordable housing funders) and HousingLink.

## Key Observations

**There were an estimated 82,186 subsidized housing opportunities in the Twin Cities metro area in 2008.** In comparison, 179,567 Twin Cities' households earned a median income of less than \$25,000 in 2008<sup>2</sup>.

**Tenant-based assistance accounted for a quarter<sup>3</sup> of total rental assistance** in the Twin Cities metro area.

In the Twin Cities metro area, **58% of all unit-based assistance was located in Minneapolis and St Paul**, while an estimated **43% of total tenant-based assistance** was utilized in these same cities.

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<sup>1</sup> Twin Cities seven-county metro includes: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington counties.

<sup>2</sup> 2008 American Community Survey estimates (US Census).

<sup>3</sup> 20,544 out of 82,186 households, or 24.997%.

## Methodology

### Unit-based Assistance

Unit-based assistance provides an affordable housing option in a community by restricting rent amounts on a 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. The funding support is provided in exchange for a commitment to limit unit rents for an established duration. The rent limits are set to make the unit affordable to households earning less than a specified percentage of area median income (AMI)<sup>4</sup>. Both the duration of the rent restrictions and the rent limits can vary.

### 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, it is given to the household to use when they secure a unit within the existing housing stock that will accept it. Once a household occupies a unit, the entity that issued the voucher will pay a portion of the household's rent directly to the landlord. This aims to give households more choice in their housing and its location.

## Definitions and Concepts

**Affordable Unit**—Rental units that serve households who earn 80% or less of the area median income.

**Area Median Income (AMI)**—A Housing and Urban Development (HUD)-defined income level that represents where half of the area's families<sup>5</sup> earn more or less than this amount on an annual basis.

**Issuing Agency**—An organization that administers tenant-based vouchers.

**Tenant-based Assistance**—The total number of vouchers that were being utilized on a given date. It is assumed that one voucher equals one household assisted.

**Tenant-based Assistance Allocation**—The total number of vouchers *available* to an issuing agency for distribution.

**Tenant-based Assistance Utilization**—The total number of tenant-based vouchers that are being *used* by households to subsidize their rent.

**Unit-based Assistance**—The total number of planned and existing rental units that receive funding with a requirement that rents remain affordable for an established period of time.

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<sup>4</sup> AMI rent restrictions are typically placed at 80% AMI or below.

<sup>5</sup> Income is generally analyzed at the *household* level, rather than *family* level, due to the relative timeliness of available, detailed data.

**Existing Affordable Unit**—Units that are available for occupancy.

**Planned Affordable Unit**—Units where funding has been committed or closed toward the development of new affordable units, but the units are units not ready for occupancy.

**Total Rental Assistance**—The sum of the unit-based and tenant-based assistance reported in a given area.

## Data Collection Approach

### Unit-Based Assistance

Unit-based information was gathered from all (federal, state, county and city) public funders operating within the 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 known planned and existing unit-based assistances, reflecting activity through December 31, 2008.

### Tenant-Based Assistance

This report counts utilization of tenant-based assistance within the seven-county metropolitan area as reported by issuing agencies<sup>6</sup>. The range of tenant-based assistance reported to HousingLink and summarized in this report includes: Section 8 vouchers as well as Bridges, Disability Vouchers, Enhanced Vouchers, Guild, Group Residential Housing (GRH), Housing Assistance Program (HAP), HOME Tenant-based Rental Assistance (TBRA), Housing Trust Fund, Katrina Disaster Housing Assistance Program (KDHAP), Kids@Home, Max 200 Short Term Senior, Rental Assistance for Family Stabilization, Supportive Housing Program (SHP) and Shelter+Care. Issuing agencies were requested to provide HousingLink with tenant-based assistance utilized on December 31, 2008.

## Strengths and Limitations to Methodological Approach

### Strengths

- **Complete Picture:** Data for unit-based and tenant-based assistance is collected from multiple funding sources to provide a complete picture of the distribution of affordable housing options in the Twin Cities metro area.
- **Unduplicated Unit-Based Count:** Detailed property record information is collected and analyzed to ensure an unduplicated count of unit-based assistance in the Twin Cities metro.

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<sup>6</sup> Issuing agencies that reported information include: Carver County CDA, City of Bloomington HRA, City of Plymouth HRA, City of Richfield HRA, City of St Louis Park Housing Authority, Dakota County CDA, Metro HRA, Minneapolis PHA, Minnesota Department of Human Services, Scott County CDA, South St Paul HRA, St Paul Public Housing Agency, US Department of Housing and Urban Development and Washington County HRA.

- **Geographical Detail:** Tracking tenant-based voucher utilization by city provides greater detail about affordable housing distribution than by only tracking voucher allocation.

### Limitations

- **Potential Overlap:** Total assistance calculations do not account for potential overlap in tenant-based vouchers utilized in units that also has unit-based assistance.
- **Utilization Varies from Month-to-Month:** The actual count of households receiving tenant-based assistance at any point throughout the year can vary from month to month<sup>7</sup>.
- **Voucher Allocations May Exceed Utilization:** By using voucher utilization to gain geographical detail about affordable housing distribution, the actual number of vouchers available in the affordable housing system, as allocated to issuing agencies, for distribution may be under-represented.

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<sup>7</sup> Due to the nature of tenant-based assistance, the actual count of households receiving tenant-based assistance at any point throughout the year can vary from month to month. Section 8 Housing Choice Voucher participants or recipients of other types of assistance may move into or out of a jurisdiction as they move from one building to another, or they may enter and leave the program thus affecting the total numbers on any given day. In cases where a housing authority administers project-based assistance as well as tenant-based assistance, those counts are reflected within the unit-based assistance rather than the tenant-based assistance counts.

## Rental Assistance Summary

Figure 1: Twin Cities Seven-County Metro Area Rental Assistance

Rank by Total	County	Unit-Based Assistance		Tenant-Based Assistance		TOTAL Rental Assistance	
		Number	Percent	Number	Percent	Number	Percent
4	Anoka	2,538	4%	1,588	8%	4,126	5%
7	Carver	1,132	2%	172	1%	1,304	2%
3	Dakota	4,337	7%	2,844	14%	7,181	9%
1	Hennepin	30,656	50%	9,322	45%	39,978	49%
2	Ramsey	18,157	29%	5,785	28%	23,942	29%
6	Scott	1,101	2%	301	1%	1,402	2%
5	Washington	3,571	6%	532	3%	4,103	5%
8	Unspecified Location	150	0%	0	0%	150	0%
	<b>Total Metro</b>	<b>61,642</b>	<b>100%</b>	<b>20,544</b>	<b>100%</b>	<b>82,186</b>	<b>100%</b>

Figure 2: Top 20 Cities with Rental Assistance in the Twin Cities Metro Area

Rank	City	County	Unit-Based Assistance	Tenant-Based Assistance	Total Rental Assistance
1	Minneapolis	Hennepin	21,297	4,545	25,842
2	St. Paul	Ramsey	14,689	4,191	18,880
3	Brooklyn Park	Hennepin	1,117	817	1,934
4	Bloomington	Hennepin	1,085	565	1,650
5	Burnsville	Dakota	793	789	1,582
6	South St. Paul	Ramsey/Dakota	822	653	1,475
7	Maplewood	Ramsey	1,024	365	1,389
8	Coon Rapids	Anoka	782	487	1,269
9	St. Louis Park	Hennepin	864	335	1,199
10	Plymouth	Hennepin	708	447	1,155
11	Oakdale	Washington	1,069	0	1,069
12	Eagan	Dakota	556	472	1,028
13	Brooklyn Center	Hennepin	658	356	1,014
14	Richfield	Hennepin	503	335	838
15	Robbinsdale	Hennepin	628	202	830
16	Eden Prairie	Hennepin	524	273	797
17	West St. Paul	Dakota	365	412	777
18	Minnetonka	Hennepin	628	137	765
19	New Brighton	Ramsey	595	150	745
20	Anoka	Anoka	469	249	718

Figure 3: Twin Cities Metro Total Rental Assistance by City

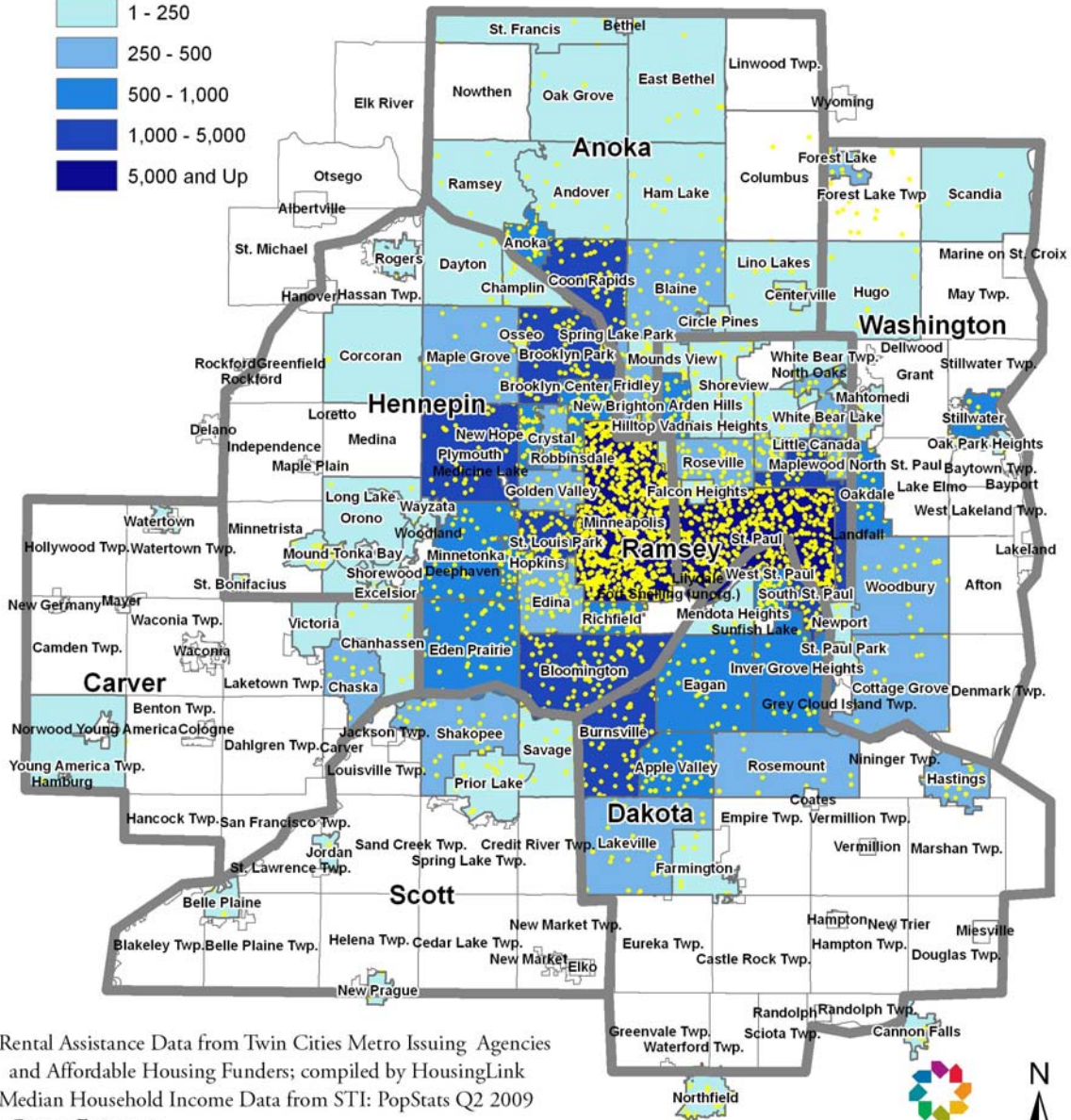
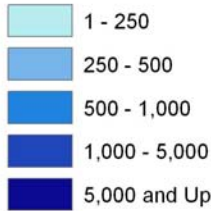
# Rental Assistance Snapshot

Rental assistance is based on the total of unit-based and tenant-based assistance.

Households <\$25k Income

● (1 dot = 50 households)

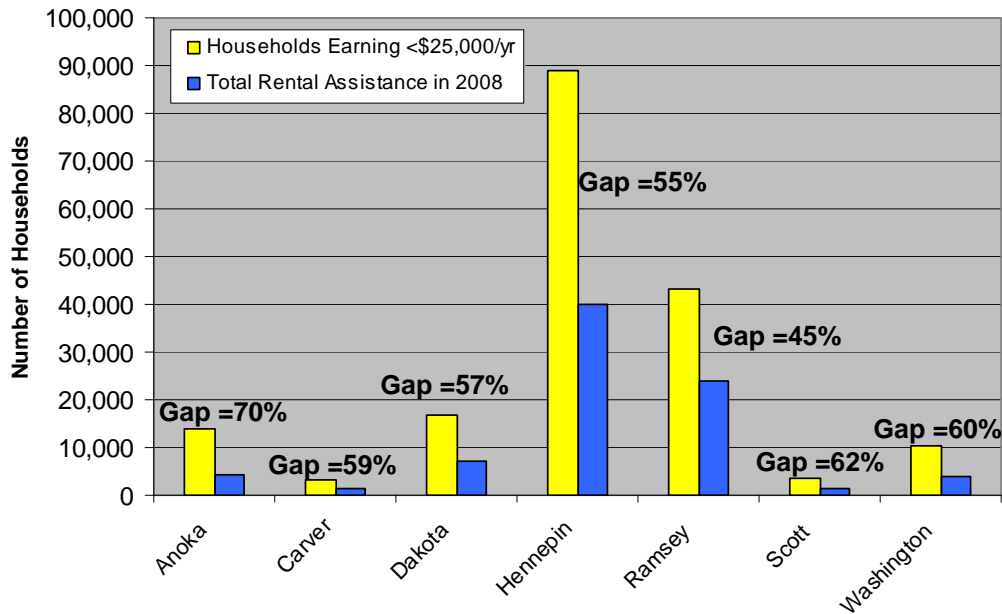
Total Rental Assistance



Rental Assistance Data from Twin Cities Metro Issuing Agencies and Affordable Housing Funders; compiled by HousingLink  
 Median Household Income Data from STI: PopStats Q2 2009  
 Census Estimates  
 Map created by HousingLink, December 2009



Figures 4 and 5: “Opportunity Gap”  
 (Total Rental Assistance and Households with a Median Household Income of Less than \$25,000<sup>8</sup>)



“Opportunity Gap” represents the difference between total rental assistance opportunities and total households earning <\$25,000/year<sup>9</sup>. For example, Anoka County would require 70% more assisted rental opportunities to provide housing for all households making <\$25,000 a year.

Rank by Opportunity Gap	County	Total Rental Assistance	Number of Households Earning <\$25k/year	Opportunity Gap
1	Anoka	4,126	13,800	70%
2	Scott	1,402	3,675	62%
3	Washington	4,103	10,226	60%
4	Carver	1,304	3,144	59%
5	Dakota	7,181	16,761	57%
6	Hennepin	39,978	88,819	55%
7	Ramsey	23,942	43,142	45%
--	Unspecified Location	150	--	--
	<b>Total Metro Area</b>	<b>82,186</b>	<b>179,567</b>	<b>54%</b>

*All counties have less total publicly-assisted rental assistance available than the total number of households in their county earning equal to or less than \$25,000 annually.*

<sup>8</sup> Source: 2008 American Community Survey.

<sup>9</sup> 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 6: Assisted Rental Opportunity Gap

# Mapping the Gap by City

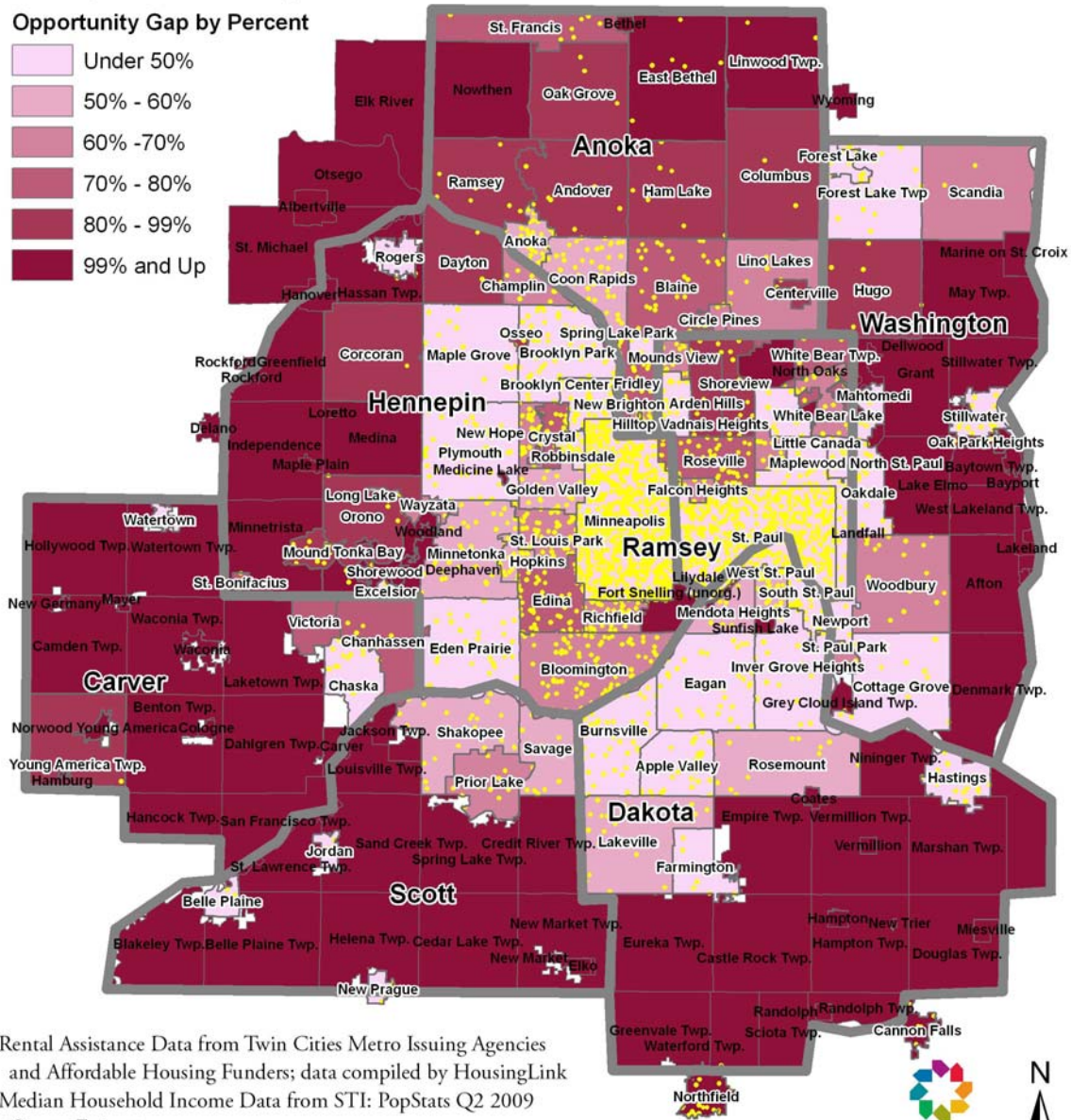
The "gap" refers to the difference, in percent, between the number of households making less than \$25K/year and the total number of affordable housing opportunities (defined as publicly-assisted rental units plus tenant vouchers allocated) within a city.

## Households <\$25k Income

● (1 dot = 50 households)

## Opportunity Gap by Percent

- Under 50%
- 50% - 60%
- 60% - 70%
- 70% - 80%
- 80% - 99%
- 99% and Up



Rental Assistance Data from Twin Cities Metro Issuing Agencies and Affordable Housing Funders; data compiled by HousingLink  
 Median Household Income Data from STI: PopStats Q2 2009  
 Census Estimates  
 Map created by HousingLink, December 2009

