



# 2007 Annual Report

## **Rice County Housing & Redevelopment Authority**

**Prepared by the City of Faribault  
Department of Community Development  
March 18, 2008**

RICE COUNTY HOUSING AND REDEVELOPMENT AUTHORITY  
2007 ANNUAL REPORT

*FY 2007 PROGRAM OBJECTIVES*

**Provide safe, decent and affordable housing to the residents of Rice County through the continued administration of the Rice County Section 8 Housing Choice Voucher Program.**

Community Development Staff administered an average of 305 Housing Vouchers per month serving an estimated 1144 participants during the year. During the year Staff held 35 briefing meetings and 6 program appeal hearings. The Rice County HRA and Community Development Department continued to successfully administer the Rice County Section 8 Housing Choice Voucher Program. Voucher utilization (91%) and budget authority (87%) were maximized in order to serve as many households as possible without exceeding HUD funding.

**Work in cooperation with other public entities and the private sector to identify and respond to the housing and redevelopment needs of communities within Rice County. Secure required financing in support of resulting projects.**

One staff person has continued to serve on the Homeless Response Team.

Staff continued working with the Northfield Community Action Center to administer the Shelter-Plus-Care Program. Occupancy rates have been high and individual participants have been making progress in meeting their goals to achieve self-sufficiency.

Staff continues to work with Rice County Environmental Health staff and local contractors to address funding options for residents with non-conforming septic systems. Deferred loans continue to be available through the Minnesota Housing Finance Agency for owner occupied rehab.

Staff submitted a pre-application with the City of Dundas for SCDP funds for residential rehabilitation.

**Continue implementation of the updated Rice County Housing Study.**

Community Development Staff monitored statewide programs for grant opportunities and programs to assist in affordable housing needs in Rice County. Staff met with Morristown, Nerstrand, Dundas and Lonsdale representatives regarding participation in housing rehabilitation grant programs to serve their communities.

The RCHRA applies annually to the Minnesota Housing Finance Agency for an allocation of mortgage revenue bonds for the MCPP Program and every other year for the Rehabilitation Loan Program.

## **Maintain High Performer Status on the Section 8 Management Assessment Program (SEMAP).**

The RCHRA achieved Standard Performer Status on the SEMAP, with a score of 84%. The reason for this low score is decreased voucher and budget utilization as a result of the unexpected additional funding that was awarded to the RCHRA in July 2007. Staff has submitted an appeal of the SEMAP score based on this situation, since up until that point the RCHRA was at almost 100% budget utilization.

### **Workload Data**

The workload data is reflected in the Community Development Department narrative. Program offerings in 2007 included the following:

- Community Rehab Revolving Fund
- Morristown Housing Preservation Revolving Fund
- MHFA Rehabilitation Loan Program
- Rice County Septic Program
- Rice County Section 8 Housing Choice Voucher Program
- Shelter-Plus-Care Program

In addition, the following is a sampling of just some of the documentation required to administer the Housing Choice Voucher program:

- Collecting data for completion of the Section 8 Management Assessment Program (SEMAP).
- Electronic verification of housing units for SEMAP submission
- Electronically submit SEMAP to HUD
- Section 8 Year End Financials due to HUD
- Section 8 Budget and Requisitions submissions to HUD
- Quarterly reporting under the Voucher Management System (VMS)
- Housing quality inspections on each unit leased out under the Program
- Holding briefing sessions for all potential Section 8 participants
- Compliance with income targeting requirements of new Section 8 participants
- Collection of data and verification of eligibility for the program, including income, family size, background checks and citizenship status



## **FY 2007 RCHRA PROGRAM ACCOMPLISHMENTS**

### **RENTAL ASSISTANCE**

#### **Housing Choice Voucher Program**

The Housing Choice Voucher (HCV) Program provides rental assistance to low-income households throughout Rice County. Participating families locate rental housing in the private sector and pay thirty percent (30%) of their monthly income towards rent and utilities.

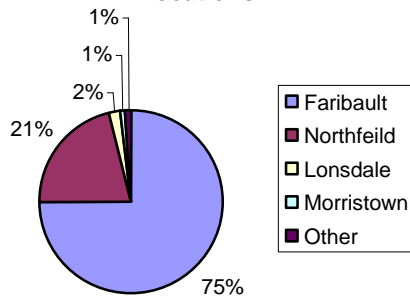
During the first five months of 2007, the Rice County Housing and Redevelopment Authority (RCHRA) was at 100% budget utilization, based on what they were receiving in housing assistance payments from HUD. Then on June 22, 2007, HUD notified the RCHRA that they had been under funded and they were going to increase the RCHRA's 2007 budget authority. Funding was increased by a lump sum payment increase of \$82,632 in July, and an additional \$12,000 in funding every month after that. While the RCHRA needs the additional funding in order to utilize all of its' 329 vouchers, receiving the funding so late in the year didn't allow the RCHRA to effectively spend the additional money. The RCHRA took several measures, including opening portability, increasing the payment standards, and taking more people off the waiting list, in order to increase utilization as quickly as possible. Unfortunately, by the end of 2007, the RCHRA's budget utilization was only 87%, while voucher utilization was 91%. While this excess funding will be available to the RCHRA in 2008 to pay additional HAP costs, there is concern that based on these utilization numbers, HUD will in turn decrease future funding. As of the date of this report, HUD has not notified the RCHRA of their 2008 budget authority.

#### **Accomplishments/Activities**

- Achieved Standard Performer Status on the Section 8 Management Assessment Program (SEMAP), with a score of 84%.
- Maximized the utilization of vouchers (91%) and budget authority (87%) in order to serve the greatest number of Rice County residents without exceeding HUD funding.
- An average of 301 households in Rice County received rental assistance on a monthly basis.
- Five hundred thirty-four rental-housing inspections were conducted in Rice County. Rental units leased by individuals participating in the Housing Choice Voucher Program are inspected for compliance with the minimum housing quality standards established by HUD.
- A monthly average of 365 households was on the waiting list for the Rice County Housing Choice Voucher Program. During 2007, 534 households were removed from the Rice County Housing Choice Voucher waiting list. Reasons for removal from the waiting list include receiving a voucher, not responding to correspondence, no longer needing assistance, or as the result of a waiting list purge.

- Staff continued to participate in the Homeless Response Team meetings and presented at 3 Workforce Center job classes.
- Staff participated in, and was a regional hosting site, for 1 statewide conference call with housing advocates and Minnesota federal legislators to discuss issues surrounding funding for affordable housing programs.

**Section 8 Housing Choice Voucher Participant Locations**



***Fast Facts***

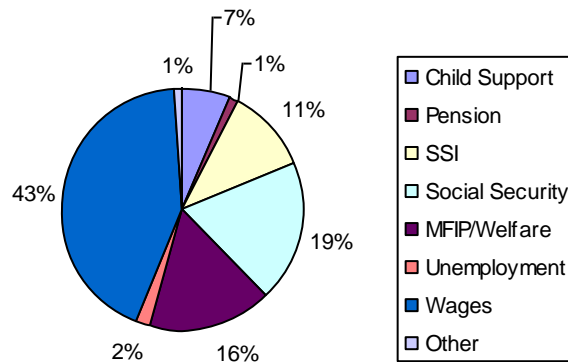
*Average Income: \$13,306*

*Average Rent: \$262*

*Public Assistance is the sole source of income for 12% of households.*

*Households that are working comprise 46% of households.*

**Section 8 Participant Income Sources**



## **SHELTER-PLUS-CARE PROGRAM**

The Shelter-Plus-Care Program provides rental assistance and supportive services to homeless persons with disabilities at six designated units in Northfield. This project, called Marilyn's Place at Maple Hills, is a collaboration with the Northfield Community Action Center, which does the direct rental administration and coordinates the supportive services, while the RCHRA administers the grant and submits the required reports to HUD.

### Accomplishments/Activities

- The program has maintained high occupancy rates throughout the year.
- During the project year, which runs from June 1 – May 31, the project generated \$41,961 in supportive services matches, including case management, substance abuse services, mental health services, employment assistance, transportation and legal services.
- Through three operating years, the cumulative supportive services match is \$117,519.
- During the project year, most program goals were met or exceeded, including:
  - 100% of the new residents took steps to obtain benefits during their first six months of residency;
  - 100% of residents have met at least one goal of their Individual Service Plan goals.



Marilyn's Place Fourplex

## HOUSING REHABILITATION

### **Community Rehabilitation Revolving Fund (CRRF)**

The revolving fund was established to recycle loan payments generated from deferred and low- interest loans provided to low and moderate-income homeowners in Rice County through funding award from MHFA in 1997. The funds will be used as local leverage for future grant applications.

#### Accomplishments

- Department staff monitored a portfolio of one low-interest loan and two deferred loans. Two loans were paid off during the year so only one deferred loan remains at year-end.

### **MHFA Rehabilitation Loan Program**

The Rehabilitation Loan Program provides funds for the rehabilitation of housing owned and occupied by very low-income families throughout Rice County. Funds are allocated based on a two-year funding cycle. The allocation for the 2008-2009 funding cycle was available beginning September 1, 2007.

#### Accomplishments

- \$1,716,448 was allocated for the Southeast Region (counties of Dodge, Fillmore, Freeborn, Goodhue, Houston, Mower, Olmsted, Rice, Steele, Wabasha, and Winona).
- Two homeowners were determined to be eligible for funds and were soliciting bids for the rehabilitation work.

### **Morristown Housing Preservation Revolving Fund**

The Morristown Housing Preservation Revolving Fund was established to recycle loan payments generated from deferred and low interest loans provided to low- and moderate-income homeowners in the City of Morristown. The funds will be used as local leverage for future grant applications.

#### Accomplishments

- Department staff monitored a portfolio of one low-interest loan account and three deferred loan accounts.

## Rice County Septic Loan Programs

Rice County provides funds for low-interest loans paid back through special assessments to replace or upgrade non-compliant septic systems. Interest rates ranged from zero percent to 5% depending on income.

### Accomplishments

- Ten homeowners were awarded low-interest loans totaling \$126,367.

## Rice County Housing and Redevelopment Authority Budget Summary FY 2007

### Fund 840

<u>Revenue</u>	<u>Budget</u>	<u>Actual</u>
Intergovernmental	\$ 84,319	\$ 84,319
Charges for Service	\$155,060	\$164,707
Misc. Revenue	\$ 1,200	\$ 1,903
<b>Total</b>	<b>\$240,479</b>	<b>\$250,929</b>

<u>Expenses</u>	<u>Budget</u>	<u>Actual</u>
Supplies	\$ 0	\$ 169
Other Services & Charges	\$248,922	\$240,188
<b>Total</b>	<b>\$248,922</b>	<b>\$240,357</b>

### 2008 RICE COUNTY HRA OBJECTIVES

- Provide safe, and affordable housing to the residents of Rice County through the continued administration of the Rice County HRA's Section 8 Housing Choice Voucher Program.
- Work in cooperation with other public entities and the private sector to identify and respond to the housing and redevelopment needs of communities within Rice County including home ownership and rehabilitation. Secure required financing in support of resulting projects.
- Continue implementation of the updated Rice County Housing Study.
- Maintain High Performer Status on the Section 8 Management Assessment Program (SEMAP).
- Work with HUD representatives, other Housing Authorities and Minnesota's US Congressional delegation to address federal policy issues to reduce administrative costs and maintain or increase funding levels to support Housing Choice Voucher program in Rice County.

## **2009 RICE COUNTY HRA ISSUES**

- Although the housing market has softened in Rice County as in all of Minnesota, the need for affordable housing has not diminished and will continue to require programs to assist in creating new affordable housing units.
- Federal proposals to reduce funding for the Section 8 Housing Choice Voucher Program are now being considered. Reductions in funding for the Section 8 Housing Choice Voucher Program will mean higher local costs (to Rice County) to operate the program. If reduced federal funding is not replaced by local funding sources program reductions will be needed. These factors place the future of the Section 8 program at risk.