

# 11,000 cram onto rent aid wait list

St. Paul housing agency stunned by demand as it takes first new names in 5 years

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They jammed the phone lines, fired off e-mails and filled the waiting room - in just two days in April, nearly 11,000 people rushed the St. Paul Public Housing Agency to claim a spot on the waiting list for Section 8 subsidized low-income housing.

Agency employees had anticipated great interest when they briefly opened the waiting list April 10-11 for the rental-voucher program. The waiting list had been closed for five years. But the size of the demand has nearly overwhelmed staffers, said Lyle Schumann, director of the housing agency's resident services.

"I don't think anybody expected we'd get 11,000 names," Schumann said. "I thought it would be somewhere in the 5, 6 or 7,000 range."

The rush underscores a serious deficit of low-income rental housing in the Twin Cities as the great U.S. housing boom caves.

Not only have Minnesota incomes been falling and rents rising, but developers during the go-go home construction period of recent years backed away from building rental housing, shifting instead to building more-profitable condominiums, said one local affordable housing expert.

Still other builders were busy converting existing apartment stock into condos. As for incentives for private builders, existing low-income tax credits aren't enough to profitably build apartments and charge rents low enough for the Section 8 market, said Howard Goldman, director of multifamily housing locally for the U.S. Department of Housing and Urban Development.

Chip Halbach, executive director of the St. Paul-based Minnesota Housing Partnership, said the situation is something of a double-whammy. From 2000 to 2005, the number of apartments in Minnesota that rent for \$700 a month or less fell by 60,000 units - a 22 percent drop. During that same period the median income of Minnesota renters, adjusted for inflation, fell from \$31,588 to \$26,755 - a drop of about 15 percent, Halbach said, citing yearly U.S. census data.

You don't have to tell Bridgette Jones about the squeeze. Jones is housing coordinator at the Catholic Charities Family Service Center in Maplewood, a shelter handling about 55 people. On April 10-11, clients were lined up at the two phones in the center's lobby to get on St. Paul's Section 8 wait list.

"Everybody in the Twin Cities was trying to call," recalled Jones. "Whenever one person got through, they tried to pass the phone to everybody ... and at times they got cut off. It was very chaotic."

Two other agencies are now braced for a similar flood of applicants. The Metropolitan Council, which handles Section 8 applications for some 100 smaller communities in Ramsey and Hennepin counties as well as all of Anoka and Carver counties, opens its waiting list next month, the first time since 2001. The Minneapolis Public Housing Authority opens its Section 8 list at the end of the summer, the first time since 2003.

The timing appears to be a coincidence, officials say. The Met Council said it opens its waiting list when it falls below 1,000; St. Paul opens its list when it is around 600 to 800.

HUD's Section 8 program - now officially called the Housing Choice Voucher Program - subsidizes rents charged by private landlords who participate in the program. Families contribute 30 percent of their income to rent, with the federal government paying the rest, up to a limit.

It's separate from public housing programs, where local housing authorities own property and offer reduced rents. The two programs generally have different waiting lists.

In St. Paul, Section 8 generally is limited to people earning less than half the metro area's median income. For a family of four, that's about \$39,250. For a single person it's \$27,500. A significant number of people on the program are elderly and disabled.

Congress appropriated \$15.9 billion for Section 8 for the current fiscal year and Section 8 spending has been steadily increasing, according to the National Association of Housing and Redevelopment Officials. In 2005, HUD changed its formula for allocating money to local housing authorities, resulting in a drop in funding at many local agencies, the association said. HUD said it's addressing the issue.

Schumann, at the St. Paul Public Housing Agency, said his group's HUD funding has been cut each year since 2004.

Meanwhile, demand for the program grows. The St. Paul agency will be collecting all the applications it mailed out until the end of the month. After all 10,700 new applicants are entered into the agency's computers, they will be randomly assigned numbers and placed on the official waiting list. In the next six to 10 weeks people who applied can expect a letter telling them their number and estimated wait time, Schumann said.

It's not pretty.

"People can expect to wait five years in the city of St. Paul," said Schumann. "How sad is that?"

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