



Putting It Into Context: Affordable Housing in Minneapolis

Presented by:

The Family Housing Fund

and

CPED Housing Policy and Development Support Division

January 20, 2004

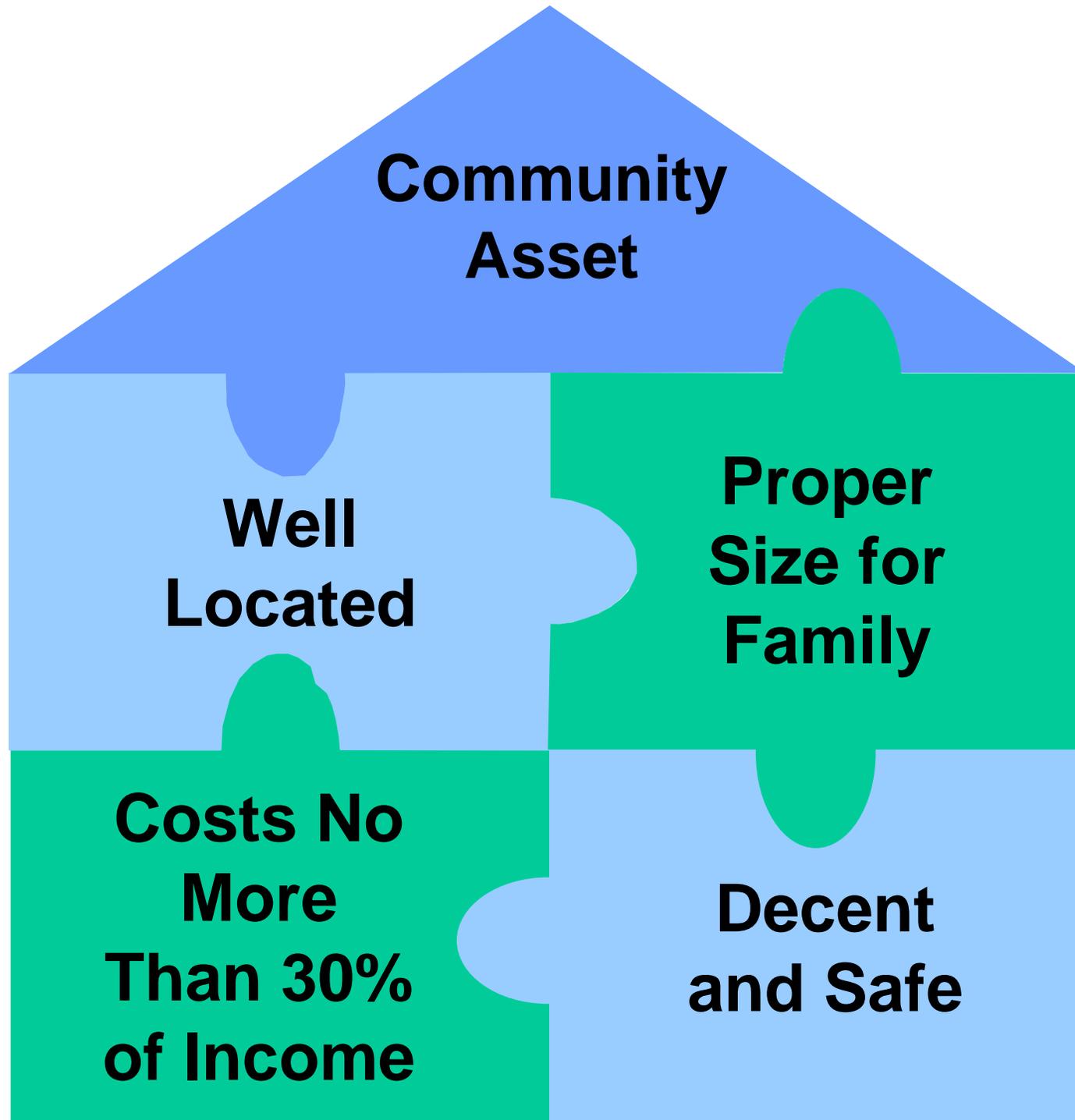
Agenda

1. Overview of Agenda and Objectives
2. Presentation by Family Housing Fund
3. Overview of 2003 Accomplishments
4. Budgeted Housing Activities for 2004
5. Questions and Discussion

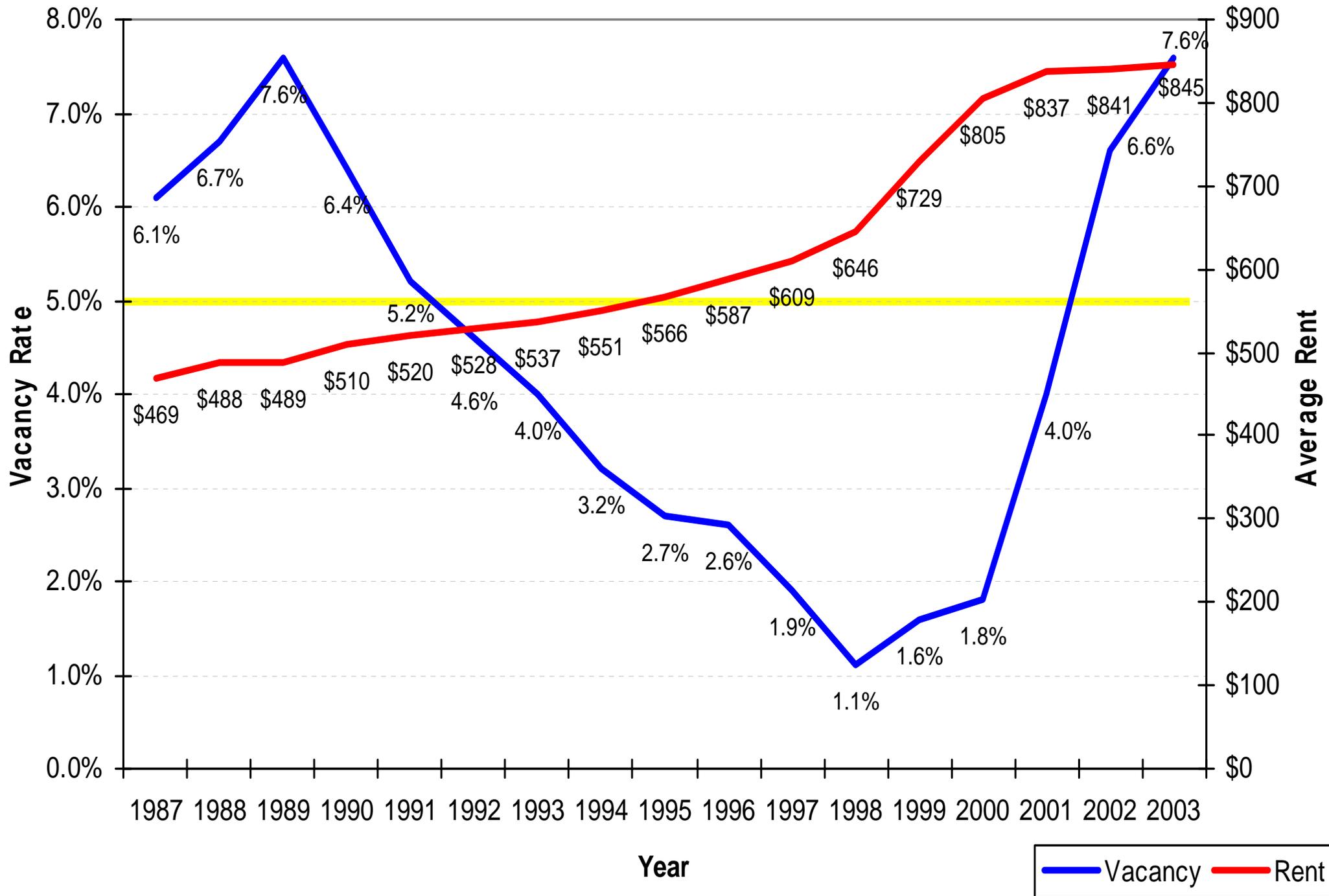
Objectives

1. More clearly understand housing needs in Minneapolis.
2. Review 2004 budgeted housing activities.
3. Discuss 2004 housing policy agenda.

What we mean by “Affordable Housing”



Average Vacancy Rate and Rent



Working Doesn't Always Pay for a Home

Single Family Home

(\$142,000)

78% of income to housing



\$48,500 Income

(\$23/hour)

155% Wage Increase

2-Bedroom Apartment

(\$1,067 per month)

68% of income to rent

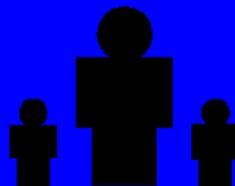


\$42,700 Income

(\$20/hour)

Affordable Amount

(\$468 per month)



\$18,700 Income

(\$9/hour)

Full-Time Worker

- Teacher's Aide
- Bank Teller
- Home Health Aide

What happens to families caught in this affordable housing crisis?

- Pay too much →  financial strain
- Frequent mobility →  school performance
 employment
 transportation
 child care
- Substandard housing →  health
- Overcrowding →  lease violations

There are many different types of affordable housing.

HOUSING POLICY CONTINUUM					
	← Less than 30% of Median Income →		← 30% to 50% of Median Income →		50% to 80% of Median
	Emergency Shelter	Supportive Housing	Affordable Rental	Low-Moderate Income Homeownership	Moderate-Middle Income Housing
PRODUCTION					
PRESERVATION					

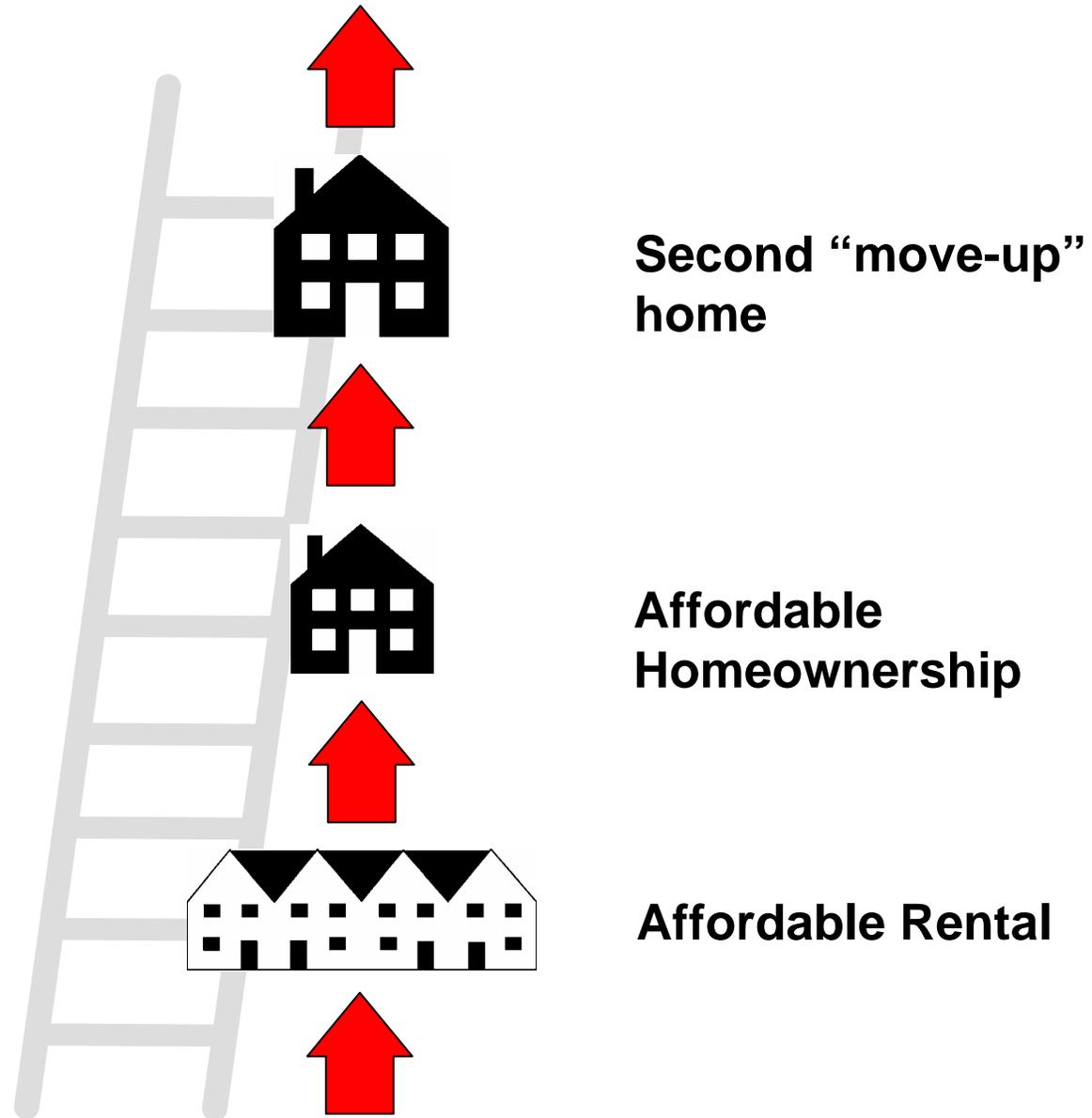
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IMPACTED					
NON-IMPACTED					

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More Locational Choice					
Less Locational Choice					

“Housing Ladders”



Living at home, forming a household, doubling up, living in substandard housing, paying too much, homeless

What factors affect the balance between rental and ownership development?

- The number/proportion of people in different income groups that have housing challenges
- City political/philosophical values
- Past practices
- Requirements of funding streams/leverage opportunities
- Interest rates
- duration of public benefit
- others

Next Decade of Housing in Minnesota

Hennepin County: Key Findings

- **Over 85,000 households are currently paying more than they can afford for housing.**
- **Almost 21,000 new low-income households will be seeking affordable housing by 2010.**
- **The private market is expected to meet about 37 percent of the 2000 to 2010 need, leaving a shortfall of 13,200 affordable units.**
- **Public and philanthropic funding will produce additional units, but there will still be significant unmet need for low-income housing by 2010.**

Next Decade of Housing in Minnesota

Implications of Key Findings

In order to fully address “housing need”

- **13,200 new units needed for new low-income households.**

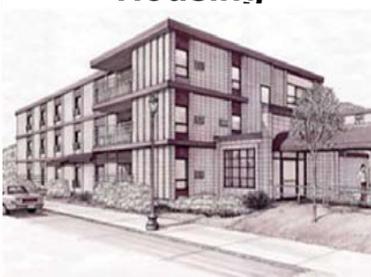
AND

- **85,000 existing cost burdened households need help through new construction, new vouchers, new rent assistance, etc.**

AND

- **Must preserve all existing units. Numbers assume zero demolitions/conversions to market rate.**

2003 Snapshot: units completed and under construction

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PRODUCTION		 Lydia House 20	 Many Rivers 383	28	 Bottineau Commons W. 385
PRESERVATION	536	 Ascension Place 78	 Pinecliff 1,208	0	239

2003 Snapshot: units completed and under construction

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IMPACTED	 <p>St. Anne's Place</p> <p>285</p>	<p>117</p>	 <p>Heritage Park</p> <p>728</p>	 <p>Lofts on Arts Ave</p> <p>21</p>	<p>454</p>
NON-IMPACTED	<p>271</p>	 <p>Trinity Gateway</p> <p>101</p>	 <p>City Apts @ Loring Park</p> <p>863</p>	<p>7</p>	 <p>Humboldt Greenway</p> <p>170</p>

2004 Production Goals based on approved budget

HOUSING POLICY CONTINUUM					
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PRODUCTION	715			60	675
PRESERVATION					

2004 Tools (CPED only)

HOUSING POLICY CONTINUUM					
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PRODUCTION		<ul style="list-style-type: none"> • AHTF • LIHTC 	<ul style="list-style-type: none"> • AHTF • HRB • LIHTC • TIF 	<ul style="list-style-type: none"> • Homeownership • TIF • Habitat • Limited Equity Coop Program • Perpetual Affordability Program • Levy 	<ul style="list-style-type: none"> • TIF • GMHC Home Ownership • Higher Density Corridor Program • Levy
PRESERVATION	<ul style="list-style-type: none"> • ESG 	<ul style="list-style-type: none"> • ESG • AHTF 	<ul style="list-style-type: none"> • AHTF • LIHTC 	<ul style="list-style-type: none"> • MFPP • HOW • Home Improvement Programs • Lead Paint 	<ul style="list-style-type: none"> • Home Improvement Programs • Mortgage Programs • Lead Paint

Proposed 2004 Housing Policy Agenda

Overarching Policy Efforts

1. Clarify existing city housing policies
2. Link housing with jobs and transit
3. Enhance internal coordination among city housing partners – MPHA, NRP, EZ, Planning, Zoning, etc.
4. Enhance coordination among all housing stakeholders and partners

Proposed 2004 Housing Policy Agenda

Topical Policy Efforts

1. Workforce Housing
 - a. Ownership
 - b. Rental
2. Supportive Housing
3. Increasing Locational Choice

Continuing Policy Considerations

1. Senior Housing
2. Emergency Shelter
3. NRP