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Equal Opportunity Housing and Equal Opportunity Employment

**NOTICE OF PROGRAM AND POLICY COMMITTEE MEETING
VIA CONFERENCE CALL**

Date: Wednesday, September 3, 2014

Time: 4:00 p.m. CST

Minnesota Housing
400 Sibley Street, Suite 300
St. Paul, MN 55101-1998

Call In Number: 1-888-742-5095

Participant Code: 2680427896

Please identify yourself when joining the call.

Agenda

1. Call to Order.
2. Discussion, Public Comments on 2015 Draft Affordable Housing Plan
3. Approval of Any Necessary Related Administrative Matters.
4. Adjournment

The Agency may conduct a meeting by telephone or other electronic means, provided the conditions of Minn. Stat. §462A.041 are met. In accordance with Minn. Stat. §462A.041, the Agency shall, to the extent practical, allow a person to monitor the meeting electronically and may require the person making a connection to pay for documented marginal costs that the Agency incurs as a result of the additional connection.

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AGENDA ITEM: 2
MINNESOTA HOUSING POLICY & PROGRAM COMMITTEE MEETING
September 3, 2014

ITEM: Discussion, Public Comments on the Draft 2015 Affordable Housing Plan

CONTACT: John Patterson, 651.296.0763
 john.patterson@state.mn.us

REQUEST:

Approval Discussion Information

TYPE(S):

Administrative Commitment(s) Modification/Change Policy Selection(s) Waiver(s)

Other: _____

ACTION:

Motion Resolution No Action Required

SUMMARY REQUEST: The attached document summarizes the comments received from the public on the Draft 2015 Affordable Housing Plan. Staff is not recommending any changes to the proposed funding allocations, but we are recommending additions to the text of the plan to reflect a number of the comments received. Board members received copies of the public comments by separate email.

No Board action is required today, but any additional changes that may be suggested by members of the Board will be incorporated into the final draft of the 2015 Affordable Housing Plan that will be presented for adoption to the Board at its regular meeting on September 25, 2014.

FISCAL IMPACT: No changes are proposed to the funding allocations presented in the draft plan.

MEETING AGENCY PRIORITIES:

Promote and support successful homeownership Preserve federally-subsidized rental housing
 Address specific and critical needs in rental housing markets Prevent and end homelessness
 Prevent foreclosures and support community recovery Strengthening Organizational Capacity

ATTACHMENT(S):

- Summary of Public Comments Received
- Copy of Full Public Comments (sent under separate cover)

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Public Comments

2015 Draft Affordable Housing Plan

Overall Summary

We received comments from 19 people/organizations. This first section summarizes the key comments that we received and our initial response.

1. Increase supply of affordable rental housing, particularly for people at 30% of area median income:
 - Permanent supportive housing
 - Rent assistance (vouchers and tied to new units being developed)
 - Continue rent assistance for ex-offenders and highly mobile families with school age children

With the funding from Housing Infrastructure Bonds and the increase in rent assistance funding under the Housing Trust Fund for the 2014-15 biennium, we are increasing the supply of affordable housing for extremely low-income renters. The Plan calls for the rapid and effective commitment of these funds, which, combined with appropriate evaluation of these programs, can provide the basis for requesting additional funds in the future.

2. Increase the supply of rental units for larger families (often immigrant)

*In the AHP discussion about offering a range of housing choices, **we will add a paragraph about assessing the need for additional housing for larger families and potentially revising future funding criteria to reflect this need.***

3. Fund mixed-income developments

*We intend to continue our efforts to determine the best ways to support the development of mixed-income projects. In the discussion about tax-exempt bond financing and 4% tax credits, **we will add a discussion about mixed-income housing as a potential use of these resources.***

4. Increase supply of workforce housing

By making available \$5 million of the Governor's Housing-Jobs Initiative from the 2014-15 appropriation through this Plan, we are providing funds specifically targeted to workforce housing. In addition, our selection criteria for awarding tax credits gives preference for projects in areas with a large number of jobs or job growth. We will continue to work with the Greater Minnesota Housing Fund, the Minnesota Housing Partnership and others to assess the need for workforce housing.

5. Increase supply of senior rental housing

We will add to the AHP more discussion about rental housing for seniors. During 2015, we plan to engage our partners about how Minnesota Housing's resources could more effectively serve additional low-income seniors who have very limited housing options, particularly those with the lowest incomes.

6. Increase housing choices for people with blemished rental, credit, or criminal histories

We will add language to highlight the work we are committed to under the Plan to Prevent and End Homelessness to address this and other comments. Homelessness can be triggered when individuals with blemished rental, credit, and criminal histories are unable to obtain rental housing.

7. Work with the Legislature to make sure the affordable housing is a permanent priority for future bonding bills

The Plan calls for the rapid and effective commitment of the \$100 million in bonding allocated to Minnesota Housing by the 2014 legislature, which, combined with appropriate evaluation of these programs, can provide the basis for requesting additional funds in the future.

8. Emphasize youth and family homelessness, as outlined in the Plan to Prevent and End Homelessness

Successfully carrying out the Plan to Prevent and End Homeless is a key priority for the Agency in 2015, which includes funding supportive housing for youth and families.

9. Keep and possibly expand stretch homeownership goals:

- Overall
- Households of color or Hispanic ethnicity
- Target Mortgage Program and Enhanced Homeownership Capacity Initiative

10. De-emphasize homeownership - not everyone is ready to be homeowner

The Plan places a special emphasis on homeownership because, with interest rates near historic lows and home prices lower than they were in the mid-2000s, successful and sustainable homeownership will be within reach of more households. We will carry out our efforts to expand homeownership, with a special emphasis on reaching out to households of color and Hispanic ethnicity, carefully and when appropriate.

Expand rural initiatives, such as supplementing the state funds for the Rental Rehab Deferred Loan (RRDL) program with Pool 3 funds

11. Make communities in the metro area that are community recovery priorities eligible for RRDL funds

The RRDL pilot program is scheduled to conclude in 2015. We are commencing an evaluation of this program in the next month, which will include a determination of whether the case can be made for additional funding for the program.

12. Support community recovery - lower income communities that have had disinvestments
13. Support economic integration

As described in the AHP, we will continue to balance the need to provide affordable housing in higher income communities (providing access to good schools and other opportunities) and in lower-income communities that have had disinvestments (supporting their revitalization).

14. Discuss in the AHP the Agency's coordination with the Metropolitan Council (especially around equity and fair housing)

*We have been actively engaged with the Metropolitan Council in the development of the Fair Housing Equity Assessment and the new Housing Plan. **We will add language to the Plan describing these efforts and our continued commitment to engage with the Metropolitan Council as these policies are implemented.***

15. Emphasize racial disparities in the rental market, not just homeownership

***We will add a discussion in the housing choices section of the AHP about racial disparities in the rental housing market.** We will also highlight the work under the Plan to Prevent and End Homelessness that addresses the high rate of homelessness in communities of color. Each year, Minnesota Housing produces our annual program assessment which includes an assessment of how our programs serve households of color and Hispanic ethnicity. This report indicates that Minnesota Housing's rental programs serve households of color very well. By doing more with the limited resources that are available, we can further address racial disparities in the rental market.*

16. Expand funding under Technical Assistance and Operating Support:

- More funding of Continuums of Care (homelessness)
- Add funding for Fair Housing Centers - testing for compliance
- Add funding for Community Land Trust stewardship
- Add funding for service providers to support integrated living in rural Minnesota under the Olmstead Plan
- Add funding for local agencies to do more outreach and case management

The Plan does not specify how the dollars within the Technical Assistance and Operating Support budget will be allocated, but we will take these comments into consideration as we anticipate the allocation of these funds in the coming year.

The following sections summarize the comments made by each person or organization.

Frogtown Rondo Home Fund

Invest in very-low income communities that have experienced disinvestment (Frogtown/Rondo):

- Seek ongoing funds for the rental assistance pilot for highly mobile families with school-age children
- Expand participation in the Department of Health's Healthy Homes initiative by expanding the Rental Rehab Deferred Loan (RRDL) program to include community-recovery priority areas (including the metro area)
- Expand list of lenders administering Minnesota Housing's home mortgages to include those with a physical presence in the disinvested communities and a strong record of serving communities of color
- Increase supply of permanent supportive housing
- Increase supply of rental housing affordable to people at 30% and 50% of area median income
- Support the development of larger rental units, particularly for immigrant households
- Expand the list of eligible uses of Housing Infrastructure Bond to include vacant rental properties
- Support community land trusts
- Add "declining affordability or increasing cost burden" to the list of housing indicators in the Community Profiles

Children's Hope International, R&R Family Centers, Asian Pacific Housing Consortium

Provide financial, training, and technical support to smaller, culturally-specific non-profits that need assistance in building the capacity required to receive funding to provide housing counseling.

Dominium

- Provide the additional gap/soft financing that is needed to make developments receiving tax-exempt bonds and 4% tax credits work (4% credits provide less funding than 9% credits and require other sources of gap financing)
- Increase supply of affordable senior housing to meet demographic trends - for example, provide additional gap/soft financing that could be paired with tax-exempt bonds and 4% credits
- Make sure that location desirability doesn't suffer in the name of cost containment

Beacon Interfaith Housing Collaboration

- Work with the Legislature to make affordable housing an ongoing priority for bonding bills
- Increase the supply of rental units affordable at 30% of area median income by making sure that rent assistance is available as a project-based strategy, both for underwriting new developments and to ensure long-term affordability
- Continue to support funding for homeless youth and families with children
- Continue to support rent assistance funding for ex-offenders
- Better align the timing for making commitments for capital and service funding

Minnesota Housing Partnership

- Emphasize rental production/assistance for: (1) low-income large families, and/or (2) individuals and families with blemished credit or rental histories or a criminal record
- Make permanent and establish rules for the new PINES rental stabilization pilot program
- Make sure mixed income developments are supported in 2015
- Expand rural initiatives, for example supplement state appropriations for the Rental Rehab Deferred Loan (RRDL) program with Pool 3/Foundation funds
- Include a discussion in the AHP of how Minnesota Housing is working and coordinating with the Metropolitan Council
- Make sure the AHP acknowledges rental housing disparities, not just for homeownership
- Support seniors who are homeless and/or extremely-low income renters
- Allow for the extra cost of managing homeless units to be included in project underwriting (or establish a fund for this purpose). (Larger non-profits can fundraise to cover these costs, but for-profits, public agencies, smaller non-profits cannot.)
- Add more time to comment on the draft RFP

Catholic Charities

- Supports the increase in rental production, Minnesota Housing's work on the Plan to Prevent Homelessness, and efforts to reform Group Residential Housing
- Sees a great need for affordable housing choices for seniors

Metropolitan Interfaith Council on Affordable Housing (MICAH)

- Provide full disclosure of all Agency revenues and expenses, including general information on staffing costs and use of funds for special projects, such as HMIS, the Interagency Council on Homeless, etc.
- Double funding for the Targeted Mortgage and Enhanced Homeownership Capacity programs
- Increase first-time homebuyer target for communities for color from 22% to 50% of loans
- Fund Fair Housing Centers to test fair housing compliance
- Require all the financial institutions that Minnesota Housing does business with to provide credit to people of color, Hispanic ethnicity, or with disabilities
- Develop a Community Innovations Pool for financing pilot programs to acquire and rehab foreclosed/vacant/abandoned apartments, homes, and land
- Look at recipients of Family Homeless Prevention and Assistance Program (FHPAP) that are emphasizing rapid re-housing, which may be short sighted
- Provide "Second Chance Housing Opportunities" for people with unlawful detainers, poor credit histories, and criminal records
- Questions:
 - Is Minnesota Housing limiting recipients of Housing Trust Fund rent assistance to five years of funding? If not, why? And how many have gone beyond five years?
 - What is the state's plan to invest similar resources in people experiencing shorter-term homelessness that it has invested in people experiencing longer-term homelessness?
 - How is Minnesota Housing working with other state agencies on the issue of public assistance benefits not being large enough to support stable and affordable housing?

- How will Minnesota Housing use the information in the Health Equity Report to ensure that all its programs are equitable?
- How will Minnesota Housing work with the Department of Education to ensure that financial and housing literacy are taught in all schools?
- Will the Housing Trust Fund be available to finance models similar to the Home Sharing program and refugees sponsored housing?

St. Paul Public Housing Agency

These comments addressed details of the state's Olmstead Plan and how it relates to public housing.

City of Lakes Community Land Trust

Highlight in the AHP the work of community land trusts in the following areas:

- The importance of stable housing as a platform for success (holistic approach beyond housing)
- Do more with limited resources (leveraging investments over time)
- Technical Assistance and Operating Support (adding CLT stewardship capacity as an added expenditure of these funds)

Lutheran Social Services

- Continue to focus on youth experiencing or at risk of homelessness in the Plan to Prevent and End Homelessness
- When implementing the Olmstead Plan, continue to seek support from community service providers who are already supporting people in the most independent setting possible
- Emphasize choices for people with disabilities and others in rural Minnesota, where choices are lacking
- Continue to host Housing/Community-Development Dialogues to gather feedback from Greater Minnesota
- Increase the allowed expenses for administering rent assistance

Dakota County Community Development Agency

- Take a leading role in addressing the demand for senior housing, focusing on senior housing beyond homeownership options
- When assessing preservation needs (including naturally occurring and unsubsidized affordable housing), evaluate existing programs and make programmatic and funding adjustments that support these valuable community/affordable housing resources

Council on Asian and Pacific Minnesotans

- Have concerns about:
 - Demographic data lumping all Asian and Pacific Islanders into one group, for example, not distinguishing sub-populations and recent immigrants
 - The increasing cost of renting in the Twin Cities area
 - New refugees and immigrants who lack rental and credit histories
 - Rental housing for large families
 - Low number Asian families accessing transitional and supportive housing
- Increase funding for rent assistance for highly mobile families with school-age children

- Increase funding for short-term rent assistance programs
- Increase production of housing with larger units (which may housing extended families)
- Increase public awareness of homeownership education, counseling, and other resources in the Asian community
- Ensure that agencies administering funds from Family Homeless Prevent and Assistance Program (FHPAP) provide access to Asian families without going through traditional homeless shelters
- Increase the number of people of color being served by Minnesota Housing's programs

RS EDEN

This comment raised concerns about "Housing First" models getting service dollars over housing that requires a commitment to sobriety, productivity, and accountability. Homelessness is not homogeneous, and different models work for different people.

Metropolitan Council

Questions/Comments:

- Aside from the 811 pilot, is there an increased programmatic or financial commitment to increasing opportunities for people with disabilities?
- How will the agency balance the dual objectives of creating a new affordable housing opportunities in higher income areas and reinvesting in areas of disinvestment?
- How can Minnesota Housing and the Council continue to work together to further fair housing?
- Are there any new efforts to spur choice and opportunity for households of color considered within the multifamily program, funding, selection, or technical efforts?
- The Council encourages Minnesota Housing to maintain its commitment to the integration of housing and transit investments for both new construction and preservation efforts.

Minnesota Coalition for the Homeless

- Continue to explore and promote the role housing plays in a variety of areas and agencies
- As the Olmstead Plan begins to change the types of housing settings are considered appropriate, change program and funding eligibility to reflect those changes
- If people choose to live in Greater Minnesota under the Olmstead Plan, add capacity for rural service providers
- Strive for affordable housing to account for roughly 10% of every bonding bill
- Identify additional sources of funding to develop more rental housing each year, not just every other year with bonding funds
- Work towards a statewide vacancy rate that allows the crisis response system to rely less on emergency shelters and instead allows service provides to immediately move a household from a housing setting that ending to stable housing
- Make sure that investments made in affordable rental housing production have an adequate supply of rent assistance paired with the units
- Direct capacity building funds to Greater Minnesota Continuums of Care

Tri-CAP

- Reassess emphasis on homeownership - not all households are ready
- Help clients build better economic foundations
- Add flexibility to the Family Homeless Prevention and Assistance Program; allow for "out of the box" creative solutions
- More funding for extremely low income and workforce housing
- Provide funding to allow local agencies to hire more staff for outreach and providing assistance
- Add the capacity of case management, beyond rent assistance
- Address the lengthy waiting lists and closed lists for Section 8

MCCD

- Supports MAP lending and the PINES initiative
- Supports the Agency's \$400 million home mortgage goal, the Enhanced Homeownership Capacity Initiative and the Targeted Mortgage Opportunity Program
- Consider piloting a mortgage product that is sharia compliant
- Make sure that the closing process is included in the multifamily process redesign
- Add a product to support senior rental housing
- Consider awarding "enterprise loans" where the Agency would award funding for a select number of units to be developed by a particular organization over a period of time (perhaps 2 years) and with parameters like affordability, target residents, and location.
- Make sure that the cost-containment efforts are not creating a disincentive for larger units
- Need to address the potential inconsistency between implementation of the Olmstead Plan and the state's 25% rule for services under a home and community-based waiver

Southwest Minnesota Housing Partnership

- Commit to annually funding rural Continuums of Care at a minimum of \$60,000 each.

Northland Counseling Center

- Increase funding for shelters
- Increasing funding for permanent supportive housing
- Continue to fund rent assistance for people coming out of prison
- Address housing for seniors



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Mary Tingerthal
Office of the Commissioner
Minnesota Housing Finance Agency
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Suite 300
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8.29.2014

Dear Commissioner Tingerthal,

The Frogtown Rondo Home Fund, a collective impact organization comprised of over thirty partners collaborating to achieve stable housing in St. Paul's Frogtown and Rondo neighborhoods, supports Minnesota Housing's commitment to a balanced approach to creating affordable housing. Our neighbors benefit from the agency's on-going commitment to ensuring that housing is affordable to households with low and very-low incomes and to investing in the recovery of communities that experienced disinvestment.

I respectfully offer the following comments on the Minnesota Housing 2015 Affordable Housing Plan on behalf of several of the Home Fund's partner organizations including Aurora/St. Anthony Neighborhood Development Corporation, Model Cities, the Rondo Community Land Trust, St. Paul Promise Neighborhood, and Hmong American Partnership. These comments, while consistent with our best understanding of the nature of housing in these neighborhoods and the goals and values of the Home Fund, do not represent a consensus statement of all partners.

1. Emphasize the importance of stable housing as a platform for success.

The Home Fund shares this goal with MHFA and currently benefits from many of the agency's efforts in this area. Most notably, we are helping to coordinate a rental assistance program as part of the Department of Education partnership highlighted in the plan. This program is yielding impressive early results with many families reporting that the availability of quality affordable rental has reduced stress in their families, has allowed parents to pursue career development opportunities, and coupled with other St. Paul Promise Neighborhood programs has improved children's readiness for the upcoming school term. We strongly encourage MHFA to **seek ongoing funds to support and expand the rental assistance for highly mobile families with school age children program**. We also encourage the agency to use the supportive services and eligibility models developed in this pilot as "best practice" in other homeless prevention rental assistance.

We urge the agency to **explore ways to expand their participation in the Healthy Homes initiative by addressing health risks in existing rental housing such as expanding the rental rehab deferred loan program into community recovery priority areas**. Making low cost rehab loans available so that

landlords can address health and safety issues in the housing they provide would improve health outcomes for a larger percentage of households with low incomes, would contribute to community recovery, and would provide a tool to complement housing code enforcement.

2. Offer a range of housing choices.

Frogtown and Rondo, like most Minnesota communities, have households in a range of life stages and income levels, and they need a housing market with a range of options. We support MHFA's commitment to this approach. However, our neighborhoods have a very high percentage of very low income households. Roughly one in three of our neighbors earn less than the federal poverty level. Housing these families through a production-based approach is difficult; therefore, we support the MHFA's commitment to rental assistance programs and request that MHFA **coordinate across agencies to connect rental assistance programs with funding for participants to receive support in career development and financial self-sufficiency.**

Many of our neighbors could succeed as homeowners if housing costs and lending barriers were lowered. The TMOP program will substantially impact communities like ours in which people of color are the majority of the population and the EHC program expands homeownership preparation leading to more stable owners. We encourage you to **expand the lenders administering MHFA mortgages to include more lenders with a physical presence in disinvested communities and institutions with a better track record of serving communities of color and to exclude lenders with documented predatory lending practices.**

3. Invest Resources in areas of critical need

The neighborhoods served by the Home Fund have critical housing needs that can be addressed by the Housing Plan's proposed uses of housing infrastructure bonds. Neighbors have expressed interest in **increasing the supply of permanent supportive housing, particularly for homeless youth and people re-entering the community from the corrections systems.** There is a preference for keeping neighbors who have experienced housing instability in the neighborhood where they can benefit from family and friendship networks for support. There are high levels of homelessness in some of the high schools serving these neighborhoods.

Particularly among new immigrant households, there is a critical need for 4-5 bedroom rental units and homeownership opportunities. Units of this size are difficult to produce because of added costs and a perceived mismatch with achieving density goals around transit nodes. We urge Minnesota Housing to look for opportunities to **support development of larger housing options despite marginal increases in per unit costs.**

We also support the use of bonds to acquire and rehabilitate rental housing. Over 60% of our neighbors are tenants (significantly higher proportions of households with low incomes and people of color) and almost all the tenant population is cost burdened. The rental market has an extremely low vacancy rate and rising rents and leasing criteria. We desperately need to increase the supply of well-managed affordable rental properties affordable at 30% and 50% AMI. There are currently over 50 vacant multi-family buildings in the neighborhood that could be acquired and rehabbed through with bond funds, however, few of these are foreclosed properties. Many foreclosed properties have been purchased by speculators who continue to let them remain vacant or they are vacant as a result of condemnation. We would encourage MHFA to **expand eligibility for bond funds to include all vacant properties and work with potential developers to identify and offset the challenges of managing a portfolio of small-unit buildings lease to tenants with low incomes.**

Land Trusts are a perfect strategy in an area, like Frogtown and Rondo, where significant public investment being made in community improvement is likely to cause increases in property values. However, rising construction costs and stagnant (or falling) incomes mean that the gulf between the cost of developing single

family housing and the housing budget of potential buyers cannot be bridged solely by removing the land and infrastructure value from the sales price. **Land Trusts will need value gap subsidy and an additional \$10-20,000 affordability gap subsidy in order to reach buyers for whom a shared equity mortgage is an attractive way to buy a home.**

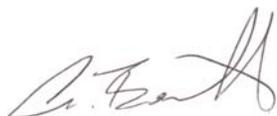
Frogtown and Rondo have a unique challenge in community recovery. Property values in the neighborhood are "recovering" due in part to real estate speculation along the rail corridor. Foreclosures have decreased significantly because foreclosures in these neighborhoods were largely the result of predatory loans and occurred early in the housing crisis. These signs of market recovery mask the housing instability of many households who depend on neighborhood-based social networks and services to offset economic poverty. **Please consider adding "Declining Rental Affordability/Increasing Cost Burden" to Community Profiles as an indicator of potential displacement of households with low incomes.**

4. Do more with limited resources

We applaud all the efforts listed in the plan to stretch the agency's resources and to make products more flexible and programs more responsive. We are especially grateful for the focus on rental development and preservation in this section of the plan. Timely rental housing production and well-aligned rental assistance are essential to keeping our most-vulnerable neighbors in a neighborhood with good access to transit, a focus on school achievement, and strong personal ties.

Thank you for the opportunity to comment on this important document. We appreciate Minnesota Housing's commitment to citizen participation in setting the organization's priorities. Please feel free to contact me with any questions or concerns regarding these comments.

Yours,



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Subject: 2014 Minnesota Housing Finance Agency Affordable Housing Plan

We want to thank the MN Housing Finance Agency (MHFA), the Metropolitan Council, and the Legislature for their public listening sessions on the 2014 MHFA Affordable Housing Plan. To clarify an earlier memo to MHFA, we still believe that affected stakeholders including minority organizations and communities should be actively involved in the development and decision making of the plan from the start and throughout the process, instead of just commenting on what has been developed by others.

The Metropolitan Council indicated convening meetings that included some nonprofits as they were developing their plan that supports the MHFA Housing Plan, but these were not known to all the affected stakeholders whereby they could actively participate in the development and decision making.

The Legislative process is transparent and enables more active participation by stakeholders and the public, and they will be given the opportunity in future hearings. Member organizations of the Asian Pacific American Consortium will also have opportunity for input.

The Asian Pacific American Consortium member organizations provide cultural and linguistic specific services to Minnesota's Asian Pacific community of over 266,000 people from 42 countries, U.S. territories and state; 59 ethnicities, languages and cultures. Four organizations have served the Hmong population of about 66,000. The details of other cultural specific population numbers are in the U.S. Census 2010.

A. Funding:

The Asian Pacific organizations serving the Asian Pacific community has never received MHFA funding, except for Hmong American Partnership and Lao Assistance Center who were "HUD approved" counseling agencies before laws and rules changed to create barriers for the other organizations to become "HUD approved". But even they have not received adequate funding since before 2009.

Instead of technical assistance and helping the Asian Pacific organizations become "HUD approved" counseling agencies, MHFA laws and rules were changed each year that increased the barriers. This included changing funding provisions so only "HUD approved" counseling agencies had access.

Barriers exist in the proposed Housing Plans that will prevent Asian Pacific organizations emerging as "HUD approved" counseling agencies from receiving capacity building, housing education/counseling/training (HECAT), and other funding from MHFA.

HUD requires a nonprofit to provide at least one year of service with a certified housing educator/counselor before application. They also have a quota on the number of clients served. Once application is made, there is a lengthy and costly review process. Organizations have had to raise funds for this. However, once approved, a nonprofit has access to federal funds, programs, free education & training, travel and lodging, leveraging the federal funds for other funds, etc.

There was opposition to Asian Pacific organizations receiving direct funding from the Legislature as other nonprofits were able to get in 2008-2014. There's less transparency in pre-selecting entities receiving funds from State agencies, sometimes before the agency receives legislative funds, and asking others for support including organizations who believe they will have access. Exceptions are funds specifying "public housing authorities" or "land trust" entities. Minnesota Homeownership Center (MHOC) and MHFA make the initial decision on which organizations get funding.

Around 2008, Lutheran Social Services in Greater Minnesota received \$150,000 from the Legislature for 3 FTE separate from funds available through State agencies. Metro costs were about \$70,000 per FTE compared to large state agencies allocating \$100,000 per FTE. A nonprofit serving homeless veterans, but discriminated against Asian & Pacific veterans - receives \$750,000 per year through the Dept. of Veterans Affairs, plus other funding from MHFA and other State agencies. A non-ethnic nonprofit contracted with Hmong American Mutual Assistance Association to provide cultural and linguistic housing education for \$10,000, despite receiving substantially more for the services. The contract ended when Lao Assistance Center and Hmong American Partnership each received about the same from MHFA.

Recommendations:

- 1) Fund each minority nonprofit in the process of becoming “HUD approved” counseling agencies or serving Asian & Pacific veterans with 2 FTE of at least \$50,000 per FTE per year.
- 2) Separate MHFA education and training funds from program funds so minority emerging housing organizations can receive free education and training for the mandated certifications and building capacity. Once an organization has become “HUD approved”, they can access federal funds for continued education and training certifications, program funds, and funds for staff.
- 3) Provide technical assistance and related funds to help minority emerging housing organizations become “HUD approved” counseling agencies.
- 4) Remove the barriers, disparities, and discrimination including a) limited funds or no funds, b) lack of same technical assistance, education and training available to MHFA funded organizations or in MHOC’s network – that affects minority emerging housing organizations including the process for becoming “HUD approved” counseling agencies. There has been evidence whereby the funding process is not based on fair competition, including existing MHFA laws and rules created by some people to favor large established organizations, eliminate competition, increase disparities, and permit discrimination and backlash for “whistle blowing” or opposing unfair provisions and practices. Incidents also support the need to directly fund minority organizations instead of the current funding review process.

B. Mandated certifications:

The State required housing counselors and educators to get certifications. M.S. 58.13 (23) and M.S. 327B.09 (6)(iv) refers to certifying entities able to provide the certifications. AARP, HUD, MN Home Ownership Center (MHOC), MN Mortgage Foreclosure Prevention Association (MMFPA), and the national NeighborWorks America. However, MHFA rules requires MHOC add-ons to NeighborWorks America certifications in Homeownership and Foreclosure certifications.

- 1) These add-ons are not available to organizations not funded by MHFA or not in MHOC’s network, including having full scholarships for education, training, and lodging scholarships as NeighborWorks America provides.
- 2) The MHFA required courses for certifications are not available to organizations not funded by MHFA or not in MHOC’s network in Minnesota, even when NeighborWorks America has come to Minnesota to provide the trainings since 2010. These disadvantaged housing organizations including emerging “HUD approved” organizations must pay their own way for travel out-of-state for NeighborWorks America certifications, HUD and AARP program certifications.
- 3) MHFA stopped recognizing MMFPA certifications.
- 4) There is no public registry of certified educators/counselors in MHFA, Dept. of Commerce or other agencies promoting public contact with certified educators/counselors. Their information, materials, websites and connections with other entities only promote contact through one certifying entity – MHOC and their network. This eliminates competition and business for other certifying entities and their certified educators/counselors.

Recommendations:

- 1) Provide minority housing organizations a) access to NeighborWorks America education training in Minnesota that’s been available to MHFA funded organizations and organizations in MHOC’s network; b) access to MHOC’s add-on education and training required by MHFA; c) and full scholarships to the add-ons. Priority should be based on those with the most need and smaller size of applicants and organizations because larger funded organizations have more capacity to absorb costs themselves including large HUD approved counseling agencies having federal funds.
- 2) Eliminate the disparities where disadvantaged housing organizations, including minority emerging “HUD approved” organizations that are not funded by MHFA nor are in MHOC’s network, must pay their own way for travel out-of-state and related costs to obtain the needed certifications. (MHFA requires 3 courses. Disadvantaged organizations out-of-state costs average \$5,000 per course per person.)

- 3) Reinstate recognition of MMFPA certifications, and fund the education and training as done for other education and training required by MHFA whereby its free to educators/counselors being certified.
- 4) Public registry of all certified educators/counselors from the different certifying agencies, must be easily accessible to the public, equally promoted or marketed, and equally included in state agency materials, websites, and connections with other entities.
- 5) Provide free education, training and technical assistance to nonprofits for development projects funded or approved by MHFA, similar to the assistance provided to lenders, realtors and perhaps developers on MHFA products.

C. HUD approved counseling agency:

To become a HUD approved counseling agency, having access to federal funds, federal programs, and free training, lodging and travel – requires having a certified staff serve clients for at least one year, and meet the quota of clients served – before applying.

- 1) The barriers to certification are listed above.
- 2) M.S. 580.06 refers people in foreclosure to only the MN Home Ownership Center (MHOC). Success included having people sell their homes before foreclosure was finalized and counted as a foreclosure. MHOC member realtors and lenders are part of the process. Organizations outside MHOC’s network must get their clients from out-of-state where funding for clients comes from sources other than MHFA or they help in-state clients with no resources. **Several nonprofits have gone above the call of duty in helping in-state clients without having the resources stay in their homes, respond to court action, etc., and their numbers and cost figures are not in the MHFA Housing Plan nor MHOC data. So the number of people needing help with foreclosure prevention and intervention is higher.**
- 3) MHFA Rules markets and refers people, businesses, agencies and others to MHOC’s Homestretch instead of including organizations with NeighborWorks America certification. Organizations with just NeighborWorks America certification must get their clients from out-of-state to be paid like clients pay MHFA funded organizations and entities in MHOC’s network.
- 4) MHFA, Met Council, and other State agency laws and internal policies that direct people and entities to only use MHOC and their members - diverts people and entities from using organizations and certified educators/counselors not funded by MHFA or not in MHOC’s network and adversely affects organizations trying to obtain HUD approval and federal funds for their programs, staff, training, and organization, especially required quotas on numbers served.

Recommendations:

- 1) Remove the barriers to getting certifications in Minnesota.
- 2) Change M.S. 580.06 so organizations not funded by MHFA or not in MHOC’s network can also access clients and resources.
- 3) Change MHFA Rules on marketing and referrals to include organizations with NeighborWorks America certification, even if they don’t have equitable access to MHOC’s add-ons per above.
- 4) Change laws and internal policies of MHFA, Met Council, and other State agencies that cause disparities and inequities, and work with affected stakeholders on solutions, equity, reducing disparities, and a fair and just process.

D. EMHI

A number of minority professionals and organizations who were decision makers and actively involved in the Emerging Market Housing Initiative’s beginnings and development, were not included in the EMHI program transferred to the MN Homeownership Center. The original EMHI group included 4 different ethnic councils and MHOC was on the Board. Asians leadership in the “for profits” had different agendas than those from nonprofits. Trusted professionals and organizations seeking to help the community and people - continued the work under newly formed APAHC. No comment can be made as to how EMHI changed, since there were barriers to access.

Recommendations:

If there is any State or federal funds that will be involved in this program, it should be accessible to all stakeholders.

E. Homeless

Around 2012, the Wilder survey listed over 14,000 as “homeless”. This include if those in shelters or with relatives. About half were children. A veteran nonprofit estimated about 700 homeless veterans as “in the streets”. Asian veterans were not being considered “veterans” and are not in the numbers. Asians who are homeless, are also not in the count because they don’t make themselves known. So the numbers are higher.

Some laws and policies create conditions contributing to people being at risk of homelessness or becoming homeless, create barriers to successful homeownership, and create other disparities including relating to race that “homeowner training and financial literacy training” doesn’t remedy. These include “homes must in good condition”; compounding charges on interest charged; assessment of unfair fees, interest, and penalties; discrimination and unfair/unjust targeting of ethnic homeowners and renters.

Recommendations:

- 1) Funding Asian Pacific organizations serving the homeless as stated in “A” above.
- 2) Collaborations in rezoning as some cities are now doing from repeated requests. This allows for better use of existing, remodeled or redesigned homes to accommodate more people, multi-generational families, larger and extended families. For reduced households, extra income can be generated from extra space available for rent. Zoning changes can also support “live-learn”, “live-work”, and multi-use housing including “incubators for entrepreneurs and start-ups”. Zoning changes can allow for reduced housing and lot sizes in housing seniors, students, the homeless, and others with limited income and need for “low or no maintenance” housing. Some East Coast and West Coast homes are as small as recreational vehicles, some even 260 sq. ft. for 2 people.
- 3) Common Bond has reduced the resistance to homeless veterans living in “barracks” in their rehab of barracks at Ft. Snelling. There was resistance to housing all the homeless veterans at Camp Ripley which can accommodate up to 200 people per barrack.
- 4) Impact assessments, prevention and intervention on new and existing laws and policies that create risks or cause homelessness, foreclosure or other adverse conditions. This includes cities and counties ordinances based on laws that allow for fees, tax liens, evictions, foreclosure, and punishment including incarceration for a home “not in good condition.” Weather causing minor chipping of paint, grass higher than 8 inches, someone throwing rubbish in the yard, wind or storm damage, etc. are some conditions where these have applied. Especially when properties are targeted for “take-over” and the residents have no other home; not enough income for attorney fees; legal aid doesn’t cover; or being disabled, elderly or vulnerable whereby they can’t respond.

F. Seniors

Various situations affecting seniors are covered above. MHFA, the Met Council, other state agencies, and the Legislature may or may not have influence over increasing income of residents, but they can impact values of homes and repair/maintenance of older homes.

Low-income seniors, the disabled and vulnerable need help with required repairs/maintenance of their homes, especially as home owners. Solutions lie in collaborations between agencies; funds for new programs similar to personal care attendants, but related to doing required repairs/maintenance of homes; discount purchasing by state agencies for materials needed including those covered by grants and loans; the list goes on.

G. Other

There are further barriers created in laws and agency policies that must be remedied to eliminate the disparities and barriers that keep Asian Pacific organizations out of being able to provide services to their people whereby the Asian Pacific community remains unserved and underserve. 2013-2014 HF 993 and other bills that stalled from opposition, were trying to remedy the problems.

Partnerships and help is needed from appropriate staff from MHFA, the Metropolitan Council, other state agencies, and the Legislature in workable solutions to eliminate discrimination and disparities faced by Asian Pacific nonprofits helping the communities, the unserved and underserved. Some people have tried to address the concerns, but policy changes and perhaps funding is needed beyond brief meetings or acknowledgement to get to the solutions.

People are near death, dying or committed suicide because the remedies and help are not available, yet funding the ethnic organizations who could serve them could have saved them. The need is Urgent, but past actions and the plans have provided not provided nor seem to provide the help where it's needed. So forgive the cultural bluntness or way of presenting the information where some people have made things "personal" despite our work to seek help and solutions.

Respectfully submitted,
Jean Lee, Pres., Exec. Dir.
Children's Hope Intl/R & R Family Ctrs. and for APAHC – the Asian Pacific Housing Consortium
c/o childrenshopeinternational@hotmail.com

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MEMORANDUM

TO: Minnesota Housing
FROM: Dominium
CC: Mary Tingerthal
RE: 2015 Draft Affordable Housing Plan
DATE: August 29, 2014

The 2015 Draft Affordable Housing Plan is clearly a comprehensive and thoughtful document that has synthesized feedback from multiple sources throughout the state. As a multifamily developer, we will comment on a few of the areas concerning multifamily housing with the hope that these comments will make the most effective use of increased (but still scarce) resources. Our comments are organized by topic area:

1. Increase Utilization of 4% Tax Credits / Tax-Exempt Bonds

We completely agree with this goal, and see that not only in Minnesota, but in states throughout the nation, 4% tax credit capacity is underutilized resulting in a missed opportunity to attract additional resources to the state. The main reason this 4% tax credit is underutilized is that it is a very shallow subsidy and requires substantial other resources in order to achieve project feasibility. To the extent Minnesota Housing commits other soft resources to be combined with 4% tax credits, this goal will be met. Whereas it is helpful to commit resources to amortizing tax-exempt bond programs (LMIR and MAP loans), these moves alone will not substantially increase 4% tax credit utilization in Minnesota, as lack of amortizing loan options is not the main cause of low utilization – lack of soft resources is the main reason for low utilization.

2. Increase the Supply of Affordable Senior Housing to Meet Demographic Trends

Again, we completely agree with this goal. Except for the rehabilitation of a few 30+ year old project-based senior Section 8 properties, and a few new HUD 202 projects (I believe about 100 units /year +/-), there has very little new affordable senior housing built in Minnesota for almost 20 years. Given the dearth of new affordable housing options for seniors and the compelling demographic trends, the pent-up demand is substantial. It is unclear from the plan, however, how this goal will actually be met. It seems as though most additional soft resources are going towards EDHC (workforce housing) or the Housing Trust Fund (homeless housing). Where would the support towards senior housing come from? We will suggest a few ideas at the conclusion of our comments.

3. Preservation

We think your idea of making resources available on an open pipeline basis is a very good idea. Over the past decade or so national brokerage firms have promoted very dynamic markets for Section 8 and Section 42 properties. This open pipeline approach

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will allow buyers wishing to preserve this housing to compete with buyers who might take these properties out of affordable housing programs.

4. Cost Containment

Whereas this is an important consideration and goal to achieve, it is difficult to accurately measure and even more difficult to substantially impact. In fact, changing market dynamics are likely to substantially drive costs up. In Minnesota, we are back to a period of full employment and more robust economic growth. As such, we are seeing sharp increases in land prices and construction costs – the two largest drivers of cost. Whereas reducing cash reserves and legal costs are marginally helpful, these are not the main cost drivers. Project size and building type are substantially bigger cost drivers. It costs substantially more on a per unit basis to build a 30-unit project than it does a 200-unit project. Similarly, a 2-story townhome will cost substantially more than a 4-story elevated building. With increases in construction costs, one of the concerns that should be considered is the potential for locations of new developments to suffer (less desirable areas and lower land costs) in response to the cost containment emphasis.

Minnesota Housing may also want to measure costs on a per square foot or per bedroom basis, as cost containment measured on a per unit basis will encourage smaller unit sizes and fewer bedrooms this is because larger bedroom sizes are typically more economical on a per square foot basis as you only have to build one kitchen for each unit.

5. An Idea to Consider

In order to utilize more 4% tax credits, increase the supply of affordable senior housing, and do so in a cost effective way, what if Minnesota Housing committed soft funding resources to supporting large-scale senior housing projects? Most developers do not even bother looking for affordable senior housing development opportunities in Minnesota because it's well known that 9% tax credits will not be allocated, in addition virtually all Minnesota Housing soft funds are not geared towards supporting seniors. Given all the goals that such a program could meet, we would hope this idea would meet a warm Minnesota reception.

Many of the communities that we have been meeting with are expressing a strong need for additional affordable senior housing. These communities are in a position to provide a variety of soft funding sources and support - however this is never enough on its own to make a development a reality. Other soft funding geared toward senior housing through MHFA could help developers look seriously at more of these opportunities that municipalities are asking for.

In conclusion we believe the 2015 Draft Affordable Housing Plan is extremely well thought out and recognizes many of the affordable housing goals that we see in our Minnesota communities. As always the soft fund resources are becoming increasingly scarce and any chance to allocate funds to the growing needs would be helpful. Thank you for the opportunity to provide our comments and ideas to areas that we feel could be improved or detailed to a greater degree.



August 29, 2014

Commissioner Mary Tingerthal
Minnesota Housing Finance Agency
400 Sibley Street, Suite 300
Saint Paul, MN 55101-1998

VIA email: mn.housing@state.mn.us

Dear Commissioner Tingerthal,

Beacon Interfaith Housing Collaborative appreciates the opportunity to provide comments on MHFA's 2015 Draft Affordable Housing Plan. Beacon is a collaborative of more than 60 congregations who are committed to ending homelessness together. From these congregations, more than 2,200 Beacon Citizens came to the legislature last year to advocate for more resources for affordable housing, and we look forward to continuing to partner with you in ensuring ongoing resources for this critical work moving forward.

With nearly 500 units of affordable housing currently, half of which are supportive housing for individuals, families and youth experiencing homelessness, we are grateful that MHFA continues to invest in rental housing production, and continues to focus on preventing and ending homelessness. The recent adoption of the State's Interagency Council Plan to Prevent and End Homelessness, is also appreciated and much needed, and we look forward to working together to refine and expand this work.

There are several areas we'd like to comment upon:

1. **Housing Infrastructure Bonds.** The recent investment of bonding dollars into affordable housing is a critical and much needed tool in increasing affordable housing production. Specifically, this year's funding boost of \$44 million for supportive housing helps address a back-log of worthy projects that are shovel-ready. Adding affordable housing as an ongoing priority for State bonding investments budget allows predictable and ongoing production, particularly with the multi-year development timeframe needed to prepare projects for funding.
2. **Rental Assistance.** To prevent and end homelessness, funding units that serve households at 30% AMI or less is critical. Building the housing is one step, but we know that we must also provide rental subsidies to these households as well. Rental assistance is needed for each unit produced that will target these 30% AMI households,

and we encourage MFHA to make sure that these subsidies are available as a project-based strategy, both for underwriting the projects, and to ensure long-term affordability.

3. **The Homeless Youth Act funding.** We appreciate the State Plan's focus on homeless youth and encourage these ongoing funding commitments. We know that investing early in disrupting the cycles of homelessness shows a return on investments in reductions of public costs, and in lives saved.
4. **Family Homelessness.** We appreciate MHFA's acknowledgment that production of affordable housing for families has lagged and is not meeting either the State's goals nor the demand in our community. Prioritizing resources to address family homelessness is necessary to achieve the State's goals.
5. **Rent Assistance Pilot for Ex-Offenders.** Too many people have been locked out of opportunities and need stable housing as a platform for sustaining employment, and recovery of their health and families. We appreciate MHFA's continuing commitment to provide rental assistance to this purpose.
6. **Timing of funding commitments.** We would encourage MHFA and DHS to explore ways to collaborate in better aligning capital and service funding commitments in projects, to ensure that service funding that is needed in supportive housing projects upon opening – often 1-2 years *after* capital commitments are secured – can be secured at the same time as capital funding and then factored into project underwriting.

We appreciate the opportunity to work with MHFA on achieving our mutual goals in preventing and ending homelessness and look forward to further discussions on these important issues.

Sincerely,

Anne Mavity
Director of New Projects



Via mn.housing@state.mn.us

August 29, 2014

Minnesota Housing Partnership, by Chip Halbach

Comments on 2015 Affordable Housing Plan

These comments supplement those submitted May 9 by MHP and respond to the draft AHP released August 13.

Maintain the Foundation Role: We appreciate seeing that the draft AHP repeats the \$2 million investment in the Strategic Priority Contingency Fund included in the 2014 AHP. This provides the Agency needed funds to test new program ideas or respond to new needs arising during the course of the program year.

Emphasizing Rental: With the use of new bonding funds and the allocation of HOME funds for rental preservation, the Agency is making a needed sizable investment in the state's affordable rental supply. However, we recommend that the Agency do more than it is currently doing to provide affordable rental opportunities for large low-income families and for families/individuals with blemished credit, crime or rental histories. In addition, we encourage the Agency to make permanent and provide rules for the new PINES rental stabilization program pilot so that owners have a clearer idea regarding how to access those funds.

Needed Product Development: We didn't see in the draft AHP a commitment to facilitate mixed income development; therefore we hope that this activity can be carried out in the normal course of administering the Agency's rental programs. We appreciate the intent to work closely with DEED in financing the housing needed to accommodate Minnesota's growing rural workforce.

Expand the Rural Initiatives: We appreciate the Agency's intent to continue the rural rehab pilot and other initiatives of importance to rural communities. The rural rehab pilot provides the type of flexible funds needed in rural communities, so we are concerned that the Agency is not adding Pool 3 funds for this purpose to supplement the \$559,000 appropriated by the legislature. We expect that with the conclusion of the pilot greater investments will be made in this program in future years.

Time Needed to React to Proposed AHP Budget: While we greatly appreciate the effort the Agency took to add additional days to the timespan between the date that the AHP budget is first available and the comment deadline, it is still troubling that a proposal for a \$104 million commitment of public funds (combined Pool 2 and Pool 3) is only available to the public for

review and comment for a period of 17 days. We hope that the Agency continues to look for ways to maximize the amount of time available to comment on its proposed budget.

In addition to the topics raised in May we add the following:

A. Link the AHP to the housing initiative of the Metropolitan Council. The draft AHP did not list the Metropolitan Council as one of the agencies with which Minnesota Housing will work closely. We understand that the final AHP will clarify the Agency's current and continuing working relationship with the Council as that body completes and implements its Housing Policy Plan. We recommend that Minnesota Housing contribute to that working relationship a commitment of funding for action-step related expenses coming out of the Housing Policy Plan, such as the proposed Fair Housing Center which currently appears in the Council's draft plan.

B. Racial disparity is not just a homeownership concern. The draft AHP identifies a priority for expanding choices for historically underserved and under-resourced communities and proposes strategies to respond to the 37.6% difference in homeownership rates for underserved communities compared to the white population. The AHP should recognize that the racial/ethnic disparities in homelessness and rental cost burden are even greater than those for homeownership and, at minimum for public education purposes, show that resource commitments to low-income rental housing and to address homelessness are critical strategies to reduce these disparities. In the coming year the Agency's new multi-family assistant commissioner should meet with groups representing the respective communities of color to identify any unique strategies that could be employed to reduce homelessness among their constituents.

C. The AHP should address increased numbers of seniors who are homeless or extremely low income renters. The AHP should add strategies to assist low-income seniors who are not homeowners along with those now in the draft AHP intended to help low income seniors who are homeowners stay in their homes. There is a particular need related to seniors of color with adult children who seek affordable rental housing options.

D. Help owners support people in homeless units. Some nonprofits are able to fundraise to pay for the extra time and cost of being responsible owners of properties with ten percent of units allocated to homeless individuals or families. Many for profit owners, public agencies and smaller nonprofits do not have that source of donations. To enable a broad group of owners to successfully operate properties with these homeless units some funding is required to cover extra management costs. The Agency should allow for this cost in their underwriting or establish a fund for that purpose.



CATHOLIC CHARITIES
of St. Paul and Minneapolis

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August 29, 2014

Commissioner Mary Tingerthal
Minnesota Housing Finance Agency
400 Sibley Street, Suite 300
Saint Paul, MN 55101
mn.housing@state.mn.us

Re: Comments on the Draft 2015 Affordable Housing Plan

Dear Commissioner Tingerthal,

Catholic Charities of Saint Paul and Minneapolis appreciates the opportunity to comment on Minnesota Housing's draft 2015 Affordable Housing Plan. As the largest comprehensive social service organization in the Greater Minneapolis/St. Paul region, we see daily the impact that the lack of affordable housing has on those living in poverty. We are grateful for Minnesota Housing's leadership on addressing the rental and housing crises, particularly in the areas of focus on the acute needs in rental housing markets, and on preventing and ending homelessness.

We support the increase to rental production funding, including the use of bonding dollars to do so. As you know, Catholic Charities believes that stable housing is key to ending poverty, and also supports Minnesota Housing's efforts to partner with DHS, DEED, and other departments to find better housing solutions for those dealing with mental and physical health barriers, and beyond. We particularly applaud the agency's partnership with the Department of Corrections on the rent assistance pilot, as many of our clients struggle to obtain and maintain stable housing because of a criminal record.

In many of our programs, Catholic Charities also serves the increasing aging population in poverty, and sees the great need for more affordable housing choices for seniors, many of whom face homelessness as they lose homes or require more services as they age. We believe that all Minnesotans should have the chance to age in dignified conditions, including staying in their homes when possible, and will continue to be a community partner in helping end elder homelessness.

Although it is not mentioned in the draft Affordable Housing Plan, we also appreciate the leadership of Minnesota Housing in its role in the development of *Heading Home: Minnesota's Plan to Prevent and End Homelessness* and encourage the Agency's continued leadership in its implementation.

Lastly, as MHFA works with DHS on GRH reform, partially in an effort to respond to the Olmstead plan, we want to ensure that our clients will be able to access the housing and support services that they need.

Thank you again for the opportunity to comment. We look forward to our continued partnership in preventing and ending homelessness.

Sincerely,



Tim Marx
CEO, Catholic Charities of St. Paul and Minneapolis

METROPOLITAN INTERFAITH COUNCIL ON AFFORDABLE HOUSING



“Do Justice, love mercy and walk humbly with your God” Micah 6:8

MICAH Comments on Minnesota Housing 2015 Draft Affordable Housing Plan

Thank you for the multiple opportunities that you provided the community to provide input into the 2015 Draft Affordable Housing Plan.

Overall, we believe the document provides an excellent summary and plan for use of our resources in each program area. We are very excited about the innovative programs you are proposing.

General Comments:

We appreciate Minnesota Housing expanding the information it is providing to the public on the income it is generating and some of the ways those funds are being utilized. We would appreciate full disclosure/transparency of all revenue and expenses including general information about staffing costs, use of funds for special projects such as HMIS, State Interagency on Homelessness and its plan, Heading Home Plans, etc.

Specific Comments and Recommendations:

1. We appreciate the initiative to fund the Targeted Mortgage Opportunity Program and the Enhance Financial Capacity Program to fund home ownership opportunities for emerging markets with primary focus on people of color and American Indians. We appreciate you including it again at \$10.65Million. In previous comments and now we are requesting you double the amount available in 2015 Plan to \$23.3Million to further address the incredible disparities in home ownership.
2. First time homebuyer target should be at least 50% of the funds, \$200 Million, for People of Color and American Indians.
3. Any Home Counseling funding not needed to be utilized for foreclosure prevention should be re-directed into the HOME program or the Enhanced Financial Capacity Program.
4. Minnesota Housing should utilize its revenues to fund Fair Housing Centers and to begin to do testing across the State.
5. Minnesota Housing should require all Financial Institutions it does business with to provide access to credit for emerging markets People of color, Hispanics, American Indians, people with disabilities) homeowners and businesses throughout the community and establish funding mechanisms for the HOME program , Targeted Mortgage Opportunity Program and the Enhance Financial Capacity Program.
6. Minnesota Housing should develop a Community Innovations Pool of Funding from its revenue. This would provide funding for community based: groups, non- profits and small for profits to access resources for pilot programs to acquire and rehab foreclosed/ vacant/ abandoned apartments, homes, and land to develop community based housing owned by people in the community and thus maintaining this critical community asset.
7. The Housing Trust Fund became law in 1988. In the early 2000s when the RAFS program was ended, Minnesota Housing initially opposed the use of HTF for rent subsidies. When rent

subsidies became an eligible use for up to 5 years. Each year Minnesota Housing has used more and more of HTF for rent subsidies and rolled activities of other programs into the HTF but not funded them because almost all the funding is going into rent subsidies and operating funds. Questions: Is MN Housing limiting residents to 5 years? If not why and please provide a number of households it anticipates serving that have been in the program over 5 years. Are programs operating the subsidies able to require participants to participate in programming to address issues identified together and increase resources? If no why not? Is it still the practice that the only way a subsidy is ended is if a landlord legally evicts a resident?

We are very concerned that these critical dollars are funding many of the same people each year and not assisting/ requiring people to access other housing options.

8. MN Housing has provided a significant amount of funding for supportive housing which has helped many people with long term histories of homelessness to obtain and maintain housing. What is State plan to invest similar resources into all people at risk and/or experiencing homelessness?
9. Family Homeless Prevention and Assistance Program: We have heard from several communities that at least Hennepin County is eliminating Prevention funding and using it all for rapid Re-Housing. We believe this is short sighted and will in the long term increase homelessness(may be not ones counted on HMIS because people will double up and not go to shelters); but it will put incredible strain on congregations and community providers in identifying resources to help people stay in their homes.
10. Second Chance Opportunities: Unlawful Detainers, poor credit histories, criminal histories are significant barriers to people accessing rental housing. All housing funded by MN Housing should provide opportunities to people with these issues to have a second chance and access housing.
11. Public assistance benefits do not provide enough resources for people to rent housing. How is MN Housing and the Interagency addressing this issues with other State Departments?
12. Health Equity Report- How will MN Housing utilize the information in making all of its programs more equitable. All programs should keep track of percentage of people of color accessing them and it should be reported on your financial summary on each program on pages 6 and 7.
13. Education- Basic education on landlord tenant law, credit, budgeting, basic banking skills are no longer taught in most schools. How will the Interagency work with the Department of Education to educate our young people so they may be good tenants, use credit wisely and prepare for home ownership opportunities in the future?
14. MICAHA is exploring with congregations and community organizations utilizing a model similar to the Home Sharing program and refugees sponsoring housing models. Will the Housing Trust Fund be available to fund these models?

Thank you again for the opportunity to comment and make recommendations to the 2015 Action Plan. MICAHA looks forward to continuing to work closely with Minnesota Housing as we Bring Our Communities and Minnesota HOME!

Sincerely,
Sue Watlov Phillips, M.A.
Executive Director



Saint Paul Public Housing Agency Comments on Minnesota Housing's Draft Affordable Housing Plan

Al Hester, Housing Policy Director

August 29, 2014

The Saint Paul Public Housing Agency (PHA) supports Minnesota Housing's Draft Affordable Housing Plan and offers the comments below relating to Minnesota's Olmstead Plan.

As noted in the Executive Summary of the Minnesota Housing's draft Affordable Housing Plan, "With its Olmstead Plan, Minnesota will need to increase the number of opportunities for people with disabilities to live in the community." (page 3 of the draft plan) The PHA will continue to participate in discussions and planning directed at meeting the commitments in the Olmstead Plan and the Affordable Housing Plan. The PHA, as perhaps the largest provider in St. Paul of safe, affordable, quality housing for persons with disabilities living in the community, can provide data, policies and procedures that may assist planners and other housing providers. At the same time, we cannot expect that the federally-funded Public Housing Program and the Housing Choice Voucher (formerly Section 8) Program, themselves will be able to increase the number of housing opportunities for people with disabilities to live in the community.

The draft Affordable Housing Plan specifically refers to the Olmstead Plan in the following sections:

Chapter 2 – Maximizing our Impact: An Action Plan for 2015 (page 9 of the draft plan)

Maximizing our impact is critical as the need for affordable housing continues to grow and resources are limited. We will align our work plan and action steps in 2015 in four areas:

- 1) Emphasize the importance of stable housing as a platform for success**
- 2) Offer a range of housing choices**
- 3) Invest resources in areas of critical need**
- 4) Do more with limited resources**

1) Emphasize the importance of stable housing as a platform for success

Housing is the foundation for family and community stability. Safe, stable, affordable housing is critical to success in education, positive health outcomes, and economic stability. Housing as a platform for success is central to our mission.

The three other action steps listed above are key pieces to building and enhancing that platform, but a critical step is our continued initiatives to coordinate and enhance our work with other state agencies. Working with other agencies to better align our programs and services will allow us to leverage each other's resources and have a larger impact and achieve broader success for low- and moderate income Minnesotans and their communities.

...

The Olmstead Sub-cabinet. In November of 2013, the Minnesota adopted its Olmstead Plan, which has an overall goal of making Minnesota a place where people with disabilities are living, learning, working and enjoying life in the most integrated settings. The plan established an Olmstead Implementation Office, which will oversee the implementation of the plan across the eight state agencies that serve on the Olmstead subcabinet, including Minnesota Housing. We will host the staff of the Olmstead Implementation Office in our offices during the 2015 program year. One of the actions for housing in the Olmstead Plan is the development of additional affordable housing opportunities for people with disabilities. An important effort in 2015 will be the state's Section 811 demonstration program, which will provide 85 units of project-based rent assistance with supportive services to people with disabilities. Specifically, the program will: (1) increase housing opportunities for people with disabilities, (2) help people with disabilities move from institutions to community-based settings, (3) reduce public costs of homelessness and institutional care, (4) create a centralized outreach and referral system, and (5) develop new service linkages. The 2015 AHP includes \$235,000 for the Section 811 demonstration.

...

2) Offer a range of housing choices

Decisions about where to live are informed by social factors that are unique to each individual or household. We strive to create financing for a range of safe, stable, affordable housing options across the state. We will continue our commitment to creating equity in housing choices in urban, suburban, and rural communities. We will continue to ensure that historically underserved and under-resourced populations have access to opportunities for both successful homeownership and affordable rental housing.

- **Choices for People with Disabilities.** We will continue to support housing choice for people with disabilities through our support of universal design criteria in the rental properties we finance. Other efforts include:
 - Being a partner in implementing Minnesota's Olmstead plan,
 - Carrying out the Section 811 project-based rent assistance demonstration program, and
 - Providing rental assistance to people with a severe mental illness through the Bridges program.

PHA Overview

1. The PHA strongly supports the goals of the Minnesota Olmstead Plan to maximize opportunities for persons with disabilities to
 - a. Live in integrated settings of their own choosing, and

- b. Receive the services they need and want, either connected to their housing or independent from it.

To achieve those goals and have real options for their housing and services, more persons with disabilities will need income supports and/or housing subsidies. Current subsidies are too few and/or too low. We should not expect new federal resources to be forthcoming.

2. The St. Paul Public Housing Agency (PHA) provides safe, affordable, quality housing to a large number of persons with disabilities, including single individuals, heads of households or two or more, and other household members.
 - a. 42% of 2600 PHA hi-rise residents are single persons who are younger than 62 and who have one or more disabilities, as high as 60% in some buildings;
 - b. 28% of 1700 family households living in public housing are headed by a person who is (or their spouse is) a person with a disability who is younger than 62.
 - c. An unknown number of residents who are 62 or older also have disabilities.
 - d. A significant segment of the residents who are younger than 62 and have disabilities, are persons with mental health issues as their primary disabling condition or a co-occurring condition.
3. The PHA's housing programs include:
 - a. Public housing: The PHA owns, manages and maintains the properties; 4253 rental units with federal subsidies.
 - i. 16 hi-rises (2554 units)
 - ii. 4 housing developments for families (1296 units)
 - iii. "Scattered site" single family homes and duplexes (403 units)
 - b. Section 8 Housing Choice Vouchers: 4572 federal rent subsidies
 - i. "Tenant-based vouchers": The voucher holder finds a unit in the private market, PHA pays the subsidy if the unit passes inspection and the rent is "reasonable" for the unit, and if the property owner agrees to participate.
 - ii. "Project-based vouchers": The PHA has awarded almost 500 Section 8 subsidies to over 20 new or existing housing developments. Over half of those projects and units provide permanent supportive housing with services. Many of those projects are targeted at ending long-term homelessness and many of their residents are persons with disabilities.
 - iii. Special Programs:
 1. Homeless Veterans (VASH – Veterans Administration – Supportive Housing)
 2. Family Unification Program (FUP)
 3. Tenant Protection/Preservation Vouchers

4. Section 8 Moderate Rehabilitation –Single Room Occupancy (SRO) units: Mary Hall, Booth Brown House Foyer.
4. HUD funding is inadequate to support current units in public housing and Section 8, with no prospects for significantly increased funding. For the foreseeable future we expect no funding for new public housing units or new vouchers, other than special purpose vouchers like Veterans Affairs Supportive Housing (VASH) vouchers.

Specific PHA Comments on the Draft Olmstead Plan

1. Public housing and Section 8 are not the cause of the problem addressed by the court decisions following *Olmstead*, nor are they the solution. We want to continue to be part of the conversations to share our experience with related issues, and to help the State and local agencies move toward solutions where we can.
2. Public Housing is an integrated setting.
 - a. All residents have their own lease, private unit with kitchen and bathroom, etc.
 - b. Within the building residents have daily opportunities to interact with other residents who do not have disabilities. PHA Resident Councils (one at each site) demonstrate a good mix of residents with disabilities working side-by-side with those without disabilities, jointly planning and participating in resident activities and governance functions. When Resident Councils plan social outings, they rent buses that are accessible for people with disabilities.
 - c. Residents are free to come and go, so they can and do travel freely in the community and interact with people without disabilities. Like other City residents, hi-rise residents with and without disabilities visit community centers, schools, shopping areas, churches, jobs and volunteer work sites. PHA staff encourage all residents, especially those with disabilities, to get “out and about”. Residents with significant mobility impairments often use Metro Mobility to get around.
3. Public housing residents choose where they live, subject to the availability of vacant units when they are accepted to public housing. They are not “placed” there by another agency.
4. Persons with disabilities live in public housing for a variety of reasons including:
 - a. As required by federal statute and HUD regulations, persons with disabilities share top priority with elderly persons for admission to 15 PHA hi-rises that were all constructed as “elderly housing”. The 16th hi-rise (777 North Hamline Avenue) has been approved by HUD as “designated housing” for elderly residents, so persons with disabilities have lower priority for admission there.
 - b. The St. Paul PHA provides “safe, affordable, quality housing” (our mission).
 - c. Many PHA units have special accessibility features, and PHA staff are experienced in working with applicants and residents who have disabilities.
 - d. Other affordable housing options are lacking.

- e. Supportive services are available in or near some public housing locations. PHA Human Service Coordinators can help residents locate services in the community they may want or need.
 - f. Many PHA sites are accessible by public transportation.
 - g. Congressional and HUD funding and program priorities have given persons with disabilities priority access to some special public housing programs. For example, the St. Paul PHA operates the Congregate Housing Services Program (CHSP), a 30-year-old HUD "demonstration" program that helps frail elderly persons and persons with disabilities avoid institutionalization by providing affordable housing, some non-medical personal services and links to other community services. A majority of the CHSP participants now are non-elderly persons with disabilities, primarily mental impairments. The five PHA hi-rises that are CHSP sites are among the hi-rises with the highest concentrations of non-elderly persons with disabilities. Services for some CHSP participants are partly paid through MA waiver funding.
 - h. The PHA partners with service providers on other special programs for persons with disabilities, including the Wilder Foundation's Assisted Living Program and Accessible Space, Inc. both of which provide services to some hi-rise residents.
5. Several Project-Based Voucher (PBV) projects that provide permanent supportive housing are specifically funded to serve people with disabilities. Residents are not "placed" there. They voluntarily choose to live there and accept the services offered. (HUD rules require PBV-supportive housing residents to accept the services.) Even though that creates "concentrations" of persons with disabilities, those projects should be allowed to continue as they are. Alternative models of subsidized housing and services should also be developed to maximize the choices available to persons with disabilities.
 6. HUD's statement on the "Role of Housing in Accomplishing the Goals of Olmstead" (issued June 4, 2013) specifically states that no requirements of existing HUD programs have changed. For example, the Section 811 program will continue to serve persons with disabilities exclusively, as authorized by Congress.
 7. The HUD statement reminds housing agencies that they are permitted and encouraged—but not required—to give some admission preference to persons with disabilities who are transitioning from or at serious risk of entering an institutional setting are permissible. As explained above, the PHA's CHSP specifically serves this population in public housing, and some of the Section 8 project-based voucher programs also serve persons with disabilities who are at risk of institutionalization. Any consideration of extending an admission preference to more persons with disabilities would have to weigh the housing needs of other low-income families and individuals in the community.

Thank you for considering these comments. Feel free to contact me (Al.Hester@stpha.org, 651-292-6173) if you would like more information.

Al Hester, Housing Policy Director, St. Paul PHA

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August 28, 2014

Commissioner Mary Tingerthal
Minnesota Housing Finance Agency
400 Sibley Street, Suite 300
Saint Paul, MN 55101-1998

Dear Commissioner Tingerthal:

On behalf of the Minnesota Community Land Trust Coalition and its members, we appreciate the opportunity to provide comments to the Minnesota Housing Finance Agency 2015 Draft Affordable Housing Plan. We are incredibly appreciative of the Agency's continued leadership in supporting affordable housing opportunities across the state and grateful for the partnership afforded to Minnesota Community Land Trusts. In particular, we believe the Agency's *Phase-Three Action Plan For Maximizing Our Impact* has several points of alignment as Community Land Trusts (CLTs) statewide not only create affordable housing opportunities today, but take the one-time public investment and leverage it over time.

We would like to submit the following comments to the Affordable Housing Plan:

Area 1: Emphasize the importance of stable housing as a platform for success (pages 9-11 of plan)

Consider the inclusion of programs and practices such as MN CLTs that also highlight the importance of stable housing. The Action Plan does a very good job of demonstrating its effectiveness in aligning with numerous councils, cabinets, and other government agencies. In addition, we would like to suggest that it might be useful to also highlight housing programs that provide a more holistic approach to household success beyond housing. In particular, CLTs have a track record of providing supportive and responsive homeownership stewardship and post-purchase services that extend well beyond the closing table to the households served. While we can speak to the holistic homeownership support provided by CLTs, it is also worth noting these wrap-around services are also provided through many supportive homelessness and rental organizations.

Area 4: Do more with limited resources (pages 13-15 of plan)

Consider highlighting CLTs and other programs that leverage investment over time as the means by which MN Housing Finance Agency achieves this goal. There are now over 1,000 CLT homes in Minnesota. The vast majority of those homes have MN Housing funding tied to the long-term affordability of the homes and are positioned to leverage the initial investment over multiple generations of low-to-moderate income households across Minnesota. There is a great opportunity to demonstrate not only the initial leverage brought by local and private resources, but especially to demonstrate the leverage over multiple CLT resales.

Technical Assistance and Operating Support (pages 56 of plan)

Consider adding CLT stewardship capacity support as an added expenditure of these funds. As like many of the other listed expenditures, MN CLTs are in need of additional capacity to further best practices, grow organizational capacity, and align resources related to the ongoing stewardship of perpetually affordable homeownership housing stock in MN.

We are thankful for the continued partnership and support of MN CLTs from MN Housing Finance Agency and look forward to assisting the Agency in achieving its goals in 2015.

Sincerely,



Jeffrey A. Washburne
Executive Director, City of Lakes Community Land Trust
Current Board Chair, MN CLT Coalition

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August 28, 2014

Commissioner Mary Tingerthal
 Minnesota Housing Finance Agency
 400 Sibley Street, Suite 300
 Saint Paul, MN 55101-1998

Dear Commissioner Tingerthal,

Thank you for providing an opportunity to comment on the 2015 Affordable Housing Plan (AHP) from the Minnesota Housing Finance Agency. We are deeply appreciative to you and your staff for your thoughtfulness, creativity and cooperation in expanding affordable housing to all Minnesotans.

Lutheran Social Service of Minnesota (LSS) provides support to older adults, people with disabilities, homeless youth and many other neighbors – often providing the support that allows an individual to remain independent in community. Our feedback for the 2015 AHP is outlined below:

- *Emphasizing the importance of stable housing as a platform for success*
 - We support and encourage continued focus on youth experiencing or at risk of homelessness included in the December 2013 Interagency Council Plan to Prevent and End Homelessness. By supporting a young person to transition successfully to adulthood stably housed, the challenges of long-term, adult homelessness can be avoided.
 - LSS intersects with the Olmstead Plan through services for people with disabilities, older adults and youth experiencing homelessness. We are grateful for the cooperation across departments to meet the needs of all individuals impacted by Olmstead. Please continue to seek support from community services who are already supporting people in the most independent setting possible.
- *Offer a range of housing choices*
 - The 2015 plan addresses many areas of choice for the people we support, however, choices for people with disabilities and others in rural Minnesota are even further lacking. We encourage attention to the lack of affordable housing in greater Minnesota, especially for people with disabilities who will be transitioning out of four bed adult foster care as the Olmstead Plan moves forward.
- *Invest in areas of critical need*
 - We are grateful to MHFA for the creative use of Housing Infrastructure Bonds to build affordable housing statewide. Thank you for your continued confidence in the nonprofit community to meet the needs of the community on your behalf.
 - Over 75% of LSS's services are provided outside of the metro area. As a statewide organization, we have learned firsthand the need to access the

tremendous expertise of our greater Minnesota neighbors, colleagues and partners to make the most effective investments of time, energy and resource. Thank you for your continued plan to host Community Development Dialogues to gather this feedback.

- *Do more with limited resources*
 - As you reexamine the Plan to Prevent and End Homelessness non-capital spending programs within MHFA, we hope you will evaluate rental assistance administrative cost reductions of recent years and provide an increase in the administrative costs. Administering rental assistance is costly and complex, regardless of the number of units or history of managing the subsidies.

Thank you for once again putting forward a plan that moves Minnesota forward in providing housing to all Minnesotans. We are grateful for your leadership and your deep commitment on behalf of all of our Minnesota neighbors.

Sincerely,



Maureen Warren
Vice President and Chief Family Services Officer
Lutheran Social Service of Minnesota
maureen.warren@lssmn.org

Schack, Becky (MHFA)

From: Cheryl Jacobson <CherylJacobson@dakotacda.state.mn.us>
Sent: Friday, August 29, 2014 1:06 PM
To: *MHFA_MN Housing
Subject: AHP Comments

On behalf of Dakota County Community Development Agency, thank you for the opportunity to provide further comment on the 2015 Affordable Housing Plan.

Dakota County Community Development Agency applauds the efforts of Minnesota Housing in putting together a comprehensive business plan for 2015. In following up on our original comments submitted in May, the CDA urges the Agency:

- 1.) To take a leading role in addressing the demand for senior housing focusing on senior housing beyond homeownership options. The AHP focuses on addressing senior housing choice related to aging in place and providing accessibility features. While programs and funding for these types of solutions is important in addressing the growing senior housing concern, the rental crisis facing seniors demands attention that isn't addressed in the draft plan. Because of the major increase in the senior population and because a significant percentage of new seniors will be reliant on social security as their primary and very meager income source, the AHP should provide strategies for seniors who are not homeowners.
- 2.) To develop funding or programming solutions that address the preservation and improvement needs of naturally occurring or unsubsidized affordable housing. We encourage Minnesota Housing to evaluate existing programs and make programmatic and funding adjustments that support these valuable community/affordable housing resources.

And finally, the CDA urges Minnesota Housing and the Met Council to collaborate with each other on housing plans –Minnesota Housing's Affordable Housing Plan and Met Council's Housing Policy Plan.

Cheryl Jacobson

Director of Administration

Dakota County CDA

Sent from my iPad

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**Sia Her, Executive Director
Council on Asian Pacific Minnesotans**

**Minnesota Housing Finance Agency 2015 Affordable Housing Plan
Before the Committee on Housing Finance and Policy**

August 26, 2014

Thank you Madam Chair and members of the Committee

Good Morning, my name is Sia Her. I am the Executive Director of the Council on Asian Pacific Minnesotans. It is an honor and privilege to provide my testimony on Minnesota Housing Finance Agency's 2015 Affordable Housing Plan on behalf of Asian Pacific communities in Minnesota.

The Asian population is the fastest growing ethnic group in Minnesota and nationally. The Asian Pacific community is extremely diverse and the aggregate data on home ownership and income does not capture the existing disparities experienced by our South-East Asian communities, especially its new refugee communities such as the Karen and the Bhutanese.

Our Council is concerned about the increasing cost of rent in the Twin Cities region, making renting an impossible option or a burden for low-income Asian families. Many of our families lack monthly gross income that are 3 times of the rent as required by private landlords. Many of our new refugee and immigrant families and individuals lack rental and credit history required in the traditional housing market. Therefore, our families are more likely to encounter hazardous living situations for cheaper rent or forgo renting by boarding with relatives.

We are also concerned about the lack of affordable rental housing for large families in the metro area. The average household size for Asians is 3.5 which is larger than other racial groups and often results in overcrowded housing. It is not rare to see a single Asian mother with four children living in a one bedroom apartment or see four Asian male adults sharing a one bedroom apartment.

Additionally, we are concerned about the low-numbers of Asian families accessing transitional and supportive housing along with experiencing long waiting periods for Public housing due to lack of housing options to accommodate large family sizes. Furthermore, many of our South-East Asian families fail to qualify as chronically homeless and/ or experiencing repeated episodes of homelessness because they tend to rely on their extended families and move from one relative to another without ever encountering the homeless shelter system.



There are families and individuals in our communities who truly are in need of safe and stable housing, and are encountering barriers such as language, transportation, underemployment, inability to access resources, stigma, and shame.

Therefore, we recommend that the MHFA 2015 Housing Plan:

- I. Allow consumers of the rental subsidy programs the choice to live in the community and the neighborhood of their choice
- II. Increase the funding provided through the Department of Education for highly mobile children, and specifically target shelters and schools serving specific communities and communities of color
- III. Increase the available funding for short-term (2-5 years) rental assistance programs to help families achieve financial stability in order to maintain stable housing
- IV. Increase funding for programs targeting large family sizes and multi-family homes to remain and be affordable in the metro area
- V. Insure that the communities of color and especially the Asian communities are aware of homeownership education, counseling, and other resources, and programs such as the Enhanced Homeownership Capacity Initiative and the Targeted Mortgage Opportunity Program
- VI. Direct the counties receiving the Family Homeless Prevention and Assistance Program fund to ensure that Asian families have access to the program without having to go through the traditional homeless shelter by expanding how the funds are distributed
- VII. Lastly, we recommend the MHFA increase the percentage of households of color, especially from our emerging communities accessing programs such as Low-Income Housing Tax, Monthly Payment Loans, and other programs.

Our Council thanks the Minnesota Housing Finance Agency for drafting a plan that seeks to ensure sustainable and affordable homes for all. We are committed to collaborating with MHFA and other governmental agencies to ensure that all Minnesotans have access to safe, stable, and affordable homes.

Thank you!

Schack, Becky (MHFA)

From: Dan Cain <dcain@rseden.org>
Sent: Friday, August 29, 2014 11:46 AM
To: *MHFA_MN Housing
Subject: Public Comment period ends today.

Over the past two decades RS EDEN has developed, or participated in developing, nearly 500 units of affordable, supportive, sober housing. This was done in recognition of the diverse nature of homelessness and the need for some people, and families, to have a sober community within which to enhance their path to sustainability. From Alliance Apartments, to Portland Village, Jackson Street Village, Seventh Landing, Central Avenue Apartments, Lindquist Apartments, Belle Haven and Emanuel Housing, these programs have been remarkably successful in keeping formerly homeless individuals and families housed, sober and employed. But political winds change, and they tend to blow to extremes. Housing that requires a commitment to sobriety, productivity and accountability has fallen out of favor for "Housing First" models. It is encouraging to see that the plan put for the by Minnesota Housing recognizes the need for a full continuum of options. However, we are very concerned with how plans are implemented. This past funding cycle, we were at risk of losing service funding for Portland Village, a multi-family project with 26 units, where progress to stability and sustainability exceeds that recognized in any other family project we are aware of. Why? In part because the powers that be, when developing a ranking system for funding, saw fit to award points to projects that specifically utilized a "Housing First" model, and penalize projects that did not. Homelessness is not homogenic. For some it needs to be addressed with a "no stipulations or expectations" response, for others accountability, expectations and support are critical, particularly when there are children involved. To successfully address homelessness we need to meet people where they are and recognize they are far from all being in the same place. Then we need to determine what programs to support for what people by the outcomes those programs achieve. While I understand the tendency of various philosophies to compete with each other for scarce funding dollars, it seems unconscionable to put successful programs at risk over ideology. Minnesota Housing should take a lead to assure that this is not allowed to happen.

Dan Cain
President
RS EDEN
612-287-1611
www.rseden.org
www.rsilaboratories.org

The only competitor you need to fear is the one who ignores you altogether. His energy is directed toward making a better product, not to comparing his product to yours or himself to you.

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August 29, 2014

Minnesota Housing
400 Sibley Street, Suite 300
Saint Paul, MN 55101

Re: Draft 2015 Affordable Housing Plan

To Whom It May Concern:

Thank you for the opportunity to provide feedback on the draft 2015 Affordable Housing Plan (AHP). The AHP holds tremendous potential in generating new housing opportunities and in preserving critical assets in the Twin Cities region. The Metropolitan Council looks forward to continued collaboration with Minnesota Housing as we finalize our first housing policy document in nearly 30 years.

Areas of Particular Support

The Council applauds the draft for its strategic intentions and accompanying resource allocations. In particular the Council supports the draft AHP's:

- Focus on narrowing housing disparities affecting households of color, consistent with the equity outcome in *Thrive MSP 2040*;
- Emphasis on energy conservation, consistent with the sustainability outcome in *Thrive MSP 2040*;
- Efforts to reduce the costs of affordable housing development, aligned with the stewardship outcome in *Thrive MSP 2040*.
- Balanced approach to preservation and new construction. This accords well with our draft Housing Policy Plan, which emphasizes the benefits of preservation (including efforts to preserve unsubsidized affordable housing) but relies on new production to accommodate population growth across the region. Maintaining emphasis on a regional balance of investments will be critical.

Additionally, we welcome your commitment to inventory and prioritize preservation opportunities.

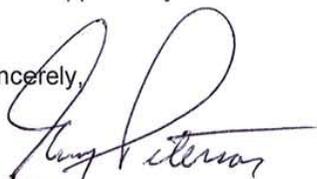
Questions and comments:

- Aside from the 811 Pilot, is there an increased programmatic or financial commitment to increasing housing opportunities for people with disabilities?
- What new strategies or programs will be used to increase economic integration, and how will projects be prioritized to achieve the dual objectives of creating new affordable housing opportunities in higher income areas and reinvesting in areas of disinvestment? What new opportunities are there for collaboration in these efforts between Minnesota Housing and the Council?
- How can Minnesota Housing and the Council continue to work together to further fair housing in the Twin Cities region?
- Are any new efforts to spur choice and opportunity for households of color considered within multifamily program, funding, selection, or technical efforts?

- The Council encourages Minnesota Housing to maintain its commitment to the integration of housing and transit investments—for both new construction and preservation efforts.

Council management and staff welcome the chance to discuss these comments and thank you once again for the opportunity to comment.

Sincerely,

A handwritten signature in black ink, appearing to read "Guy Peterson". The signature is fluid and cursive, with a large initial "G" and "P".

Guy Peterson
Director, Community Development Division

cc: Beth Reetz, Director of Housing and Livable Communities
Libby Starling, Manager of Regional Policy and Research
Tara Beard, Housing Policy Analyst
Jonathan Stanley, Housing Policy Analyst

Minnesota Coalition for the Homeless

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August 28, 2014

Minnesota Housing Finance Agency
400 Sibley Street, Suite 300
St. Paul, MN 55101-1998

RE: Comments on MHFA's 2015 Draft Affordable Housing Plan

Commissioner Tingerthal and MHFA Board Members:

Thank you for the opportunity to provide input on MHFA's 2015 Draft Affordable Housing Plan. We appreciate yours' and the Agency's commitment to community engagement and involvement. Please take the following comments into consideration when finalizing the document. Along with our nearly 200 members, we look forward to partnering with you and to continued progress in 2015 and beyond.

Partnerships with State Agencies

MCH appreciates MHFA partnerships with other state agencies as part of a larger emphasis on housing as a platform for success. There are logical connections in regard to housing to be made between various state agencies, as recognized in the Statewide Plan to Prevent and End Homelessness. Moreover, the recognition of housing as a platform for success applies to more than just individuals and households; it applies to state programs as well. When we prioritize stable housing for individuals and families when participating in various public programs, regardless of the agency administering the program, we ensure that we're maximizing the value of those programs. For example, Minnesota has invested nearly \$1 billion in E-12 education over the last two years. If we ensure that students' housing needs are met before they enter and after they leave the classroom, it better positions students for success while in the classroom, as well as a maximum return on our investment. Additionally, there is the potential to realize savings in other programs. MCH hopes that MHFA will continue to explore and promote the role housing plays in a variety of areas and agencies, including but not limited to: managing/reducing health care costs and coordinating care associated with chronic health conditions, helping individuals seek, gain, and maintain education and employment, ensuring the safety, stabilization and self sufficiency of victims of domestic violence and human trafficking, and reducing rates of incarceration/re-offense (and associated costs).

Housing Choices

MCH appreciates emphasis on housing choices, especially in the context of mandates created by Olmsted. We recognize that along with additional emphasis on integration, there are likely to be associated costs. We hope that as the implementation of the Olmsted Plan begins to change the housing settings considered appropriate, that program and funding eligibility reflects these changes. Additionally, MCH wants to ensure that responses to new mandates are workable throughout the state, while allowing space for innovation to meet future needs. Our goal is that in the event individuals or families relocate from institutionalized settings to community-based settings, they are able to do so in a community of their choosing, particularly in greater Minnesota. This might require additional capacity for service providers, developers and continuums of care in greater Minnesota, but choice in housing should include a desired and familiar community to an individual or family.

Rental Housing Production

We appreciate emphasis on rental housing production/operating assistance. MCH has three long-term goals related to rental housing production and we look forward to pursuing them in partnership with MHFA:

- 1.) *Include affordable housing at roughly 10% of every bonding bill passed (without building a large-scale campaign):* Minnesota is in an affordable housing crisis. While the word "crisis" is often used more freely than it should be, MCH believes this to be true. Until Minnesota emerges from this crisis, we feel strongly that the legislature should, as a matter of tradition and agreement among the Governor and legislative leadership, include affordable housing at roughly 10% of any omnibus bonding bill passed. Our preference would be that this is done without a large scale campaign every other year, so that MCH, Homes for All and MHFA can focus efforts elsewhere.

Minnesota Coalition for the Homeless

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- 2.) *Identify sources of funding to do significant production and preservation of rental housing every year:* Housing Infrastructure Bonds have quickly become an indispensable tool for rental housing production. The challenge is that they are only sold on a large scale every other year. MHFA's own data from the previous several biennia show that in years following a non-bonding year, rental housing production decreases by about 2,000 units. MCH hopes that MHFA and community partners will continue to explore options for a dedicated source of revenue to pay debt service on Housing Infrastructure Bonds, so they can be sold annually. Additionally, while MCH recognizes the critical need to fund rental assistance out of the Housing Trust Fund, we believe a worthwhile long-term goal is to build out of it again without having to use proceeds from the sale of Housing Infrastructure Bonds.
- 3.) *Achieve a vacancy rate that supports reduced need for shelter in crisis situations:* While MCH supports investment and capacity for a statewide continuum of housing and services, we recognize the significant societal and financial costs created by a reliance on shelter as part of Minnesota's crisis response system. Some housing advocates liken shelter to emergency rooms in that we'll always need them around. While this is perhaps true, MCH likens shelter to emergency rooms in that they are to be reserved as a last resort, as they are each extremely costly interventions that in many conditions, could and should be avoided. MCH wants to work toward a statewide vacancy rate that allows the crisis response system to rely less on emergency shelter and instead allows service providers to immediately move households from a housing setting coming to an end to stable housing.

Rental Assistance

MCH encourages MHFA to find ways to mitigate reductions, while slight, in rental assistance from the federal government. The coupling of an extremely low vacancy rate with demographic/preference changes has priced many households out of the market. The pairing of housing with a rental voucher can often be a simple remedy to this challenge, but the latter is consistently subject to flat funding and/or reductions. Additional funding for rental assistance can ensure that new partnerships between state agencies, along with investments in new initiatives, are successful. In addition to maximizing return on program investment, we need to ensure that investments made in affordable rental housing production, much of it supportive housing, have an adequate supply of vouchers to pair with new units. It is the hope of MCH that after demonstrating success in areas of highly-mobile families and ex-offender re-entry, that MHFA will pursue base increases to Housing Trust Fund Rental Assistance in 2015.

Capacity Building

MCH hopes capacity building funds are directed toward the activities of Greater Minnesota Continuums of Care and other organizations in Greater Minnesota, such as land trusts working to expand their reach and increase activity. These organizations are continuously stretching already thin resources and innovating to ensure that a full and redundant continuum of housing and services exists everywhere outside of the metro. These critical funds ensure that coordinators and staff from service providers within a Continuum of Care are able to spend staff time applying for federal funds, as well as attending and facilitating regional meetings. This modest investment upfront on the part of MHFA ensures that state dollars invested in the housing and service continuum, along with the federal dollars leveraged, go as far as possible.

Dan Kitzberger
Policy Director
Minnesota Coalition for the Homeless
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Schack, Becky (MHFA)

From: Kaydee Stockinger <Kaydee.Stockinger@tricap.org>
Sent: Thursday, August 28, 2014 9:40 AM
To: *MHFA_MN Housing
Subject: Comments on Affordable Housing Plan

Tri-CAP has compiled a few comments regarding the Affordable Housing Plan Draft for 2015

-While we understand the great impact that homeownership has on the economy, many of our clients are not ready for homeownership, even if they would be able to afford the mortgage. There are many other aspects of homeownership that would make it very difficult for an individual to go from homelessness to owning a home. Along with the financial education that is required or offered for new homeowners, will there be education on maintaining a home, will the households have a case worker to contact when they need assist? There seems to be an extreme difference for the budget in providing homeownership versus rental assistance, which more of our clients need.

-Have great concerns about the strong emphasis on homeownership. We need to help our clients build better economic foundations before homeownership is a consideration. Many of our clients are struggling with basic needs and cannot afford homeownership. In rural areas, some services are difficult like transportation and jobs pay a lot less yet rents are still very high. The disparities in finding adequate, safe and affordable rental units are great.

-We would like to see more flexibility versus prescribed spending categories for FHPAP to allow for “out of the box” creative solutions to tackle family needs. Funding is far too restrictive.

-More funding for extremely low income and “workforce housing”. Strong consideration and support for our large immigrant population and communities of color.

-Ability to hire staff to do more outreach and assistance to immigrant population and communities of color as a whole to tackle some of these disparities.

-Some of the biggest struggles our families face have to do with housing, transportation and child care costs. Many of our clients are segmented into low wage jobs making subsidies necessary for their survival. Some of our families cannot access many housing subsidies due to past evictions, criminal record and so on. We need to provide a better safety net for those clients most at risk. Beyond rental assistance, case management is necessary to ensure success in our clients.

-When looking for housing, a client with multiple barriers benefits from having case management just as much as the rental assistance. Landlords who are reluctant to rent to an individual with multiple barriers can be persuaded by knowing the client will have regular meetings with a case worker to maintain stable housing.

-Lengthy waiting lists and closed lists for Section 8 are of great concern in our area. Very limited income based housing options mean that our families struggle to leave shelter.

Thank you for taking the time to hear our comments and concerns.

Kaydee Stockinger

Housing Counselor
 Tri-County Action Program
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 Waite Park MN 56387
 320.257.4502



Community Action: Helping People. Changing Lives.



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August 28, 2014

Commissioner Mary Tingerthal
Minnesota Housing Finance Agency
400 Sibley Street, Suite 300
St. Paul, MN 55101
mn.housing@state.mn.us

Re: Written Comments Regarding the 2015 draft Affordable Housing Plan

Dear Commissioner Tingerthal,

The Metropolitan Consortium of Community Developers (MCCD) and our 50 members appreciate Minnesota Housing's continued interest in taking feedback and input on the draft Affordable Housing Plan. There are many parts of the plan that we applaud, and we appreciate the Agencies continued efforts to be innovative and nimble.

MCCD and our members appreciate the agency's Leadership on Minnesota Interagency Council on Homelessness creating a two-tiered state Plan to Prevent and End Homelessness. Our members and community partners would like a chance to review the draft goals, program changes and funding ideas behind a new plan in the near future, and hope that the Agency will be open to discussing any potential changes or new innovations with direct service providers and developers before finalization.

We also appreciate the Agency's leadership with the Olmstead plan, to develop additional affordable housing opportunities for people with disabilities in an integrated setting within the community. As the Agency is aware, the implementation of Olmstead beside the state's 25% rule under Minn. Stat. Section 256B.492 could put affordable housing developers in the difficult situation where satisfying Olmstead violates the 25% rule, and could make the development of housing units specifically for those with disabilities difficult. Our members have continued to look for legislative compromises on the 25% rule, but have found that road challenging. As Olmstead work continues, we urge you to keep that state restriction in mind, and would appreciate an opportunity to collaborate on solutions.

MCCD and our members are enthusiastic about the Agency's stretch goal of \$400 million for first mortgages and increased funding of \$4.1 million for downpayment and closing cost assistance programs. As credit standards constrict, this investment will help close the racial homeownership gap, and will ensure that lower income families are able to become homeowners. We additionally applaud proposed investments in both the Enhanced Homeownership Capacity Initiative and the Targeted Mortgage Opportunity Program. Both of these programs coupled with increased first mortgage and downpayment closing cost assistance represents a substantial investment of slightly over half of the Agency's resources, and is a significant investment in aiding traditionally underserved communities becoming homeowners. We hope these efforts are successful, and that the Agency then works with traditional banking partners to encourage their support of homebuyer programs focused on emerging markets so even more Minnesotans can become homeowners. We would additionally like to see Minnesota Housing piloting a mortgage product that is sharia compliant. This is an area that our members see a great deal of demand and the commercial mortgage market remains

hesitant to offer such a product. If the Agency were to pilot such a product with success, it seems like the private market may then be willing to step in.

On the multi-family development side, we are enthusiastic about the Agency implementing the MAP program as well as rolling out the PINES Initiative. Our members want to be partners in the PINES Initiative, and we additionally hope that the reference to critical affordable rental units also includes the preservation of some below market rental housing in key locations where they are at risk of being turned into high-rent housing. Our members have often suggested that they could play a role in preserving such units without requiring as substantial development costs as new construction entails. The only multifamily program that we would consider adding to the toolkit is a product to support senior rental housing.

We additionally appreciate the noted recognition that while the Agency intends to emphasize cost containment, that there are a number of factors that developers have no control over. We continue to remind the Agency that development in areas of high opportunity also carry high land costs and often take longer to develop. Our members are participating in the winning Cost Challenge group, and are discussing ways to streamline zoning and other costs of development but we welcome opportunities to work with the Agency to continue conversations about balancing cost containment with an interest in developing quality affordable housing in a variety of settings. One big challenge right now is that cost containment tends to be looked at as a per-unit cost. Many communities need the most affordable housing for families, necessitating larger units and when calculating a per-unit cost these units are more expensive than a one-bedroom or studio apartment.

Finally, we like that the Agency is specifically reviewing program operations to streamline services and add flexibility. We believe that this is an essential element to emphasizing cost containment. We also urge the Agency to create a more efficient closing process, and develop a method to award Enterprise loans where the Agency would award funding for a select number of units to be developed by a particular organization over a period of time (perhaps 2 years) and parameters like affordability, target residents, and location; thereby lowering transactional costs and allowing for more flexibility

Thank you again for providing this opportunity to share the insights and ideas of our members. MCCD and our members look forward to partnering with the Agency throughout the coming year.

Thank you,

A handwritten signature in black ink, appearing to read 'JR' followed by a stylized flourish.

Jim Roth
Metropolitan Consortium of Community Developers
Executive Director

Schack, Becky (MHFA)

From: Justin Vorbach <JustinV@swmhp.org>
Sent: Tuesday, August 26, 2014 11:38 AM
To: *MHFA_MN Housing
Subject: AHP input

For years, Minnesota's six rural Continuums of Care received \$35,000/year/CoC for coordination expenses. In 2012, \$210,000 in coordination investment yielded over \$5,000,000 in federal funds toward ending homelessness in MN. \$35,000/CoC/Year was never enough to cover the training, travel and staffing costs associated with coordinating a CoC. In 2014, MN Housing was able to increase the coordination amount to \$60,000/year/CoC.

In 2015, this amount will drop to \$50,000/CoC/Year.

With new HUD mandates and a changes to HMIS, coordinating a CoC is at least a full time job, and more like a job and a half.

Given the tremendous return on investment, I encourage MN Housing commit to funding each rural MN CoC at a minimum of \$60,000/year/CoC beginning in 2015.

-Justin Vorbach
SW MN

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Schack, Becky (MHFA)

From: Audrey Moen <audrey@northlandcounseling.org>
Sent: Monday, August 18, 2014 3:04 PM
To: *MHFA_MN Housing
Subject: Comments on plan

Dear Staff:

Thank you for putting together a very good public webinar. I was able to listen to it today and to also hear the questions and answers.

My comments are short and cut to the chase.

- The plan is comprehensive, it deals with every area of housing from homelessness to home ownership including rehabilitation of units
- The point in time for ending homelessness not only needs to be addressed in the Metro, it also needs to be addressed in Greater MN. How can agencies realistically take a PIT count in mid January? Anyone living up north that is homeless will honestly tell you that they are not going to freeze to death on the streets. This may sound harsh, this is the wording I hear from the homeless directly. They will either double up, hop from place to place, or get a few people together to rent a hotel room for a night. Our shelter is small, one of the few in rural MN, it is always full and the time is only 30 days. We need more funding for shelters.
- GRH funding – it's great to hear that the program is under an open comment period and up for major revisions. It is a much needed program and does so much good.
- Re Senior housing, yes, we are an aging population, the funding for a variety of programs is much needed and appreciated.
- People benefit from permanent supportive housing seeing the applicant come in exactly where they are at with individual plans, not a template, stamped out plan – Homes for All, is a good model. There is not enough PSH available, it was a program that worked, then the funding disappeared. I always wonder why if something is working, why not keep it if it is not broken?
- The HTF re-entry housing voucher program is an early piloted success. Thank you for funding this pilot state wide. The dollars for support are too limited. People coming out of prison need a lot of help and support, guidance and direction. It is good to be able to partner with the MN DOC system. They are easy to work with.
- Housing is so tight that even with the funding we do not have enough housing stock. What your plan addresses is true, with foreclosures, more people are renting, there is less available rentals. We need work force housing.

I look forward to the final plan. Thanks for all you do to help create affordable housing throughout the State of Minnesota.

Respectfully,

Audrey Moen
Housing Manager
Northland Counseling Center, Inc.
Grand Rapids, MN

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Affordable Housing Plan 2015 Draft

August 18, 2014, Webinar Q & A

Answered by Commissioner Mary Tingerthal and Research Director John Patterson

When will the information on the new homebuyer programs be available with details?

I assume that this has to do with our Targeted Mortgage Opportunity Program and our Enhanced Homeownership Capacity Program. Last month, we allocated the funds to local organizations. We plan to announce which administrators will provide the counseling and the special mortgage financing in late September. We want to give the groups that were selected time to ensure that they're set up appropriately for the new programs and are ready to accept phone calls and referrals.

The other item, that you may be interested in, is our new replacement program for the HOME HELP program, which we are calling Deferred Payment Loan Plus. The program will provide down-payment and closing-cost assistance using more flexible funds from our Pool 3/foundation. The funding will be made available October 1st, when this new AHP Plan goes into effect.

Are any of the funded groups in the Targeted Mortgage program serving out-state communities?

We do have organizations that are willing to accept counseling referrals for people that live outside the metropolitan area. In addition, if those individuals need a mortgage from the Targeted Mortgage program from lenders that are open to processing applications for folks that are outside the metro area, there are opportunities. We will be announcing more details when we make the public announcement in late September.

Are transportation issues being considered, including senior housing in the area of hospitals and clinics, etc.?

We do emphasize location efficiency (including access to transit) in our process for selecting housing projects for funding. If you're coming in for funding through our Multifamily Super RFP or the Single Family Impact Fund, your proximity to public transportation is a key selection criteria and something we're very cognizant about. In general, senior housing and access to the services and amenities that seniors need is a critical issue that we have identified and will continue to emphasize.

With the transportation points needed for tax credit properties, many rural areas are left out of receiving tax credits needed for multi-housing programs. How do you plan to address this issue?

We very consciously use a different standard around location efficiency when it comes to the metro area vs. Greater Minnesota, particularly rural areas. In the metro, it really is geared towards access to public transportation and proximity to that. Within Greater Minnesota, we give credit to areas that have dial-a-ride transportation services. Also, we look at locations that are efficient with respect to access to grocery stores, clinics and things like that. I've analyzed over time which projects qualify for the location efficiency points and which projects get the tax credits, and it's a pretty even split between Greater Minnesota and the metro area. It is something we will continue to monitor, and if we notice that Greater Minnesota is at a disadvantage, we would probably make some sort of an adjustment to account for that.

Will there be a change in how funds will be allocated or to the approval process taking into consideration the size of community and overall impact?

We allocate our funds based on the application, and we don't have quotas or amounts that we give to specific communities. We do look at the distribution of resource around the state after selections are completed, and look at

2015 DRAFT AHP Webinar Q&A

where those funds are going and how do they match up with needs. Typically, we find that larger communities with larger needs get more funding over time. For some programs, such as the tax credit program, cities like Saint Paul and Minneapolis get their own allocation, along with Dakota and Washington Counties. We don't specifically have any criteria around giving more dollars to larger communities, but it does work out well. As far as impact, we're always looking for impact, which is one of the primary drivers of our selection process. So developments that work well and have a large impact succeed quite well in our selection process.

I recently attended a DHS community meeting on GRH reform; the proposed reforms to GRH would cost housing developers a lot of money and would make it very hard to develop new projects (as it transitions away from any project-based and only supports tenant-based voucher style options) Is Minnesota Housing planning to develop a complimentary plan to address this gap?

We are still in very active discussion with DHS about this. We have expressed our concerns to them about the negative impact that the proposed changes could have on our ability to produce new units of housing. I would say that DHS is listening very actively to our concerns and we have yet to determine what their final proposals will be. There's a real creative tension between the desire to provide people with housing in communities and the whole idea of project based vouchers. We have tried to make the argument with DHS that having a limited number of project-based vouchers available would provide us the opportunity to actually integrate supported units into overall projects. Project-based assistance would accomplish both pieces, so we are actively in discussion with DHS on that point.

Can you review the concerns raised regarding the GRH proposal again?

For those who are not familiar with Group Residential Housing, it's a program that is administered by the Minnesota Department of Human Services (DHS) and provides a form of rental assistance for eligible individuals, primarily single individuals. DHS is currently in an open comment period looking at some major revisions to that program. Over the last 6-8 years, Minnesota Housing has worked very closely with DHS under our various homeless initiatives to provide commitments of GRH units for rental properties. As they are looking at revisions, they're looking to simplify the program in many ways and provide more of the assistance on more of an individualized tenant-based voucher basis. That is causing us some concern because we believe that there is a place for both tenant-based vouchers and project-based vouchers and that both will provide what we think is an ability to develop more units because project-based assistance gives the developers the certainty of knowing that they can count on funds from those units. DHS has been holding hearings around the state, and for those who would like more information on this topic, we recommend looking into those hearings and finding out how you can submit comments.

Will all these funding sources be available in the Super RFP or do some have different funding cycles?

Most of our multifamily rental production is through the Super RFP and this includes tax credits, amortizing loans, and deferred loans. Aside from that, there are some pipeline funding options for amortizing loans and some deferred loans. On the single family side, the only programs going through the Super RFP would be the Impact Fund. Our mortgage products and our home improvement programs on the Single Family side are all handled on a pipeline or ongoing basis.

How will new developments be positioned to advance equity and comply with Fair Housing requirements?

We are working very closely with the Metropolitan Council on their new Housing Plan, and we have reviewed our new Affordable Housing Plan for 2015 with a lens of ensuring that we are in compliance with fair housing and making more choices available. You saw in the presentation, we are really trying to be in an active dialog with communities of color, and it was really from those dialogs that we created the Targeted Mortgage Program and the Enhanced Homeownership Capacity Program that will be rolling out next month. We're listening, but we can always do better. So if there are those

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on the phone that think we've missed something, please let us know in your comments.

Will there be any change through the multifamily selection process that currently favors housing that serves families, or housing for seniors?

We're attempting to maintain a good balance between housing for families and housing for seniors. We want to have units that are accessible for all people, including seniors. Thus, there is a strong preference for universal design, but at the same time, we're also doing what we can to ensure that units are also serving families.

Do you have an estimate of how many homeless we have in the metro area that your programs could assist?

What we're trying to do with the whole Plan to Prevent and End Homelessness is to get more precise estimates of the number of homeless in the metro area and across the state. We're looking at the point in time counts and the Wilder survey and figuring out how our programs under the plan will address that need. Right now, we don't have completely precise numbers, but it is something we're working on as we implement the plan.

Is there anything being done to help people who have not been incarcerated but are on probation for felonies and can't get into rental housing?

We do work with the owners and managers of properties that receive federal assistance. There is often a conflicting set of federal requirements about whether people with felonies can be allowed in certain kinds of housing. It's an ongoing dialog, and we try to work with the managers of properties to ensure that they are complying with the various requirements, including fair housing.

Rural Continuums of Care used to receive \$35,000 per year from Minnesota Housing. In 2014, this jumped to \$60,000 per year. In 2015, this will drop to \$50,000 per year. Can Rural CoC's count on at least \$50,000 per year after 2015 from Minnesota Housing?

At this point, we have not done that fine-tuned level of programming for our Technical Assistance Fund, which is where those dollar to support CoC efforts come from.

I noticed as you listed the different organizations that you're collaborating with, I didn't see anything in regards to collaboration with the VA, (Veteran's Administration) to collaborate in regards to Veterans housing and supportive needs. Is any collaboration between these groups planned?

There are collaborations, and we simply didn't list it because the driver of that effort is just being established at the Minnesota Department of Veteran's Affairs, but we are working very closely with them on that program and in fact the Governor has signed on to a national pledge to end homelessness among veterans in the year 2015. We are working very closely with Veteran's Affairs through the Interagency Council on Homelessness. We are also very excited that a new VA project at Fort Snelling is one of a very small number of projects in the country that just received notice it will be receiving 30 Project Based VASH vouchers. We've been working very hard on this with our congressional delegation for the past several years. We also have several proposals in our current competitive Request for Proposals (RFP) process that would provide additional units that target veterans. Veterans are very much a part of our homelessness initiatives.

Please speak about the work being done in collaboration with the Interagency Council and other agencies on developing a Matrix for how we'll measure our progress going forward across state agencies.

What we're doing right now, if you look at the Plan to Prevent and End Homelessness, is refining the set of performance measures in the Plan. We are working with a team of 1-2 people from all 11 agencies, and we're operationalizing the measures that so that we can actually track the success. The plan is laid out with 12 broad strategic areas and some sub-strategies under each. Once we have a set of measures in place for each strategy, we'll be able to track our success in reducing the number of homeless with each strategy. The timeline of when that information will be made available is still a little uncertain because we are putting that data together. I'm guessing that the first report will be available this coming winter.

At the beginning of the presentation, you listed many agencies you collaborate with, and if one is not part of that list, how would you direct a person or persons to assist in the collaboration that would assist their needs.

We do have a public phone number through which we get many calls from people who have general questions about housing, and we try to field those calls and refer people to the most appropriate resource. But, I would also say, particularly for people who are looking for additional services, we work with many service agencies, whose real job is to help people get the right set of resources. Depending on what the issues are, we could certainly follow up with you, if you'd like to send in an email about the types of housing and/or services that people are looking for.

Are the funds available for homeless only through public agencies and nonprofits, or will funds be available for private projects?

Most of the funds that Minnesota Housing administers for services are through the Housing Trust Fund and the Family Homeless Prevention and Assistance Program. These funds are generally available through a network of social service agencies that submit proposals to us, and we typically fund them from year to year. In the development of Multifamily housing, we have a strong selection criterion for both for-profit and non-profit developers to encourage developments that include units that will serve people that have experienced long-term homelessness. It's through that mechanism that we primarily are able to provide incentives to private developers.

Will the scoring criteria be adjusted to account for the increased costs of construction in the Metro? (i.e.; higher allowance for cost/unit for affordable rental)

This question is probably pertaining to our cost containment criterion for receiving tax credits. These selection points are awarded competitively to the projects that come in with the lowest cost per unit, and we have set some cost thresholds around that. The thresholds depend on the proposals people submit and their costs. If costs are going up and the applications reflect these higher costs, the cost thresholds that developers need to meet will go up. Also, with respect to general cost reasonableness, we do take into account higher costs. There is one caveat. If you have a tax credit project that has been already selected, awarded funds, and received credit for cost containment, you will be held accountable to the cost thresholds that were set at the time of selection. We are not making adjustments for those past projects that have already been funded.