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*Equal Opportunity Housing and Equal Opportunity Employment*

## NOTICE OF PROGRAM AND POLICY COMMITTEE MEETING

**Date:** Monday, August 31, 2015

**Time:** 2:00 p.m. CT

Minnesota Housing (Jelatis Conference Room - 3rd Floor)  
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 2016 Draft Affordable Housing Plan
3. Discussion, Tabled item from July meeting: Updated Calculation for Distributing Housing Tax Credits to Suballocators
4. Approval of Any Necessary Related Administrative Matters.
5. 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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**MINNESOTA HOUSING POLICY & PROGRAM COMMITTEE MEETING**  
**August 31, 2015**

**AGENDA ITEM: 2**

**ITEM:** Discussion, Public Comments on the Draft 2016 Affordable Housing Plan

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

**REQUEST:**

Approval     Discussion     Information

**ACTION:**

Motion     Resolution     No Action Required

**SUMMARY REQUEST:**

The attached document summarizes the comments received from the public on the Draft 2016 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.

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 2016 Affordable Housing Plan that will be presented for adoption to the Board at its regular meeting on September 24, 2015.

**FISCAL IMPACT:**

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

**MEETING AGENCY PRIORITIES:**

- Address Specific and Critical Local Housing Needs
- Finance Housing Responsive to Minnesota's Changing Demographics
- Preserve Housing with Federal Project-Based Rent Assistance
- Prevent and End Homelessness
- Reduce Minnesota's Racial and Ethnicity Homeownership Disparity

**ATTACHMENT(S):**

- Summary of Public Comments Received
- Copy of Full Public Comments

## Summary of Public Comments 2016 Draft Affordable Housing Plan

August 31, 2015

We received comments from:

1. Metropolitan Council
2. Catholic Charities
3. Lutheran Social Services (LLS)
4. Minnesota Coalition for the Homeless (MCH)
5. Metropolitan Interfaith Council on Affordable Housing (MICAH)
6. Metropolitan Consortium of Community Developers (MCCD)
7. Minnesota Office the National Association of Housing and Redevelopment Officials (NAHRO)
8. Minnesota Housing Partnership (MHP)
9. Red Wing Housing Redevelopment Authority
10. City of Richfield Community Development
11. Minnesota Office of the National Alliance on Mental Illness (NAMI)

The following statements summarize the key comments, each of which is followed by a short response.

**Support that the draft 2016 AHP is in overall alignment with their work and priorities.** (Met. Council, Catholic Charities, LSS, MCH, MCCD, NAHRO, MHP, NAMI) While the organizations submitting these comments provided overall support, this summary notes the changes they and others have suggested.

*We are pleased that the activities outlined in the AHP are in alignment with the work and priorities of these organizations.*

**Seek additional funding beyond the General Obligation and Housing Infrastructure Bond requests that are discussed in the AHP - for example, increased appropriations for rent assistance.** (MCH, MHP, NAMI)

*The AHP outlines our activities for the 2016 program year (October 1, 2015 to September 30 2016), which will likely include work at the Legislature related a bonding bill. Thus, the plan focuses on requests for possible inclusion in a bonding bill. It is unlikely that the Legislature will take up other appropriations requests until the 2017 session.*

**Provide more detail on the senior housing pilot, including a funding source.** (MCCD, NAHRO, MHP)

*The senior housing pilot is still in the concept stage. During the first part of the upcoming year, we will consult with outside parties as we plan the details of the proposed pilot, with the goal of*

*selecting a development under the pilot with the October 2016 RFP selections (which falls under the 2017 AHP).*

**Partner with developers and service providers on housing innovations - for example, around cost containment.** (MCH)

*We're always open to working with our partners to find innovative housing solutions. One of the Agency's eight values is, "We are innovative problem solvers." Our ongoing work around cost containment through MN Cost Challenge is good example, where we collaborated with the McKnight Foundation, Minnesota ULI, and Enterprise Community Partners.*

**Make clear that Minnesota Housing will implement the Metropolitan Council's Housing Policy Plan.** (MHP)

*Partnering with the Metropolitan Council, as well as county, city and other local official, is a critically important component of our work in the Twin Cities region. We will re-examine the language in the AHP to see if edits are needed to clarify this point.*

**Create funding to support mixed-income housing.** (MHP)

*Supporting the development of mixed-income housing is important to the Agency, but given the dynamics and differences in the financing decisions for affordable and market-rate housing, it continues to be challenging. We will continue to pursue this issue, but we need a more specific concept or approach for it to be included in AHP. With respect to research regarding policy and program development, we carry out activities on a wide range of issues on an ongoing basis. Many of these are not yet specific enough to be mentioned in the AHP.*

**Incent the development of local housing trust funds, for example by providing matching funds or giving preference in the funding process to developments that are also supported by local housing trust funds.** (NAHRO, Red Wing HRA)

*We are open to discussing ways that Minnesota Housing can support the development of local funding sources for housing, including trust funds. Developments that receive local funding are already given preference in our funding selection process.*

**Ramp up funding for the Enhanced Homeownership Capacity Initiative and Targeted Mortgage Opportunity Program.** (MICAH, MCCD)

*These two initiatives are pilot programs that need to be evaluated, so we believe that the proposed funding levels are appropriate at this time. Based on those evaluations, we will determine our next steps and enhancements under our strategic priority to reduce Minnesota's racial and ethnic disparity in homeownership.*

**Use state resources to address impediments to Fair Housing. (MICAH)**

*Furthering Fair Housing is woven into everything the Agency does as we provide and expand housing choices, especially for those with the greatest needs, largest barriers, and fewest choices, which includes the protected classes identified in Fair Housing law.*

**Take a more balanced approach to preventing and ending homelessness. (MICAH)**

*Working through the Minnesota Interagency Council on Homelessness, Minnesota Housing's and the state's strategies for preventing and ending homeless are evidenced-based. This involves not only pursuing activities that have been proven to be the most effective, but also piloting new and innovative approaches with an evaluation component. We will take the comments that are provided into consideration as we work with the Interagency Council to develop the next two- or three-year action plan for preventing and ending homelessness (scheduled for release in December, 2015).*

**Expressed concern and interest in the level of support the Agency is providing for the federally required Homeless Management Information System (HMIS) and Coordinated Entry. (MICAH, MCH)**

*Recently, the Agency has increased its support of HMIS and the Continuums of Care implementation of Coordinated Entry. It critical for the homeless-service community in Minnesota to carry out these activities well so that Minnesota receives federal funding and provides the best services and support to people experiencing homelessness. We chose to become the lead agency with respect to HMIS improve the quality and usefulness of the data being collected.*

**Provide more detail and transparency on how the Agency allocates and uses it resources. (MICAH)**

*Our 2016 program budget is nearly \$1 billion. The AHP is designed to provide an overview with greater detail provided, throughout the year, in other documents that are available to the public and provided on our website. These include: (1) reports for the Board regarding selection and funding recommendations, with information on individual developments, (2) our Annual Report and Program Assessment (published in February each year), and (3) our Annual Financial Report and statements (published in September each year).*

**Include in the AHP activities related to lead paint, transit, tenant/financial education, and safe housing. (MICAH)**

*Information on these activities is included in other Agency documents and plans, which includes our design/construction and green/sustainability standards, procedural manuals, Qualified Allocation Plan (QAP), and others. All these are public documents.*

**Use a limited amount of HOME funds for rent subsidies to assist renters in Greater Minnesota.**

(MICAH)

*HOME rules require complex and cumbersome reporting. We have examined the potential use of HOME funds for rental assistance. We have found it most effective to use these funds for larger preservation activities for properties that have the capacity to address and familiarity with complex compliance requirements. We have chosen to devote other resource to rent assistance.*

**Continue to examine RRDL for additional improvements, including making it even simpler (especially 1-4 unit properties) and expanding it to the metro area (aging rental stock). Fund the rehabilitation of naturally-occurring affordable rental housing.** (NAHRO, Richfield, MICAH, Red Wing HRA)

*As part of our continuous improvement philosophy, we are always open to examining additional program improvements and ways of meeting affordable housing needs. This has to be done in a coordinated and strategic approach - allowing existing changes to be put in place and evaluated and balancing competing funding needs and possible roles for the Agency. Therefore, we do not recommend additional changes to RRDL at this time.*

**Fund workforce housing for homeowners between 80 percent and 120 percent of area median income (AMI).** (Richfield)

*Our current homeownership programs currently serve this income range. The Community Homeownership Impact Fund has an income limit of 115 percent of AMI. Our Home Mortgage Loans have an income limit of 100 percent of AMI for first-time homebuyers and even higher limits for existing homeowners who are refinancing or buying a new home.*

**Provide more than 14 days for public comment.** (MHP)

*The four-month timeframe for developing the AHP is very tight not only for partners and stakeholders but also staff and the Board. However, it would be very difficult to add more time to review the draft AHP. We must have the plan in place by October 1; and we are not in a position to start the planning until June, following the end of the legislative session. Prior to that, program and market trends (which we use to forecast the upcoming year's needs and budget) are still uncertain. This is the reality of a rapidly and ever changing environment. Here is the current schedule:*

- 1. June: Staff forecast housing needs and develop budget requests.*
- 2. July: Staff compile and assess all the forecasts and requests, prioritize, and develop the draft plan.*
- 3. Early August: Staff write the draft plan for public comment and Board discussion.*
- 4. Late August: Public comment and Board discussion occurs.*
- 5. Early September: The plan is revised, based on public comment and Board discussion.*
- 6. Late September: The Board approves plan.*
- 7. October 1: Plan goes into effect.*

*Last year, we added an initial 30-day public comment period in April and May to gather information on what the Agency's priorities and focus should be for the 2015 AHP before we developed it. This step was not needed for the 2016 AHP because we received numerous public comments on the 2016-19 Strategic Plan in April and May, and they provided the same information. When we develop the 2017 AHP next year, we will once again include an initial 30-day comment period in April and May. This will be followed by a 14-day comment period in late August after the draft plan is released.*

*Prior to Commissioner Tingerthal's tenure, we prepared two-year AHPs without a public comment period. We have significantly improved the rigor, transparency, and public input process for our planning.*

**Affordable Housing Plan Public Comments**

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CATHOLIC CHARITIES  
*of St. Paul and Minneapolis*

Committee Item: 2  
Attachment: Public Comments

1200 Second Avenue South  
Minneapolis, MN 55403  
612-204-8500  
cctwincities.org

August 28, 2015

Commissioner Mary Tingerthal  
Minnesota Housing Finance Agency  
400 Sibley Street, Suite 300  
Saint Paul, MN 55101-1998  
mn.housing@state.mn.us

Dear Commissioner Tingerthal,

Thank you for the opportunity to comment on the 2016 Affordable Housing Plan. We greatly value the leadership of the agency on building a strong strategic plan for the next three years, and are pleased to see more concrete details outlined in the 2016 AHP.

As an agency that serves those most in need, many of whom are experiencing homelessness, we welcome the agency's plan to continue to work toward homes for all. We would be happy to offer comments and input on the new two-year Plan to Prevent and End Homelessness.

Catholic Charities has identified five customer groups on which we focus our work: those experiencing homelessness, older adults, immigrants and refugees, children, and the Greater MSP region. Our work with these communities echoes many of the priorities reflected in the 2016 AHP: strategies that allow seniors to age in place, affordable housing for large families, and meeting the needs of youth who are homeless.

We also are in alignment with Minnesota Housing on your efforts to reduce disparities in the housing market. As you know, increased home ownership would take some stress off the rental market, and we are very committed to the idea that Minnesotans from all backgrounds should have access to stable, safe, affordable housing.

As in past years, we appreciate the agency's dedication to solutions along the housing spectrum, recognizing that each individual has different needs and abilities to maintain a home. We're thankful that Minnesota Housing will focus funds for permanent supportive housing on families and youth, two of the fastest growing demographics in need of this solution.

We appreciate your agency's leadership in focusing our limited resources on those Minnesotans who most need them. Thank you for your continued dedication to housing for our low-income neighbors. Please feel free to contact us at any time if we can be of assistance as you move forward with this plan.

Sincerely,

Jessie Sorensen  
Vice President of Public Engagement

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Committee Item: 2  
Attachment: Public Comments

**From:** John Stark [<mailto:jstark@cityofrichfield.org>]  
**Sent:** Friday, August 28, 2015 4:05 PM  
**To:** \*MHFA\_MN Housing  
**Cc:** Karen Barton; Julie Urban; Kate Aitchison; Steve Devich  
**Subject:** Comments on the 2016 Affordable Housing Plan

Thank you for the opportunity to review and comment on Minnesota Housing's 2016 Affordable Housing Plan. We appreciate all that Minnesota Housing does to support families and housing in Minnesota. We would like to call attention to the issues Richfield, as a first-right suburban community, faces in our efforts to remain healthy and vital:

#### *Aging housing stock*

In her August 20<sup>th</sup> webinar, Commissioner Tingerthal referred to the aging housing stock as an "emerging" issue. As a community whose housing stock was primarily constructed in the 1950s and 60s, Richfield has been working to address this challenge for many years. We encourage Minnesota Housing to take a lead in finding tools and directing resources toward preserving and maintaining aging housing stock.

The vast majority of Richfield's apartments were constructed 50+ years ago and as such have become naturally affordable. Minnesota Housing's priority in rental housing rehabilitation is directed to preserving federally subsidized rental housing and rental housing in Greater Minnesota. Richfield and communities like ours, however, desperately need rehab resources directed to help us improve our rental housing stock without losing its naturally- occurring affordability. We ask Minnesota Housing to reconsider its priorities in funding rental rehabilitation and direct resources to naturally-occurring affordable housing in the Metro area.

#### *Workforce housing*

In Richfield, 94 percent of owner-occupied housing and 90 percent of rental housing is affordable to households earning less than 80 percent of AMI. We believe creating and strengthening housing above the 80 percent AMI threshold (e.g., workforce housing) is critical to our community's success. We ask Minnesota Housing to evaluate funding requests in a way that encourages communities like Richfield (i.e., those with a significant amount of housing affordable at or below 80 percent of AMI) to develop and strengthen workforce housing available to households making 80-120% of the area median income.

Thank you again for the opportunity to comment on the 2016 Plan.

Sincerely,

-John Stark



**John Stark** | Community Development Director  
City of Richfield  
Tel: (612) 861-9775 | Fax: (612) 861-8974  
[jstark@cityofrichfield.org](mailto:jstark@cityofrichfield.org)



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August 27, 2016

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

Lutheran Social Service  
of Minnesota

State Center  
2485 Como Ave  
St Paul, MN 55108  
651.642.5990  
Fax 651.969.2360  
[www.lssmn.org](http://www.lssmn.org)

Dear Commissioner Tingerthal,

Thank you for providing an opportunity to comment on the 2016 Affordable Housing Plan (AHP) from the Minnesota Housing Finance Agency (MHFA). We are deeply appreciative to you and your staff for the hard work you do to ensure all Minnesotans have access to housing.

Lutheran Social Service of Minnesota (LSS) provides support to older adults, people with disabilities, homeless youth and many of our Minnesota neighbors. Our feedback for the 2016 AHP is outlined below:

- As federal funding has decreased, we want to express our appreciation for the efforts of MHFA to increase state funds to fill this gap through state investments in Housing Infrastructure Bonds and other sources specifically for families and youth.
- We are encouraged and supportive of your focus on families and youth, reflecting the highest need of support and leveraging the greatest impact on Minnesota long-term.
- While the foreclosure crisis has mostly passed, LSS financial counselors still counsel individuals and families who need support to stabilize and maintain their home ownership. We strongly support the sustained funding for Homebuyer Education, Counseling, and Training (HECAT).
- The Olmstead Plan impacts all LSS 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, and the recognition by MHFA that as requirements for people to live in the community increase, options for affordable housing must increase to meet this need.
- We would also like to applaud your focus on equity.



Committee Item: 2

Attachment: Public Comments

We are eager to partner with you in all of the aspects mentioned above, and grateful that MHFA has once again put forward a plan that moves Minnesota forward in providing housing to all Minnesotans. Thank for your leadership and your deep commitment on behalf of all of our Minnesota neighbors.

Sincerely,

A handwritten signature in cursive script that reads "Maureen E. Warren".

Maureen Warren  
Vice President and Chief Family Services Officer  
Lutheran Social Service of Minnesota  
[mwarren@lssmn.org](mailto:mwarren@lssmn.org)  
651-969-2272

August 24, 2015

Mary Tingerthal  
Commissioner, Minnesota Housing  
400 Sibley Street, Suite 300  
St. Paul, MN 55101

Re: 2016 Draft Affordable Housing Plan

Dear Commissioner Tingerthal:

The Metropolitan Council appreciates the opportunity to comment on the 2016 Affordable Housing Plan (AHP) and applauds Minnesota Housing on drafting one of the Agency's largest plans in its history. The commitment of more than \$950 million in resources statewide holds potential to transform lives and communities, and provide hope and opportunity to tens of thousands of Minnesota households. More specifically, the Council supports the draft AHP's:

- Commitment to focusing on how affordable housing opportunities can lead to success in education, health, and positive economic outcomes, issues the Council looks forward to partnering on
- Ambitious first-time homebuyer goal of \$510 million, including a target for 27% of first-time homebuyer households to be of color and Hispanic ethnicity, reducing disparities between white households and households historically and disproportionately excluded from homeownership, and in committing critical counseling and down payment and closing cost resources to this end
- New two-year plan to prevent and end long-term homelessness, with strong resource commitments to fight this problem in the Twin Cities metro and statewide
- Dedication to offering year-round preservation funding, so funding partners can act quickly when affordable assets are threatened by conversion to market rate or other non-affordable use
- Commitment to better understand housing choices facing low- and moderate-income seniors, households containing a member with a disability, and large families, and to develop means to increase choice and opportunity for these key populations
- Plan to perform a comprehensive programmatic review and to continuing the Multifamily Division's remodel project, looking to gain efficiencies and to ensure quality customer service throughout the Agency's program offerings

With more than 600,000 cost burdened households in the State of Minnesota, and with this burden disproportionately falling on households earning less \$50,000, the Council looks forward to partnering with Agency staff and to using its own resources to increase affordable housing choice and opportunity, to mitigate the place-based dimensions of concentrated poverty, and to ensuring that housing remains an important issue in the public discourse, one necessitating the drive for financial resources, renewed partnerships, and sound strategic planning to build not just homes but strong families and communities.

Sincerely,



Beth Reetz

Director, Community Development Division

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August 28, 2015

Commissioner Mary Tingerthal  
Minnesota Housing Finance Agency  
400 Sibley Street, Suite 300  
St. Paul, MN 55101  
[mn.housing@state.mn.us](mailto:mn.housing@state.mn.us)

Re: Written Comments Regarding the 2016 draft Affordable Housing Plan

Dear Commissioner Tingerthal,

The Metropolitan Consortium of Community Developers (MCCD) and our 50 members appreciate this opportunity to provide Minnesota Housing with feedback and input on the draft Affordable Housing Plan. There are many parts of the plan that we applaud, and we appreciate the Agency's continued efforts to support and respond to the different needs of communities across the state.

MCCD appreciates the dire state that the federal HOME program is currently in and its importance to housing in our state, and have been reaching out to our Congressional delegation to ensure that they understand the importance of the program. We understand that Minnesota Housing has been doing similar outreach, and hope that the work of the Agency and advocates across the country will mean that HOME dollars are available in 2016.

Many of our members are firmly committed to closing the racial homeownership gap, and were enthusiastic to see that there continues to be support for the Enhanced Mortgage Counseling program and the Targeted Mortgage Opportunity Program. We were also pleased to see that the Agency is committed to supporting closing the racial homeownership gap through many avenues, including increased lending and downpayment assistance because these are important programs in the work of our members. We all await the results of the program evaluation of the Enhanced Mortgage Counseling program, and the Targeted Mortgage Opportunity Program. As you well know, there have been a number of our members who are very focused on closing the racial homeownership gap, and are anxious to ramp these programs up. It would be helpful to have clear direction from the Agency about what the next steps are for these programs, and if and how these programs could or should be supported by state appropriations – which have been pushed by some lawmakers and members. If done thoughtfully, state appropriations for some portion or portions of this program could potentially generate support and goodwill from lawmakers and nonprofit partners, including a number of our members.

MCCD members continue to voice a desire for more subsidies for supportive housing and continue to push for state appropriations to support such needs. We recognize that many of the supportive dollars come from DHS, but as the Agency looks to better collaborate with DHS, we are enthusiastic that this work may make it easier to develop housing to serve very low income households and strongly encourage that efforts to better align and coordinate with DHS include discussions about supportive housing.

We are very supportive of the Agency's efforts to serve new communities and additional populations, and have appreciated the Capacity Building Initiative as one example of where the Agency is opening up existing resources to new purposes. Our members will continue to have new and innovative ideas or models that will compete for this funding.

While Minnesota Housing works on the Multifamily Division's remodel, we suggest reaching out to your development clients. Our members have a list of suggestions that we have generated that we believe could streamline and improve the process and we could do more brainstorming and further refine that list if there was an interest in receiving those suggestions.

In light of the most recent homelessness data and the demand our members are seeing in their housing, we appreciate the Agency's focus on families and youth in their homelessness work.

In terms of preservation, we appreciate the Agency's work to set some funding aside for year-round preservation needs. Preservation is an area where our members are often brought in at the last minute to preserve a building's affordability, and it is essential to have funding available to assist with those preservation efforts and to address serious issues.

Our members would appreciate the opportunity to be involved in the development of a senior housing pilot. A number of our members have direct experience building senior housing, and are well aware of some of the common pitfalls and opportunities. It would be helpful to have information early about what the Agency anticipates the senior housing pilot to encompass, and members would be happy to provide feedback.

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 "JRt", written in a cursive style.

Jim Roth  
Metropolitan Consortium of Community Developers  
Executive Director



*"Do Justice, love mercy and walk humbly with your God" Micah 6:8*

August 28, 2015

Thank you for the opportunity to comment on the Minnesota Housing Finance Agency's Draft 2016 Affordable Housing Plan.

As people of faith we believe we are to treat and love others as ourselves and ensure that everyone without exception has safe, decent, accessible and affordable home (rental or homeownership).

General Comments:

We want to thank MHFA for:

1. Making this document more friendly user to people not in the housing industry through the use of an Executive Summary, Chapters, Appendices A,B, tables and graphs
2. Providing more statistics on the percentage of people of Color and Hispanic/Latinos served in many of your programs
3. MHFA's continued support of the Enhance Homeownership Capacity Initiative and recommend you utilize \$650,000 from the Strategic Priority Contingency Fund to double the program.
4. MHFA's continued support of the Targeted Mortgage Opportunity Program by reallocating the \$4 Million into 2016. We recommend you double the original \$10 Million to \$20 million.
5. Changing LIHTC allocation and now reviewing criteria for how projects with larger units are being scored.

We do have concerns and questions about several activities

1. Fair Housing:
  - A. Discrimination and disparities between the rates of white and non- white homeownership and in rental housing. We are the 3<sup>rd</sup> worst State in the Nation with regard to the disparity in white and non-white home ownership. 40% for non- white compared to 76% for white homeowners. A white renter's chance of being an extremely low income renter is 1 in 18 and non -white chances are 1 in 5 ( MHP calculation of CHAS 2007-2011), of people experiencing homelessness 42% are white compared to general population which is 86% white and 58 % are non- white compared 14% non -white in general population ( Wilder Research 2012).
  - B. This plan uses no State resources to address Impediments to Fair Housing.
  - C. This plan has no clear plan to fund education and/or enforce Fair Housing Law.

2. Homeownership- Addressing disparities. We want to thank Commissioner Tingertal for her leadership and initiative in utilizing MHFA agency funds to begin to address the disparity in white and non-white homeownership rates in Minnesota. MHFA should not only learn lessons but expend more resources on the Targeted Mortgage Assistance Program and the Enhanced Financial Capacity Homeownership Initiative. MHFA should expand the culturally based organizations receiving the funds and provide access to all training for Homeownership Training to non –MHFA funded agencies for free, in order for them to become certified and a qualified providers. The HOME Law must be funded. According to Minneapolis Federal Reserve 2015, in Minnesota, there would have to be an increase of over 16,000 new non-white homeowners this year to address 10% of the disparity gap.

Technical Assistance and Operating Support Grants should be utilized to assist MHFA expand the culturally based organizations funds and provide access to all training for Homeownership Training to non –MHFA funded agencies for free, in order for them to become certified and a qualified providers.

EDHC- Housing Infrastructure Bonds \$10 Million. We are hopeful some of these resources will provide the opportunity for people of Color and Hispanic/Latinos to become Homeowners throughout the State.

Homeownership Center: What amount are they funded under the Technical Assistance and Operating Support? HECAT, while may be successful for many prospective white homeowners and non-whites who grew up in homeownership situations, it is not as effective and/or appropriate for most people in the non-white communities. In addition to knowing how many people completed the training please identify by race how many became home owners, number of defaults and late payments

3. Homelessness and a Continuum to Housing:
  - We need a more balanced system to prevent homelessness, address the immediate needs of people experiencing homelessness and rapidly transition people back into housing and community supports in the community.
  - a. Family Homeless Prevention and Assistance Program, Housing Trust Fund Rent Subsidies, and Transitional Housing has been extremely successful in moving people back into stable housing.
  - b. Supportive housing was promoted as a way to save money from other costly mainstream systems. It has become the new welfare system with no time limits for people with long histories of homelessness. There are no expectations for people to improve their lives and they cannot leave the supportive housing and take their subsidy. An audit needs to be conducted to look at DHS LTH supportive services, Public Assistance Grants, GRH, Targeted Case Management, HUD SHP

funds, MHFA Housing Trust Funds, LIHTC, Bonding dollars and Affordable Rental Investment to obtain a true cost of this program that keeps people stuck and continues to label them as chronic or long term homeless after being in stable housing for many years.

Please identify by each funding source the different, State, Federal, Local and private resources that go into developing each supportive housing project.

The use of Pool 3 funds for Ending Long Term Homeless Initiative Fund \$1.722, 601 provides little opportunity, beyond this document, to see how it coordinates with other Long Term Homeless Funds that are appropriated and limits the transparency of the multiple numbers of funds utilized to fund supportive housing programs.

How much of the \$11,038,569 from Housing Trust Fund Capital from Housing Infrastructure Bonds) will be used to fund smaller Supportive Housing Projects?

How much of the \$8,308,770 from Low Income Housing Tax Credit will be used to fund Supportive Housing?

How much of the 3,500,000 from the Flexible Financing for Capital Costs will be used to fund Supportive Housing Projects?

We are pleased to see that \$420,000 was designated to assist some who have long tenancies in Supportive Housing move into other housing in the community. We believe that these funds should come from Ending Long Term Homeless fund and not the State Housing Trust Fund. We need State Housing Trust Fund for people at risk or experiencing homelessness that do not meet the long term definition. Please identify how much of the Housing Trust Fund is funding people that meet the Long Term Homeless definition.

- c. HUD's Count of homelessness is more restrictive than Minnesota's definition of homelessness and only counts those that are in shelter, transitional housing and a limited number of those living outside. A simple look at our shelter, transitional housing and people on the street and doubled up makes it clear homelessness continues to grow in now our 4<sup>th</sup> decade of growing homelessness. We have a high number of people experiencing homelessness with mental, chemical, physical health and/or criminal backgrounds partially due to the discrimination and inability to compete successfully in a 2% vacancy market. They are immediately screened out. In a market with 4-6% vacancy people with multiple barriers have greater access to rental housing. We encourage the

MHFA to not blame people's issues for the reason they are homeless, while that may be a contributing factor. When people have enough financial resources and there is a healthy rental market, the result is a significant reduction in the risk of people becoming homeless and long term homeless. (See page 4 of this plan, 600,000 Minnesota Households are cost burdened, spending more than 30% of their income on housing. Since 2000, that number has increased by 68%)

- d. HMIS: How much does the State totally spend on HMIS? How much of the Technical Assistance and Operating Support goes to HMIS.

The focus of HMIS must be on people being served not an expensive intrusive data collection system as HMIS. The tri-annual Wilder survey is the data utilized by advocates and State agencies not HMIS when talking with political leaders. We believe that when you add up the cost of HMIS- State agency staff time, providers' time, Wilder or other research staff, equipment, loss of direct service time to people experiencing homelessness, we are spending more on HMIS than we directly appropriate each year to Emergency shelter every year. There is no evidence that collection of personal data does anything to assist anyone in securing housing. We need a system that doesn't just collect data on people in Shelter, Transitional Housing. We need to look at all the demographic trends that are causing homelessness and work to prevent homelessness and create decent, safe, accessible and affordable housing options for everyone.

- e. How much does MHFA use of its own resources to financially fund the Interagency on Homelessness and staff and the office to Prevent and End Homelessness?

- f. The Olmstead Plan was briefly mentioned. There is no funding designated or plan to enforce ADA provisions. Enforcing Fair Housing and ADA provisions will prevent homelessness and provide greater access to housing for special populations. The implementation of the Olmstead plan must be driven by direct input and decision makers by people that are impacted. We believe all housing funded with public resources should utilize a universal design.

- g. Thank you for identifying the housing needs of seniors. They are the fastest growing percentage of the homeless population in this State.

#### 4. Rental Rehabilitation Deferred Loan Pilot

Preservation and rehab must be a priority. Regulations that restrict rehab or make it cost prohibitive must be addressed and come in line with community standards for non-governmental funding. We strongly encourage recruitment of owners of one to 4 units

size of rental housing into this portfolio to help with the integration of rental housing in our communities, many suburban mayors and rural legislators have expressed they want to see developed and maintained in their communities.

5. Preservation Publicly Owned Housing Programs: How much is going into Permanent Supportive Housing? How much is going into Transitional Housing? How much is going into publicly owned rental housing?
6. Preservation- HOME: We support the use of these funds for Federal or State subsidized affordable housing. We encourage the use of a limited amount, for rent subsidies, this would greatly assist renters in Greater Minnesota.
7. Other areas not identified or funded:
  - a. Lead based paint or lead /other environmental hazards in housing or surrounding property.
  - b. Transit and housing
  - c. Housing and education Landlord/ tenant education, budgeting/credit and homeownership training at the high school level so young people are prepared to move into housing.
  - d. Safe housing- Public Safety and MPCA- lead/environmentally safe, etc.

We appreciate the strength of MFHA's financial and organizational capacity and request transparency in use of all resources, including investment income/returns and specifically how all funds are expended.

Thank you for the opportunity to comment on your draft 2016 Affordable Housing Plan.

Sincerely,

*Sue Watlov Phillips*

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

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# Minnesota Coalition for the Homeless

Committee Item: 2  
Attachment: Public Comments  
2233 University Avenue W., Suite 434 St. Paul, MN 55114  
Tel: 651-645-7332 | Fax: 651-645-7560  
www.mnhomelesscoalition.org | info@mnhomelesscoalition.org

August 28, 2015

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 2016 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 2016 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 over \$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 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 for Priority Populations

We appreciate emphasis on rental housing production/operating assistance, specifically for very low-income families and seniors. These are groups for whom, in particular, the market has no solution and based on data, a quickly growing within the homeless population. 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 continues to be mired 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

# Minnesota Coalition for the Homeless

Committee Item: 2

Attachment: Public Comments

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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.

- 2.) *Continue to 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

We learned from the HUD Family Options study, for which we received preliminary data earlier this year, that a voucher is by far the most successful intervention to stabilize a household and prevent them from returning to homelessness. MCH encourages MHFA to continue 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.

## Capacity Building/Coordinated Entry

MCH recognizes the inevitability of the implementation of coordinated entry. While there are many entities working to ensure a smooth transition away from individualized systems and roll out of a new, uniform system, MCH hopes capacity building funds are directed toward the activities of greater Minnesota Continuums of Care, along with other organizations in Greater Minnesota working to expand program reach. 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.

## Innovation

As the cost of preserving and developing affordable housing continues to rise, the need to identify and bring to scale new best practices to increase the supply of affordable housing becomes more critical. While MHFA does great work in making possible affordable rental and homeownership opportunities through a variety of programs, MCH would like to see the agency partner with developers and service providers to move to the forefront of housing innovation. Specifically, this program could promote the following priorities:

- *Demonstrate cost savings in materials and/or construction methods, without sacrificing quality*
- *Reduce the costs associated with property acquisition and/or preparation*
- *Identify methods of design that meet current needs while anticipating future needs*
- *Allow flexibility to make projects work in individual communities in greater MN and in the metro*

# Minnesota Coalition for the Homeless

Committee Item: 2

Attachment: Public Comments  
2233 University Avenue W., Suite 434 St. Paul, MN 55114  
Tel: 651-645-7332 | Fax: 651-645-7560  
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- *Reduce the costs of property management and supportive services for residents*
- *Reduce the costs associated with operation (energy, maintenance, future renovations)*

Dan Kitzberger  
Policy Director  
Minnesota Coalition for the Homeless  
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Via [mn.housing@state.mn.us](mailto:mn.housing@state.mn.us)

August 28, 2015

Minnesota Housing Partnership, by Chip Halbach

## Comments on the Draft 2016 Affordable Housing Plan

We support the Agency's spending plan and appreciate the clear linkages shown between spending and activity proposals and the Agency's strategic priorities. We welcome the Agency's commitment to make its programs simple, flexible, accessible and timely; we hope that this effort spans all the Agency's programs even though in the plan this initiative is associated with only one of the Agency's strategic priorities.

A couple of the plan elements that are particularly helpful to developers we work with:

- *The commitment of \$1.4 million of Pool 3 funds for capacity building* -- particularly in Greater Minnesota these dollars are scarce and critical for the Agency to have strong program partners. And, on a related point, the commitment to help agencies with smaller staffs understand the array of resources available to them will also be of value, especially in Greater Minnesota.
- *Increasing the share of multi-family funding for new construction* -- there is now across the state tremendous demand for increasing the supply of rental housing. This reallocation shows the Agency is being responsive to this need.

While not as central to the work of our developer constituents, the variety of initiatives associated with addressing homelessness and the disparity in homeownership are important to the state's quest for racial equity.

In addition, we agree that uncertainty in the financial world necessitates the \$2 million committed from Pool 3 for the Strategic Priority Contingency Fund, a resource that can be used in response to unexpected need.

*Below are the changes to the AHP that we recommend:*

***Budget for the senior housing pilot:*** We see that assisting low income senior renters is identified under the changing demographics strategic priority. In 2016 the Agency should commit to structuring and investing in a pilot that the draft plan only now states will reach the stage of having program parameters created. The 2016 funding plan should reflect a commitment to launch rural and metro pilots for low income senior rental housing.

***Create funding in support of mixed-income housing:*** In rural centers of job growth and in Twin Cities suburban communities local officials are asking for mixed income development. This development type has proved to be very challenging for all but the most well capitalized developers. The Agency should lead efforts to create viable financial models for mixed income housing that work both in the suburban and Greater Minnesota context.

***Seek additional funding across the board:*** The AHP presents a compelling case for why more resources are needed than are now available. The AHP does state that the Agency will pursue opportunities for additional funding, but for only two of its priorities: preservation and homelessness. The Agency should also commit to pursuing additional resources for new rental housing and other priorities included in the plan.

***Make clear that Minnesota Housing will help implement the Metropolitan Council's Housing Policy Plan:*** The Council recently created its first housing plan in 30 years, and it now needs partners in its implementation. We believed that Minnesota Housing's support for this Metropolitan Council plan should have been included in the Agency's 2016-19 strategic plan. For the AHP, some mention of a commitment to implementation of the Housing Policy Plan should fit under the strategic priority "Address Specific and Critical Local Housing Needs," and one action step would be to partner with the Council in hosting Housing and Community Dialogues in different parts of the Twin Cities region.

***Time Needed to React to Proposed AHP Budget:*** As we've stated before it is troubling that a proposal for a \$90 million commitment of public funds (combined Pool 2 and Pool 3 amounts) is only available to the public for review and comment for a period of a few days, 14 days this year. We hope that the Agency continues to look for ways to maximize the amount of time available to comment on its proposed budget.



August 28, 2015

Minnesota Housing Finance Agency  
 400 Sibley Street, Suite 300  
 St Paul, Minnesota 55101-1998  
 Sent via email to [mn.housing@state.mn.us](mailto:mn.housing@state.mn.us)

RE: Comments on the 2016 Affordable Housing Plan (AHP)

Commissioner Tingerthal and the Minnesota Housing Board:

On behalf of Minnesota NAHRO and its members, thank you for the opportunity to provide comments to the 2016 Affordable Housing Plan (AHP). Minnesota NAHRO members own, manage or administer the majority of subsidized rental housing in Minnesota including all public housing units plus the administration of the Housing Choice Voucher/Section 8 program. First and foremost, thank you for this opportunity to submit comments. While the substance of our comments will not be a surprise to the agency, we appreciate the opportunity to address these important strategic priorities especially as our organizations face challenging fiscal environments.

#### **Addressing Homeownership Disparities**

Minnesota NAHRO recognizes and supports the homeownership programs administered by Minnesota Housing. In particular, we support the ongoing need for these programs to better reach and serve households of color in order to reduce the level of disparity and barriers to homeownership.

#### **Prevent & End Homelessness**

Rental Assistance programs should continue as a priority in order to assist populations experiencing homelessness. With the number of Housing Choice Voucher Programs facing closed waiting lists and varying levels of voucher issuance, this program is highly critical in addressing the housing needs of this population. In addition, the demands of the Olmstead Plan plus the needs of families and youth in need of supportive housing, the agencies focus of these resources to assist these households is important.

#### **Preserve Housing with Federally Funded Rent Assistance**

**Sequestration and Federal Funding for Affordable Housing:** Once again, (in)action at the federal level indicates that HUD programs face significant cuts for FY2016 with the return of sequestration. Due to the current political environment and the elusive nature of a comprehensive budget deal, it is expected that federal programs will receive funding through a series of Continuing Resolutions. Thus, HRAs across the state will face uncertain federal funding levels which will impact their ability to plan for and address affordable housing needs. The ongoing support and funding programs available at the state and local level enable HRAs to maintain their efforts despite the fiscal ups and downs at the federal level, especially since the development and production of affordable housing can take years to complete.

**GO Bonds for Public Housing Rehab:** Agency support of the GO Bonds for Public Housing Rehab (POHP) is greatly appreciated and will continue to be an important resource for HRAs across the state as they face reductions to their capital funds while the costs to preserve and maintain these public housing units remain. Assuming the state legislature continues to support POHP with GO Bonds, the

members of Minnesota NAHRO will continue to ensure these resources are effectively used to improve the public housing stock across the state.

**RRDL:** The work to streamline the RRDL program has been helpful although it remains challenging for smaller property owners to comply with the program requirements thereby reducing program participation. Minnesota NAHRO encourages the agency to continue its efforts to make this product easier to use with attractive terms especially since the AHP proposes to significantly increase the utilization of these funds over the next year.

### **Responding to Minnesota's Changing Demographics**

**Senior Housing:** The 2016 AHP plan identifies the need for senior housing throughout the state, however, it is imperative that the State establish a policy, program, and funding mechanism to address this issue. There is no single reliable source of funding for affordable senior housing since many of the funding resources used to develop such projects no longer exist. There is a significant demand for affordable senior housing in many jurisdictions and it is appropriate for Minnesota Housing to act as the leader in the effort to engage other private and public sector partners in putting together a plan and funding program to address this need. In particular, Minnesota NAHRO is working to include the production of affordable senior housing as a statutorily recognized use of housing infrastructure bonds. The proposal would serve senior households (age 55 or older) with an income at or below 50% AMI (approximately \$28,000 annually). Please see the attached fact sheet which provides more details.

### **Specific & Critical Local Housing Needs**

**Program Complexity:** Minnesota NAHRO applauds the acknowledgement that the agency's programs can be simplified and streamlined in order to better serve the user, reduce the administrative burden of accessing these programs and provide flexibility especially with the ever changing financial markers. The POHP process was streamlined and requirements reduced which improved program participation. Minnesota NAHRO supports these efforts and welcomes the opportunity to help identify strategies to address this priority.

**Rental Production – New Construction and Rehabilitation** is a key priority for HRA's around the state. Whether its preservation of existing units or affordable senior housing, the need for additional supply of housing is critical. As the Minnesota Housing data points out, incomes have not kept pace with rental housing costs in the market while rents continue to rise. The need and demand for new construction (and/or rehabilitation) would provide the opportunity for supportive housing. Programs such as the Challenge Fund are critical to these efforts and it is important to increase or at the very least maintain its funding.

**Program Innovation:** Minnesota NAHRO urges the agency to work with stakeholders to identify and pilot incentives at the local level for affordable housing. Program innovations such as local Affordable Housing Trust Funds could be given points in the consolidated RFP as an incentive for a development. With the stark realities of the rental market clearly impacting affordable housing, local jurisdictions are recognizing more and more that they can play an active role in the production and preservation of affordable housing. Developing local tools and supporting pilots utilizing these tools can be effective role of Minnesota Housing in helping to develop leverage at the local level.

Thank you again for the opportunity to submit these comments on behalf of Minnesota NAHRO member agencies. If we can be of further assistance, please do not hesitate to contact us.

Sincerely,



Shannon Guernsey, JD  
Executive Director

Committee Item: 2  
Attachment: Public Comments

**From:** Sue Abderholden [<mailto:sabderholden@namimn.org>]  
**Sent:** Thursday, August 27, 2015 7:08 PM  
**To:** \*MHFA\_MN Housing  
**Subject:**

Thank you for the opportunity to provide comments on the 2016 Affordable Housing Plan. We greatly appreciate the detailed efforts to address homelessness and housing instability. While we are very thankful that the Governor's budget included increased funding for Bridges Housing and the Governor's strong support for this funding, we believe that the MHFA should continue to ask for increased dollars. Supportive housing is very effective for people with serious mental illnesses, including those who have been in jail or prison. We would hope that an additional focus for these funds is for people with mental illnesses and substance use disorders who are in jail frequently and who lack housing. This is a huge need and we need to develop more permanent solutions to address their needs and reduce the criminalization of people with mental illnesses.

Thank you.

Sue Abderholden, MPH  
Executive Director  
NAMI Minnesota  
800 Transfer Road, Suite 31  
St. Paul, MN 55114  
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Join us on September 26<sup>th</sup>! [Register today](#)

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Committee Item: 2  
Attachment: Public Comments

**From:** Hemmerlin, Randal [<mailto:randal.hemmerlin@ci.red-wing.mn.us>]  
**Sent:** Wednesday, August 26, 2015 9:55 AM  
**To:** \*MHFA\_MN Housing  
**Subject:** 2016 Affordable Housing Plan budget comments

Minnesota Housing:

First, a thank you for all you do for everyone in Minnesota!

Here are my comments on the funding and budgets as Executive Director of the Red Wing HRA:

- As you may know, I am working on how to create a Red Wing Affordable Housing Trust Fund (AHTF). GMHF is also providing us TA on developing it. Local funding is an issue, of course. The main message in my opinion is to show the local powers that the AHTF gives us leverage in an application. Ideally, if funds could be matched by MH to those of a local jurisdiction, we should start the AHTF. Once an AHTF is established, other funding sources could and should be added. For instance...yesterday's CRA session in SE Minnesota spoke about how banks could assist in LMI housing if approached correctly...sometimes it just a donation by the bank. Other sources like permit fees, employer contributions and foundation contributions could be sought out. The key is to have the AHTF set up as a vehicle to accept these funds. I understand that MH is receiving \$2 million in national Trust funds from HUD in 2016. What if we could double or triple those funds by using it to match local AHTFs? Also, we envision we could tap into unused HRA levy funds as well to fund AHTFs. I would ask that MH at least award priority points to applications where a community has established an AHTF and dedicates funds toward affordable housing. Matches can come later. This can get the ball rolling.
- The Red Wing HRA has entered into a Joint Powers Agreement with SEMMCHRA to allow SEMMCHRA administer the RRDL program in our jurisdiction. They have yet to make one loan to my understanding. Further, the RW HRA would administer the program ourselves if we felt it would be successful and not too costly. When we had the HOME Rental Rehab program, we were able to find applicants. The RRDL should model itself after the old HOME Rental Rehab program more closely. What I am finding is that small apartment owners do not want long term commitments/liens on their properties.
- In the Serving our Seniors demonstration project (senior housing), we need rental assistance in order to make the projects sustainable, in my opinion. HUD allows HRAs to convert up to 20% of their S8 HCV programs to project based S8. About ½ of our vouchers are to elderly/disabled people already. This may be a source of rental assistance if MH decides to go forward with a demonstration program.

*Randal*

Randal E Hemmerlin, Executive Director  
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Red Wing, MN 55066  
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**AGENDA ITEM: 3**  
**MINNESOTA HOUSING POLICY & PROGRAM COMMITTEE MEETING**  
**August 31, 2015**

**ITEM:** Discussion, Tabled Item from July Meeting: Updated Calculation for Distributing Housing Tax Credits to Suballocators

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

**REQUEST:**

Approval     Discussion     Information

**ACTION:**

Motion     Resolution     No Action Required

**SUMMARY REQUEST:**

At its July meeting, the board tabled a request to update the calculation used for disturbing housing tax credits. As requested by the board at its July meeting, staff has conducted additional analysis of the calculation and will share their findings with the board at the meeting.

**FISCAL IMPACT:**

**MEETING AGENCY PRIORITIES:**

- Address Specific and Critical Local Housing Needs
- Finance Housing Responsive to Minnesota's Changing Demographics
- Preserve Housing with Federal Project-Based Rent Assistance
- Prevent and End Homelessness
- Reduce Minnesota's Racial and Ethnicity Homeownership Disparity

**ATTACHMENT(S):**

- Analysis of tax credit distribution calculations (will be distributed at the meeting)