

Mary Tingerthal, Commissioner Minnesota Housing Finance Agency, Kate Topinka, legislative director, Minnesota Housing Finance Agency, Rep. Alice Hausman, Rebecca Bormann, Mindy Greiling

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Commissioner Tingerthal says there has been a decrease in homelessness in Minnesota over the last three years.

**1. How does MN Housing distribute money to cities?**

Minnesota Housing distributes state funds through a consolidated Request For Proposal (RFP) to facilitate one-stop shopping. They team up with the Met Council, Section 8 vouchers, and Greater Metropolitan Housing to offer this funding. They will send us the Qualified Application Plan and self-scoring worksheets. Generally developers, but sometimes cities who seek out developers, apply. Higher scores that help in this tough competition can be secured through: having a good site that is zoned appropriately, a local match (e.g. community development block grant, TIF), good access to transit, planning to serve homeless or include Section 8 units (see question 2), or if it's an economic integration area (good jobs, good schools, affordable housing). A good developer will suggest things to cities to enhance the application. The entire state competes, and only about 25% of applications are funded. MN Housing works with the League of MN cities and Metro Cities.

Funding in the consolidated RFP comes from several sources: state appropriations, federal appropriations, federal low income housing tax credits, and partner funds. When available, Housing Infrastructure Bond proceeds are also part of the RFP. We are only able to fund about 1 in 4 applications we receive due to limited funding availability.

- State appropriations come from the Economic Development and Housing Challenge or “Challenge” program and the PARIF program
  - Current Challenge program base: \$12.9 million/year
  - Challenge funds are used for both multifamily rental housing and single family homes for homeownership
  - Current PARIF base: \$4.3 million/year
  - PARIF funds are used for preservation of existing federally-assisted (Section 8 or USDA Rural Development) rental housing
- Federal appropriations come from the HOME program or the new National Housing Trust Fund
- Federal low income housing tax credits are awarded to states on a per capita basis
  - Minnesota receives a \$12 million allocation
  - Minnesota Housing awards about \$9 million of that allocation, with St. Paul, Minneapolis, Washington and Dakota Counties awarding the remaining credits
- Partner funds include Met Council funds, DEED CDBG funds, and funding from the Greater Minnesota Housing Fund

**2. How are cities rewarded for building more 0 – 30% AMI?**

There needs to be funding in the application to cover building operating expenses over 30 years beyond the 30% of income rent paid by low-income renters if a building is entirely devoted to Section 8. This is hard to do in today's world, but we encourage local public housing authorities to allocate a few units for Section 8 vouchers within other projects. It's "pretty valuable" to do this in terms of points for state funding applications.

**3. Are cities doing enough to market their housing programs to residents?**

Mary thought it ironic that the Met Council suggested we ask her questions 3 and 4, since they have the only real tool to measure these things, i.e., the ten-year plans the Met Council require cities to submit, where the information is out there for everyone to see.

It may be helpful for cities or advocates to give more visibility to the Met Council housing goals in order to encourage affordable housing development.

**4. Are cities partnering enough with MN Housing to qualify for programs?**

Cities typically partner with developers to access Minnesota Housing funds. Cities play an important role in getting housing development done. In order to qualify for funding from Minnesota Housing, we look to see that developers have site control, which may require approval from city councils. We also look for local support. Examples of local support can be monetary contributions to the project, land donation, or zoning approval. We engage with city officials, and the League of Minnesota Cities and Metro Cities to help promote our programs and provide guidance for how cities can access our programs.

**5. How do you ensure fair housing practices are followed in buildings you have financed regarding barriers that people with criminal histories or mental illness face, in light of the new HUD guidance?**

MN Housing does have a very blunt tool that requires all owners who receive funds from them must comply with MN Fair Housing standards, including having to have a tenant selection policy that they share with potential renters. Private owners only have to comply with federal fair housing standards regarding protected classes and with fair housing standards overseen by the Minnesota Department of Human Rights.

The 2016 HUD guidance requires that everyone is treated the same when applying to rent, regardless of race and disability, etc., and avoid barriers to some groups that aren't applied to others. Unfortunately, due to the low availability of apartments, owners can have such high standards for everyone that many who really need affordable housing are ruled out. For instance, the landlord could say they won't take applicants who have bad credit ratings or misdemeanors.

## **6. Tell us about the Landlord Risk Mitigation pilot?**

This year the Legislature allocated \$250,000 to provide a backstop to landlords who take a risk by renting to families who have a criminal history or a mental illness so they may recover damages they may incur beyond what insurance covers. Our research into other landlord risk mitigation programs has found that it is important to also have a person to establish relationships with landlords to encourage them to take these risks.

Commissioner Tingerthal encourages us to also interview:

- 1) Cathy Bennett with the Urban Land Institute who staff the Regional Council of suburban Mayors and is funded by MN Housing, Family Housing Fund and Mcknight.
- 2) Cathy ten Broeke who is now with MN Housing, but was recently with Heading Home, a program to end homelessness in Hennepin County and Minneapolis and who says homelessness should be “rare, brief and non-recurring.”

Rep. Hausman encourages us to add Homes for All People next year when we meet with housing advocates.

Links:

[2017 Qualified Allocation Plan](#)

[2017 Self Scoring Worksheet](#)

[Community Profiles](#)

[State Plan to Prevent and End Homelessness](#)

[2016 RFP Selections](#)