

Best way to evaluate availability of affordable housing in the League area?

What are major barriers to and opportunities for development of affordable housing in the area?

What are the funding sources for affordable housing in these areas? Who are the primary developers?

Ways to increase acceptance of Sect. 8 voucher in our communities?

Who is interested in developing supportive housing, ie housing with services? For families? For people with mental illness? For people with criminal backgrounds?

What other questions should we be asking? Who else should we talk with? What resources/research is already available?

**League of Women Voters Interview:** Paul Fate. 7/12/2016

**Paul Fate** – ex CEO of CommonBond Communities. Currently PFate & Associates, LLC.

Description of CommonBond from webpage: CommonBond Communities, the Midwest's largest nonprofit provider of affordable housing with services, has served the region for over 40 years. We develop, own or manage more than 5,700 affordable rental apartments and townhomes throughout 50 cities in Minnesota, Wisconsin and Iowa. Over 9,000 people — including families, seniors, and people with disabilities and other barriers — call CommonBond home. More than 2,400 of these people are children. <http://commonbond.org/>

**NOTES:**

*How to evaluate availability of affordable housing in five areas we serve?*

There's a lot of variability in quality of data that individual cities have. Some will be fairly good at it. Others will be not so good at it. It'll be important to connect with city staff. Other important source is the Met council. They track what is going on across the area – the regional wide planning council. They have responsibility to track affordable housing in entire metro area, community by community. Start with the **Met Council staff**. They are pushing municipalities to set and meet goals around affordable housing. Extremely low-income is the most expensive to accommodate, and get more NIMBY issues in the community.

Extremely low-income people are those that cost the most to serve. In terms of what you'll discover is available in your community, it may not match up with what the need is.

*Why is it hard for CommonBond to develop for 0-30%?*

In CommonBond, when we package financing, you have to take into account sources of subsidy to each extremely low-income. Low-income housing tax credits only pushes down to 60% of median income – this is largest source of affordable housing funding available. For example, when we worked in St. Paul, big challenge was finding the section 8 that could work in our new developments we wanted to make. What I'm saying is that the reason it's difficult is that it's the responsibility of the developer to pull the financing to make it work. The challenging of developing for extremely-low income is faced by everyone.

Typically the developer will come to the city (sometimes it works in other direction), and developer will have proposal and will ask for TIF, HOME dollars, CDBG. If you're a developer and you have a vision, you would not build it without making sure you have the underlying financing and subsidies in place.

Definitely talk to the Met Council first about what they have available in terms of data and information on availability. [Paul will find a contact for us – likely Libby Starling who is in charge of housing work at Met Council] [Libby.Starling@metc.state.mn.us](mailto:Libby.Starling@metc.state.mn.us) .

You should also be aware of the **Urban Land Institute** – it has a Minnesota office. They have a housing piece (**Cathy Bennett** [cathy.bennett@uli.org](mailto:cathy.bennett@uli.org) in charge of it) that's focused on public education with municipal leadership on affordable housing issues. They want to educate municipal leadership on housing issues – Kathy would be a good person to talk to. [She has a regional council for Mayors.]

The single best would be start with the Met Council. The **Minnesota Housing Finance Agency** would be OK too, but they tend to be much more heavily functioned on financial products.

**Ed Goetz** [professor] at Center for Urban and Regional Affairs (CURA) at University of Minnesota would be very helpful to talk to ([egoetz@umn.edu](mailto:egoetz@umn.edu)). CURA can help put together graduate student teams to tackle a research project. That could be an idea for your work. At CURA, they have teams for a semester – two or three students – that will work with a faculty advisor to do a research project.

*What are major barriers to and opportunities for development of affordable housing in the area?*

**(1)** NIMBY issues. IT especially comes out with the lowest income housing, housing for homeless, or the supportive housing. NIMBY goes down when there are advocates from the community supporting the housing, instead of coming from outside the community. For example, 22 congregations in the western suburbs came together, and they could get things down politically in communities that we could not get down. Having local people involved and advocating is really important. Relative capacity, openness, and strength of local government is really important too – staff need to know the importance of housing choice and the housing tools available. Cathy Bennett at Urban Land Institute would know which municipalities are best. Cathy has a bigger picture perspective. The more people see examples of well managed and well built housing, the more NIMBYness goes down. **(2)** Another issue is finding available sites – some communities have more sites than others. **(3)** Assembling the resources to make it happen. Some municipalities simply don't have as many as others in terms of tax-base, population, amenities and so forth. **(4)** Zoning and tax issues city by city. Some cities have prohibitive policies. Some places need policy changes that are more conducive to building affordable housing.

*Major funding sources?*

LIHTC at federal level is the single largest/biggest tool used for affordable housing. Without getting into too much detail, it's about having corporate investors that “do well while doing good” – creating equity

while subsidizing the housing down to 60%. You have to find your own section 8, it doesn't come with it. You can blend LIHTC and Section 8. But you need to find a source of Section 8. There are project-based section 8, and there are portable. To do a development like we've done, you want project-based section 8. Section 8 subsidies are a really critical source of revenue, to be able to reach people at lower-income. We did a lot of senior housing w/ section 8 through the HUD 236 program – funding for that is almost dried up. At the state level – state of Minnesota has its own products. WE are blessed with one of the best state HFA in the country. They've leveraged \$135 million from the state for new housing.

Sources are Federal, State, and Local. Tools at each of these levels.

Ways of increasing acceptance of section 8 vouchers?

Legislation. It gets back to NIMBYness. People need to experience positive results.

*Who are the major developers/partners in the area?*

CommonBond. Majority of our work is with families – about 60% of our properties are for families. Other regional developers like Aeon, Project for Pride in Living – Paul Williams with Project for Pride and Living. Allen Arthur is executive at Aeon. Three major regional ones are CommonBond, Aeon, and PPL – in terms of size. Then there are some organizations that have done work just on supportive housing like Eden, Catholic Charities – which generally hasn't been a developer, but Tim Marks has brought that to the table. Others like Simpson housing. Beacon is another – Lee Blonds leads that – they started out through Plymouth church, and they've been very focused on low-income housing, and supportive housing. I'd recommend talking to them – they've tackled some very hard projects.

Property management is very important. There's an economy of scale with property management. Scattered site property management is harder to do.

You should also talk to the **Minnesota Housing Partnership (MHP)** – they are a state-wide policy group – leaders on Minnesota housing policy.

*Position statements around discrimination against people with Section 8?*

MHP might have a position statement around criminal background checks.

Minnesota Housing Finance Agency is one of the best HFA's in the country in terms of products, staff, etc.

*Is there anyone with an East Metro focus on affordable housing? Interest in development?*

Most of these developers that we've been talking about will go anywhere – aren't exclusively metro focused. Most are regional focused.

*What other questions should we be asking?*

How to think about this work in relationship with the larger league and how they fit together, how they complement each other. What's the league doing twin cities wide? That's a good question. Given League's role in public education, I would emphasize how important is in advancing affordable housing. Public education on these issues is really important.

*Does Met Council rate cities in any way?*

It's been a ball of contention because the Met Council has not been as enforcement orientated as it should be. Susan Haigh pushed on it. What they do is that they've pushed communities to setup a set of goals around affordable housing around a 3-5 year period, and then they track their performance. And again, the rub has been is that they haven't been as aggressive as that as they should be. There's tremendous value of having a regional planning agency, but the problem is about how to execute and implement that takes into the local perspective – that's the rub.

**Other notes:**

- He likes the idea that all qualifying units must list on HousingLink
- He thinks MPLS City Council member Elizabeth Glidden's proposal to treat Sec 8. Applicants like all rental unit applicants "makes a lot of sense."
- When asked his opinion of rental buildings that use public funds to build or renovate barring applicants with petty/misdemeanors he termed that practices "legal but unethical".

**CommonBond Communities:** CommonBond is financed and funded through two different ways: money to do the real estate, which you have to assemble as a project by project basis – in that process Commonbond can make development fees and have property management fees – these costs are paid for in the financing structure; Commonbond can also raise money from foundations, philanthropy, and others for services at the properties. Commonbond really believes in the services piece – we raise \$3.5-4 million a year for services.