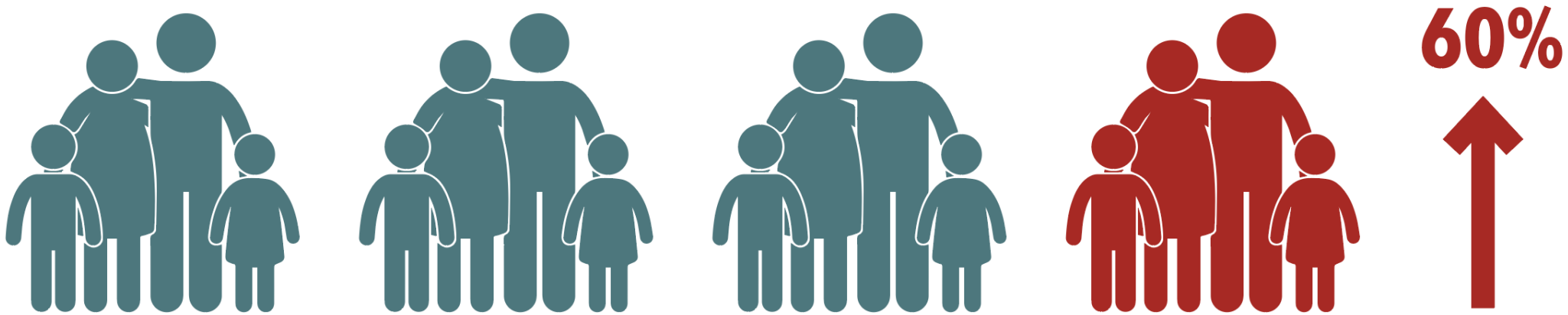
Minnesota Housing Partnership

Prioritizing New Resources for Housing: MHP Policy team



September 2018

More than 1 in 4 Minnesota households — nearly 550,000 families — spend more than 30 percent of their income on housing. Since 2000, that number has **risen by 60%.**



Since 2000, the number of cost-burdened **RENTERS** has increased by more than 30% and now impacts nearly **HALF** of all renter households in MN

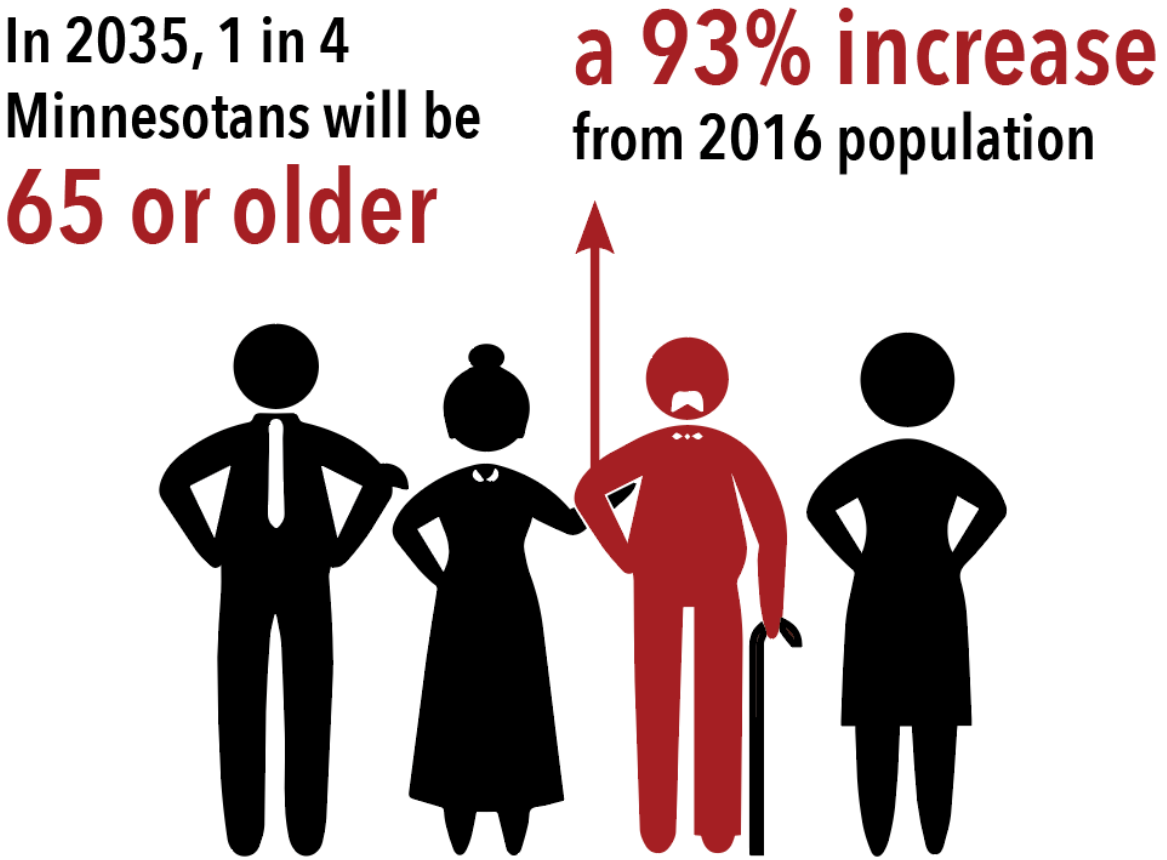


6 of the top 10 most in-demand jobs can't afford even a one-bedroom apartment.



Over the next decade, the five positions with the most **projected job openings** earn median incomes less than $25,000 per year -- $5,000 below the income necessary to afford a one-bedroom apartment and $14,000 below the income necessary to afford a two-bedroom apartment.

More than half of **senior renters** pay too much for housing, a 25% increase since 2000



The number of cost burdened **senior homeowners** has also risen 54 percent since 2000. Over the next 20 years, the population of Minnesotans over the age of 65 is anticipated to grow by 93 percent, making senior housing a critical issue.

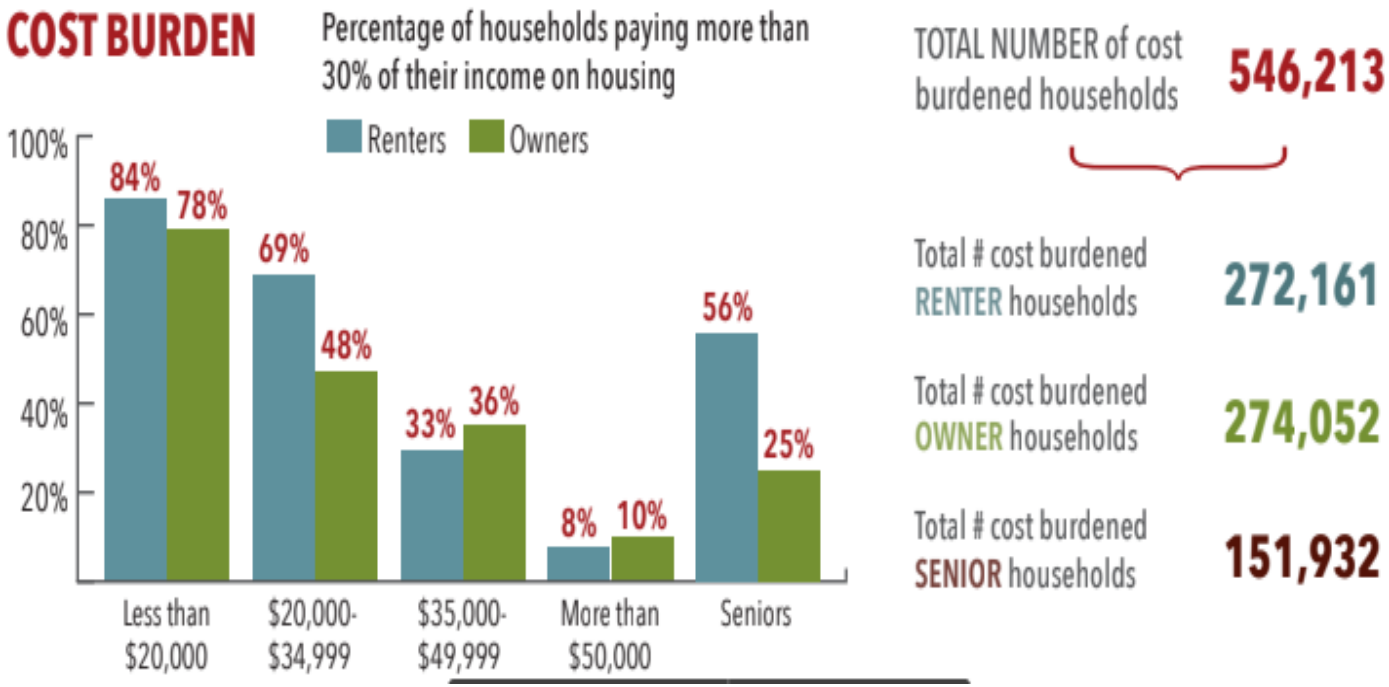
Statewide, there is a large gap in available affordable housing for **households at the lowest incomes**.



As of 2016, there were 161,286 **extremely low-income (ELI) renter households in Minnesota**, with 78 percent experiencing cost burden, and 62% paying more than half of their income on housing. For these households, there is a deficit of **92,439 affordable** and available units across the state. Many of these ELI renters are among our most vulnerable populations: 27 percent are disabled and 30 percent are seniors.

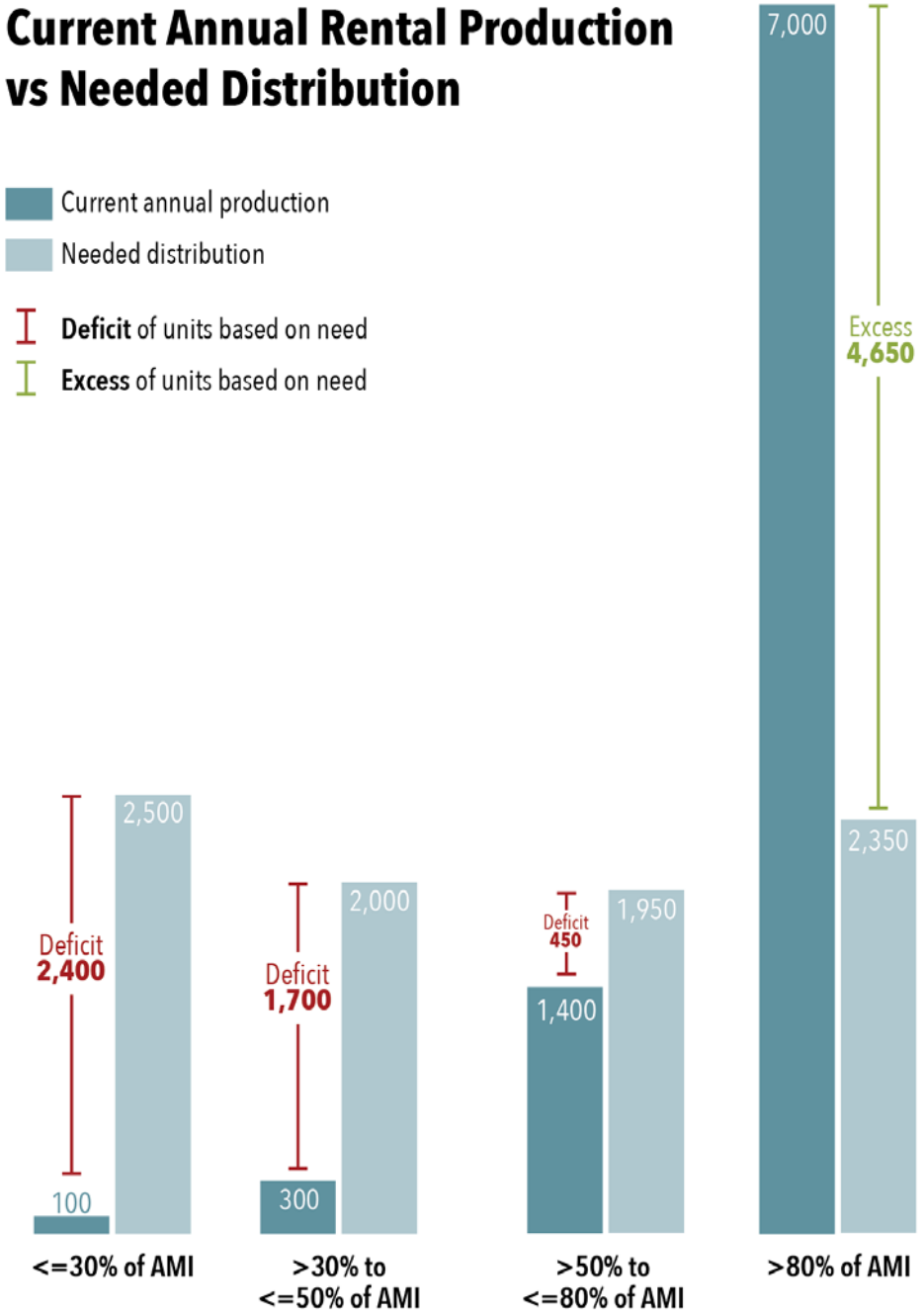


Statewide, the lowest income households are experiencing greatest burden.

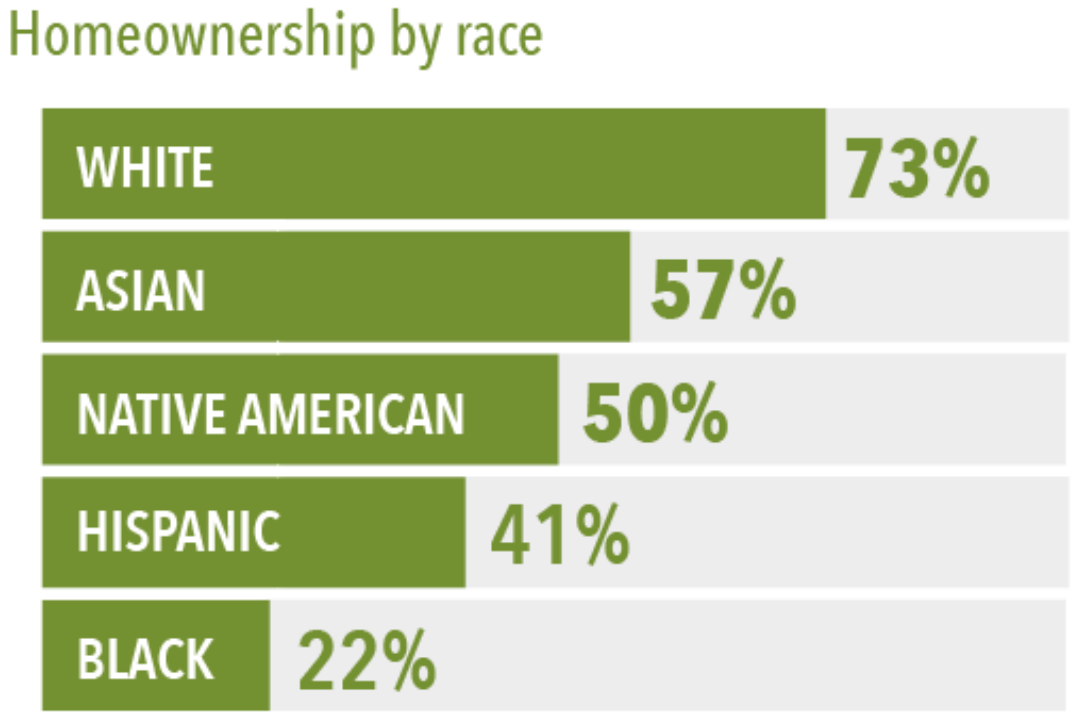


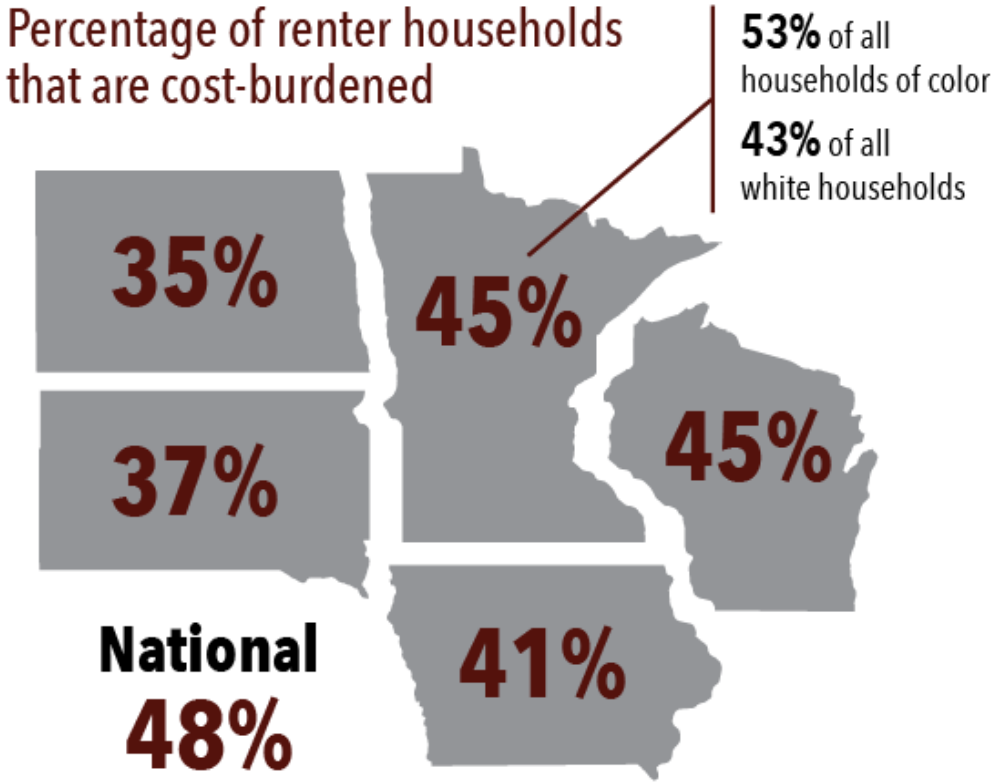
Current rental production is **not creating units** for families with greatest housing needs





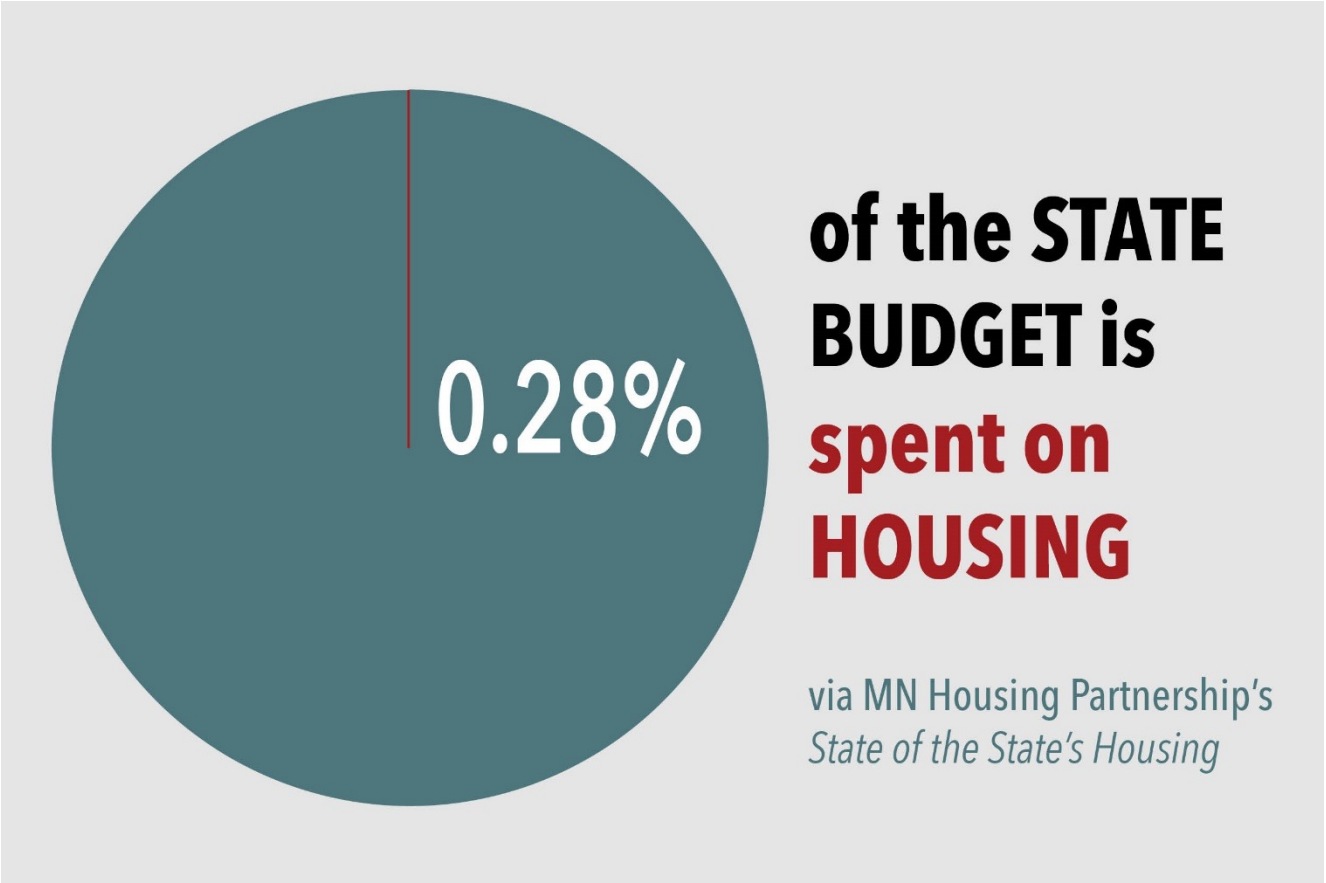
MN's racial disparities in housing are among the **worst in the nation**



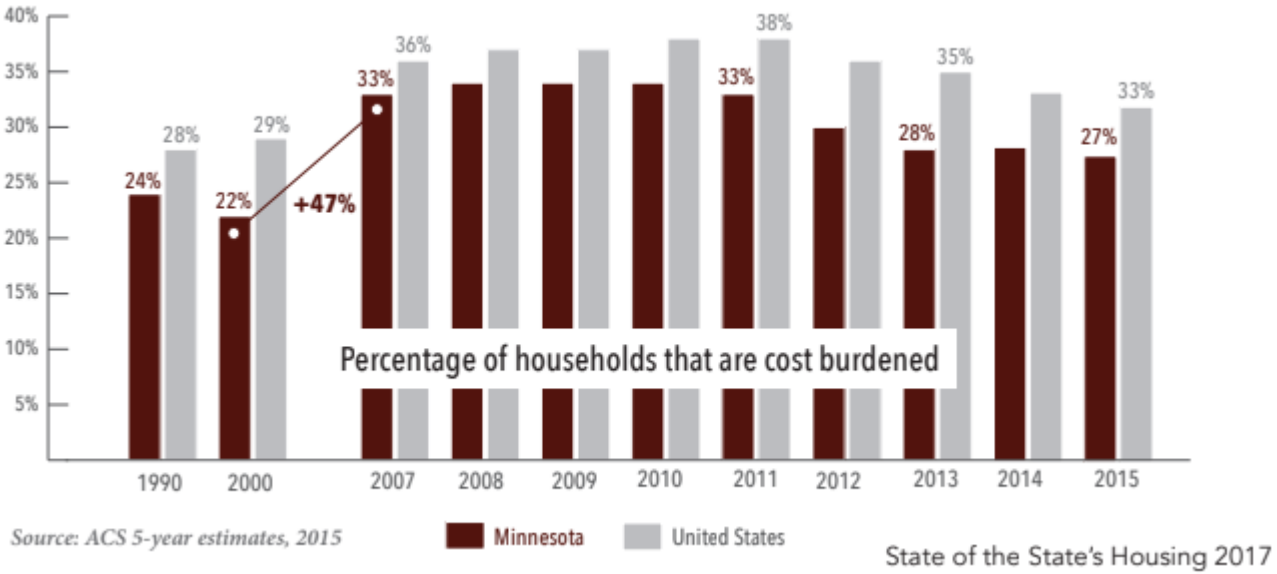


Renter housing cost burden is highest among **households of color** at 53 percent, compared to only 43 percent of White renter households. In total, only 2 in 5 households of color own their home in Minnesota. Nationally, the homeownership gap is 25 percent; in Minnesota it is far wider at 37 percent.

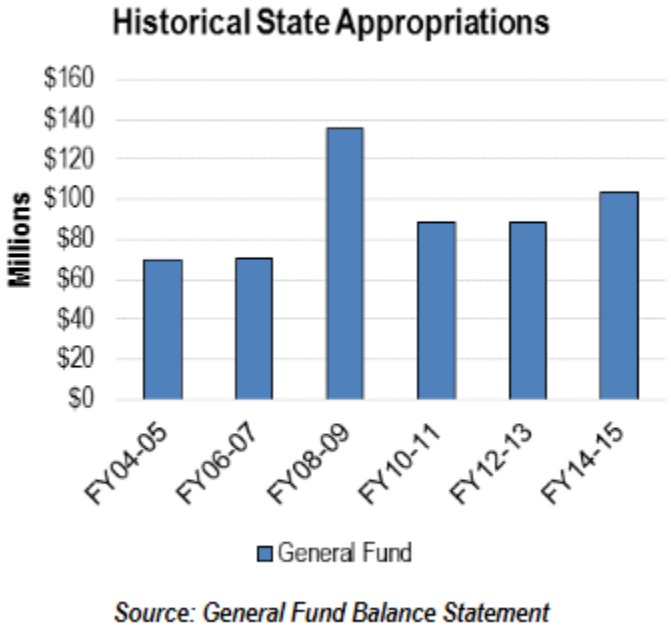
Funding at the state level is **miniscule compared to the need**



Investments have increased incrementally to address rise in cost burdened households but have never increased to address the fact that too many MN households are cost burdened. **Without new investments, over a quarter of MN households will continue to experience cost burden.**



State of the State's Housing 2017



Source: General Fund Balance Statement

Governor's Task Force on Housing



More Places to Call Home: Investing in Minnesota's Future

Goals and Recommendations

COMMIT TO HOMES AS A PRIORITY

Create a broader and stronger public commitment to the urgent need for more homes that are more affordable to more Minnesotans.

Like roads and bridges, homes are building blocks—assets that will be around for decades. By investing in our homes, we improve outcomes in education, health, and economic opportunity. Homes are our starting place.

- 1.1 Launch a public-private partnership to forecast demand, set goals and measure progress.
- 1.2 Create dedicated, permanent funding sources for affordable homes in addition to current funding sources.
- 1.3 Invite all Minnesotans to recognize homes as a central and critical part of the economic and social well-being of all residents and communities in Minnesota.

PRESERVE THE HOMES WE HAVE

Keep the homes we already have, especially those that are most affordable.

Let's begin by securing our existing assets. The most cost-effective way to provide homes that are affordable for Minnesotans is to maintain and preserve the homes and apartments we already have.

- 2.1 Expand and streamline existing rental rehabilitation programs to preserve critical rental assets.
- 2.2 Incentivize private-market owners to keep rental units affordable to low-wage families by using targeted support from local and state government.
- 2.3 Support and expand existing home-rehabilitation tools and programs at the state and local levels to serve more homeowners who need to make improvements.
- 2.4 Substantially increase support for rehabilitation of public housing, much of which is experiencing notable deterioration.

BUILD MORE HOMES

Build 300,000 new homes by 2030, across all types, prices, and locations to stabilize prices and meet demand.

Minnesota has built a reputation of livability and opportunity, with homes people can afford as a key ingredient. To ensure our neighborhoods and communities remain strong and healthy, we need to use all the tools and innovation at our disposal to enable the private sector to build to meet the demand.

- 3.1 Position Minnesota as a national leader in the advancement of housing innovation and technology.
- 3.2 Grow the pool of talent in Minnesota's building trades to enable the sector to meet current and future demand.
- 3.3 Increase the capacity of local leaders to implement tools and solutions to address the home-affordability needs of their communities.
- 3.4 Expand the range of housing types across Minnesota communities.
- 3.5 Create a statewide review panel to evaluate regulations related to building standards, land use, and environmental stewardship for their impact on housing affordability.

INCREASE HOME STABILITY

Assist twice as many people at risk of losing their homes because of rent increases, evictions, and heavy cost burdens.

When you lose your home, you lose your community—and the consequences of this major life disruption can last for decades. By doubling our investment in rental assistance, promoting voucher acceptance, preventing displacement, and improving protections for renters, we can reverse this trend, so kids learn, parents earn, and communities grow stronger.

- 4.1 Enhance and expand state and local **rental assistance** programs to complement federal programs that are too small to meet the need.
- 4.2 Define and crack down on **predatory rental practices**, including excessive evictions and poor condition of rental units.
- 4.3 Strengthen **protections for renters** in the private market.
- 4.4 Increase the speed and flexibility of emergency resources to prevent people from losing their homes.
- 4.5 Expand and enhance programs that help people **navigate the systems** to find homes and vital housing resources.
- 4.6 Incentivize the **acceptance of rental assistance vouchers** by the private market.
- 4.7 Prioritize investments needed to achieve the goals in **Heading Home Together:** Minnesota's Action Plan to Prevent and End Homelessness.

LINK HOMES AND SERVICES

Build stronger links between where we live and the services we may need to live stable lives.

At some point in our lives, most of us will need a helping hand. Many of us will be seniors who require assistance to stay in the place we've long called home. Other Minnesotans have experienced trauma or need health services. We can achieve better outcomes in a more cost-effective way when we coordinate services to meet people where they live.

- 5.1 Provide a **dependable stream of funding** for social services that help households maintain stable homes.
- 5.2 Provide access to a full range of services for families and individuals **transitioning** into stable homes before, during, and after the transition.
- 5.3 Improve health outcomes and reduce costs for tenants by developing better **partnerships between health care and housing** providers.
- 5.4 Advance the Housing Supports program for residents with disabilities by **identifying gaps** and potential program enhancements to ensure statewide coverage.
- 5.5 Expand programs and providers who **assist** individuals in finding, securing, and retaining affordable rental homes.

SUPPORT & STRENGTHEN HOMEOWNERSHIP

Create pathways to sustainable homeownership, with a focus on removing barriers for households of color.

Our wealth and our retirement savings are concentrated in our homes. Most Minnesotans want to own a home, and everyone who can sustain homeownership should be offered the tools, coaching, and access to financing they need to make this investment in their own future and in our communities.

- 6.1 Focus on increasing access to homeownership resources for the large number of income-ready households of color who want to buy.
- 6.2 Promote alternative models of building wealth through homeownership, such as community land trusts, cooperatively owned housing and manufactured home parks.
- 6.3 Encourage employers and foundations to support home purchases.
- 6.4 Increase funding for financial education and counseling programs that expand the capacity of households to pursue homeownership.
- 6.5 Expand mortgage products and provide extra support to local community banks to expand financing options.
- 6.6 Expand available down-payment assistance programs.

Commit to Homes as a Priority

Recommendation 1.2

Create dedicated, permanent funding sources for affordable homes in addition to current funding sources.

How to prioritize new funding for housing?

We ask:

- What are the most important housing needs in your community? What does “the system” fund today?
- What does success look like?
- If you had new resources, how would you prioritize that funding?

Values and Principles:
Prioritizing New Funding for Housing

- Serving the greatest needs
- Flexible to local needs and community driven solutions
- Sustainable and predictable
- Outcome driven, maximizing value

What did others say?

- Prioritized low to very low income households (30-50% AMI)
- Prioritized rental assistance, including project based
- Prioritized reducing racial disparities
- Local needs and community based priorities a consistent theme
- Emphasized the need for balance (between rental assistance and production, serving lowest income and the full housing continuum)

Minnesota Housing Partnership

Connect with MHP!

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