

CITY OF MINNEAPOLIS

# Housing Stability Strategy

Andrea Brennan  
Director, Housing Policy &  
Development

# Housing Stability Strategy Framework

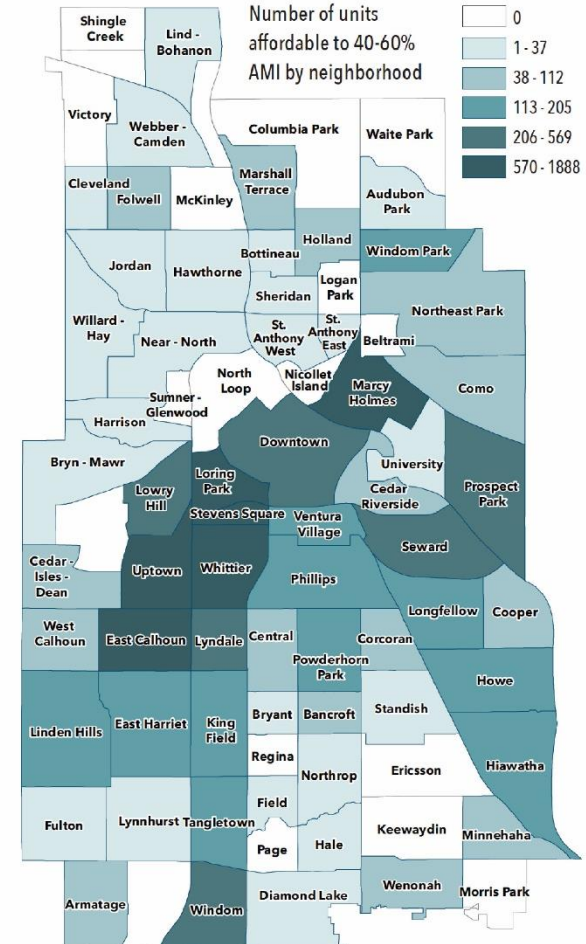
- Trends and Data
- Naturally Occurring Affordable Housing (NOAH) Preservation Initiatives
  - Acquisition by preservation buyer
  - Incentives for existing rental properties to maintain lower rents
- Policy Initiatives
- Tenant Stability

# Rental Housing Data: NOAH in Minneapolis

- 95,000 rental units
  - 29% are 1-3 units – limited market data
  - 71% are 4+ unit buildings – more market data
- 4+ unit buildings
  - About 15,000 units affordable to households with incomes at or below 60% AMI
  - Average building size = 17 units (compared to 149 units in Class A)
- Increase in Sales
  - 288 unit sales in 2010; 4,005 units sold in 2017 (~8% of total units)
  - Rents of sold units increased more than rents of unsold units

NOTE: Our dataset includes only properties with four or more units. Given the prevalence of smaller properties and rental of single family homes in North Minneapolis our analysis likely dramatically underrepresents the availability of affordable units in these neighborhoods.

Neighborhood	40-60 AMI units	Neighborhood	40-60 AMI units
Whittier	1,888	Hiawatha	138
Marcy-Holmes	1,187	Howe	130
Loring Park	1,184	Ventura Village	125
Uptown	1,064	Cedar Isles Dean	112
East Calhoun	1,041	Cedar Riverside	107
Stevens Square	881	Wenonah	99
Lowry Hill	569	Folwell	98
Seward	503	Northeast Park	92
Windom	468	Corcoran	82
Downtown	375	Armatage	72
Lyndale	360	Minnehaha	70
Prospect Park	311	Marshall Terrace	66
Windom Park	205	West Calhoun	66
Phillips	188	Cooper	65
Tangletown	175	Central	61
Powderhorn Park	171	Como	58
Longfellow	156	Bancroft	51
Linden Hills	148	Holland	48
East Harriet	145	Webber-Camden	37
Kingfield	138	Cleveland	36



Source: Minnesota Housing Partnership "Market Watch: Minneapolis" | [www.mhponline.org/market-watch-mpls](http://www.mhponline.org/market-watch-mpls)

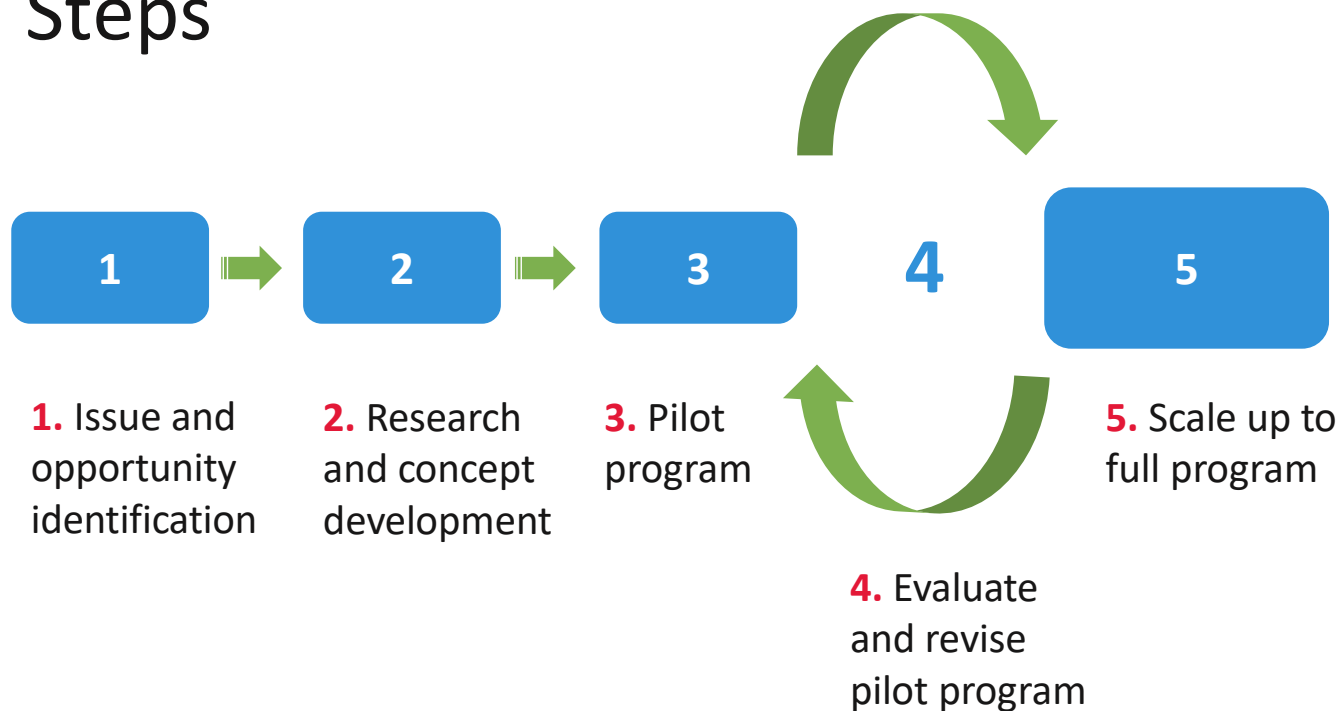
## Innovative Housing Strategies

### Pilot Program Steps

**Innovative Housing Strategies**

---

POLICY 36



# Preservation: Acquisition Strategy

- NOAH Preservation Fund
  - \$4.5 million fund
  - 0% interest deferred loan to preservation buyers
  - Up to \$25,000 per unit
  - Leveraged by other non-profit funds
  - Criteria and documents pre-approved; ability to move quickly
- NOAH Investment Policy (pairs with Preservation Fund)
  - City purchases Freddie Mac Participation Certificate Bond – underlying mortgage for NOAH property at lower rate
- Small Medium Multifamily Pilot (SMMF)
  - 2-49 unit buildings
  - Partnership with Land Bank, Twin Cities, Local Initiatives Support Corporation (LISC)
  - Land Bank acquires multiple properties, makes needed repairs, assembles into portfolios, sells to non-profit community based organizations

# Preservation: Owner Incentives

- 4d Affordable Housing Incentive Program
  - 4d property tax classification allows for ~40% tax rate reduction
  - 10 year declaration restricting at least 20% of the units affordable to and occupied by 60% AMI households
  - Grants of \$100/unit, maximum of \$1,000
  - City energy efficiency incentives
  - Properties with as few as 2 units
  - Administrative light touch
  - Launched as a limited pilot program in 2018 – certified 10 buildings, 207 units with broad geographic distribution
  - 2019 program application period started 12/1/18: 104 buildings, 700 units

# Policy Initiatives

- Inclusionary Zoning
- Advance Notice of Sale (of NOAH property)
- Post Sale Tenant Protections (of NOAH property)
- Tenant protections ordinance
- Anti-Displacement Policy agenda



# Tenant Stability

- Tenant Hotline
  - Information and referral services ~ 3,000 renters served annually
- Tenant Legal Services
  - Increased tenant representation in housing court to enforce rights to live in housing that meets city code requirements and evictions cases
  - Tenant hotline serving 3,000 renters annually
- Rental License and Code Enforcement
- Public Housing partnerships
  - Stable Homes Stable Schools
  - Property Owner Incentive Fund