

2009

MINNESOTA BASELINE HOUSING MEASURES

August 2010

THE MCKNIGHT FOUNDATION

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MINNESOTA Baseline Housing Measures

Introduction

In 2007, The McKnight Foundation and HousingLink started collaboration on the Minnesota Baseline Housing Measures report. The intent of the report was to track activity, through a series of specific measurements, within the affordable housing community. It was hoped that the data collected would help further policy discussion by demonstrating the consistent diligence with which the affordable housing community pursues its goal of efficiently meeting the growing need for affordable housing. Ultimately, this effort is to assist The McKnight Foundation with its housing vision: to increase family stability and link families to greater opportunity in our communities.

The McKnight Foundation works toward the following housing objectives:

- To increase public acceptance of and support for high-quality affordable housing.
- To promote innovation and quality design beneficial for people, communities, and the environment.
- To accelerate the pace of production, preservation, and permanency.

The release of the 2009 Minnesota Baseline Housing Measures report represents the first view of a three-year trend in affordable housing activity. The past three years have been eventful, with an historic economic and housing downturn. McKnight and its key partners in housing have engaged a broader “*Re-thinking Housing*” discussion to consider how we as a community approach housing in terms of buildings, places, and systems. *Rethinking Housing* is a continuing conversation to identify and develop innovation in buildings, places, and systems throughout the Twin Cities region.

The following themes have emerged:

Competing Resources & Priority

In Minnesota, as elsewhere, we are in the most turbulent and dynamic housing market since the great depression. Our community’s concerted response to the foreclosure crisis has been both impressive and appropriate — but homeownership is not the only answer, and may not align with the economic realities of all families.

The housing crash has resulted in an affordable housing backdrop that is drastically different than just three years ago. Minnesota foreclosures went up over 300% from 2005 to 2008,¹ and the region has since been reeling from an aftermath of vacant homes and falling home prices.² Public sector and non-profit players have scrambled to cope with the dual challenges of housing low-income families and implementing responsible development strategies to stabilize neighborhoods that hang in the balance.

As a result, there have been correspondingly fewer resources dedicated to funding traditional affordable housing efforts focused on rental housing with 2009 spending on affordable, publicly-subsidized development down nearly 35 percent from 2007 levels.³

Compounding the issue has been the reluctance of private market investment in challenging economic times, particularly with the value of Low Income Housing Tax Credits at an all-time low.⁴ In response, the public sector has found it necessary to increase its percentage of gap financing⁵ by 73 percent in just three years' time.⁶

In making adjustments to the new normal for affordable housing, we must recognize the critical need to direct resources to stabilize high-quality rental opportunities. To meet the state's growing need for affordable housing, our focus will need to begin to shift back to invest in well-placed rental housing which can bridge the gap between Minnesota's supply of affordable housing and our families in need.

Weathering the Storm

Subprime mortgages, which fueled the foreclosure crisis in the early stages, are now not as prevalent in the loan pool.⁷ Combined with strengthened underwriting and a higher percentage of government loans,⁸ this may result in a stronger long-term homeownership market and the ability for governments and nonprofits to shift focus back to meeting low-income housing needs. In the *short-term*, unemployment levels are expected to remain high,⁹ and family budgets continue to be squeezed by the additional cost of transportation to jobs and services that are not accessible to the communities in which they can afford to live. This combination of factors is expected to force large numbers of homeowners into foreclosure throughout 2010 and beyond. Indeed, Q1 2010 saw the second highest foreclosure total for the state of MN in six quarters, continuing a four-quarter rising trend.¹⁰

Both Minnesota's public and non-profit sectors have had some measure of success in taking on the foreclosure crisis through a number of collaborative and legislative initiatives. Foremost among those efforts is a statewide network of foreclosure prevention counselors funded primarily by the National Foreclosure Mitigation Counseling Program. Given an average counseling cost of \$410 per household,¹¹ and a success rate of 57 percent,¹² the cost-benefit of investing in foreclosure mitigation is startling, relative to the public cost burden of addressing the problem after a home has been foreclosed and stands vacant. New state legislation gives the network access to contact information for homeowners who have been served with pre-foreclosure notices, as well as additional resources to which they can refer delinquent homeowners once contact has been made.

For those homes which do end in foreclosure and stand vacant, a coordinated effort of local nonprofit agencies and state and local governments have partnered to address strategic foreclosure remediation. These organizations have created and delivered a variety of programs for acquisition/rehab, as well as loan products that are funded both locally and by nearly \$95 million in the two phases of the Neighborhood Stabilization Trust program,¹³ As of the end of 2009, however, only a small portion of phase one has been spent and thus reflected in the Housing Measures production totals.

Keeping Our Eye on the Ball

While the foreclosure crisis has had a widespread impact for Minnesotans in every income range, the impact of the struggling economy has fallen most acutely upon those in need of affordable housing. While foreclosures continue to demand resources from the public and nonprofit sectors, homelessness is on the rise¹⁴ and an ever-growing percentage (33 percent) of Minnesotans count themselves among those considered "cost-burdened" by their housing expense.¹⁵

Part of the response to this historic need has been an additional \$206 million in federal housing money from the American Reinvestment and Recovery Act (ARRA).¹⁶ Although some portion of that money has also been directed towards neighborhood stabilization, there has been significant money allocated to increasing and preserving affordable housing stock.¹⁷ Much of the actual production from that extra investment cannot yet be reflected in the Housing Measures report, but we expect ARRA money to be reflected in production numbers for 2010 and beyond. Additionally, the introduction of the Section 1602 exchange funds¹⁸ is expected to free up currently stalled housing developments, and may also contribute to increased 2010 production.

It is becoming increasingly clear, however, that measures to address housing cannot exist in a vacuum. The one-third of communities, nationwide, who are cost-burdened by housing payments grows to over 60 percent of all communities when both housing and transportation costs are considered.¹⁹ In the wake of the housing crisis, this is a reality that is acknowledged by HUD Secretary Shaun Donovan, as he suggests "...access to decent, affordable housing can be achieved only in context of the housing, transportation, and energy costs and choices that American families experience each day."²⁰

Opportunities from Crisis

The current economic downturn has highlighted some instinctive reactions to affordable housing development, including the use of existing structures and the extension of existing affordability commitments.²¹ In addition, in light of the Federal Government's recent declaration of intent to guide development with an eye towards location efficiency,²² communities have a unique opportunity to engage in strategic partnerships with agencies that govern other critical areas of community interest, such as transportation and education and better position our region to meet long-term housing needs and efficient allocation of resources. Local and federal support for low-income housing vouchers, along with continued investment in public transportation strategies proven to deliver accessibility to job opportunities for lower-wage workers²³ can contribute to the choice in housing that is essential for the growth of sustainable communities.

The housing crisis has ushered in a new era of risk awareness and the desire for sound investment from both a personal and public perspective. Agencies and non-profits must seize upon this unique point in history, engaging the public and policymakers on the following issues:

- We must work to influence policy to mandate housing decisions within the framework of transportation, education, and employment opportunities, such that housing choice works to create sustainable models of living for families.
- Multi-family housing has long been thought to be the domain of the economically disadvantaged and only a stepping-stone on the way to single-family home ownership for everyone else. Could multi-family housing actually provide a better long-term economic decision for many low- to middle- income families?
- We must work to change public will and policy to best implement initiatives with clear, proven cost benefits. Efforts that are both cost effective and achieve multiple community goals in building a healthier more sustainable community.

- We must continue to focus on mechanisms that will preserve or convert existing structures, at minimal cost and using existing green standards, to bolster the affordable housing stock. Green housing offers additional competitive advantages, with potential to propel Minnesota to the forefront in energy efficiency, industry, and jobs.

Conclusion

It is inevitable that changes in the housing market force us to rethink field approaches in certain periods of history and this is one of those times. Decisions about rental investments, preservation, and locations of those investments are necessary to ensure housing is an integrated activity connecting transportation, jobs, and community development strategies that achieve multiple long-term benefits in this time of limited state and local resources.

The McKnight Foundation

¹ HousingLink: *Foreclosures in MN: A Report Based on Sheriff's Sale Data*, February 26, 2009

² From a median of around \$230,000 per traditional sale in Q1 of 2006 to around \$200,000 per traditional sale, according to Minneapolis Area Association of Realtors, *Foreclosures and Short Sales in the Twin Cities* report, April 2010.

³ McKnight Foundation, *Housing Measures Report: Gap Financing Fact Sheet*.

⁴ From over \$1.00 paid per LIHTC dollar in January 2006 to under \$0.70 in January 2009, according to data provided by Jim Steiner of National Equity Fund, a national housing tax credit syndicator.

⁵ Gap financing refers to the amount of additional financing required in order to incent a developer to close on an affordable housing construction project. Such financing is typically interdependent on an affordability commitment that will keep a certain percentage of housing units affordable beyond its original occupant.

⁶ McKnight Foundation, *Housing Measures Report*, Gap Financing Fact Sheet

⁷ Mortgage Bankers Association, *National Delinquency Surveys: 2005-2009*

⁸ *ibid*

⁹ Mortgage Bankers Association, *Economic Forecast*, May 2010 accessed at http://www.mbaa.org/files/Bulletin/InternalResource/72838_.pdf on May 18, 2010

¹⁰ HousingLink: *Minnesota Foreclosure Update: Q1 2010*, May 4, 2010

¹¹ Federal Reserve Bank of Minneapolis: *Gaining a Better Understanding of the Costs of Homeownership Programs: A Case Study and Recommendations for Minnesota's Home Ownership Center*, retrieved at http://www.minneapolisfed.org/publications_papers/capapers/homeownership_cost_center_study.pdf on May 18, 2010.

¹² MN Home Ownership Center.

¹³ MN Housing.

¹⁴ Minnesota Housing Partnership *Q1 2010 2x4 Report*.

¹⁵ 33.7 percent in 2008 as compared to 22.4 percent in 2000, according to Minnesota Compass, retrieved at <http://www.mncompass.org/housing/key-measures.php?km=Costburdenedhouseholds#1-661-q> on May 18, 2010

¹⁶ McKnight Foundation, *Housing Measures Report: Funding Fact Sheet*.

¹⁷ *ibid*

¹⁸ Section 1602 Exchange Funds are grants to states for Low-Income Housing Projects in Lieu of Low-Income Housing Credits.

¹⁹ Center for Neighborhood Technology, *Penny Wise, Pound Foolish: New Measures of Housing + Transportation Affordability*, February 2010.

²⁰ HUD Secretary Shaun Donovan, *Livable Communities, Transit Oriented Development, and Incorporating Green Building Practices into Federal Housing and Transportation Policy* written testimony to US House of Representatives, March 18, 2009

²¹ Preservation represented 28% of production in 2002 versus 55% in 2008, according to HousingLink, *Housing Counts* reports: 2002-2008.

²² HUD Secretary Shaun Donovan announced that HUD will begin using location efficiency to score our grant applications on May 19, 2010

²³ Center for Transportation Studies and the University of Minnesota Hubert H. Humphrey Institute of Public Affairs, *Can LRT Improve the Job Access of the Working Poor?*, January 26, 2010

MINNESOTA HOUSING MEASURES

Opportunities for Affordable Housing

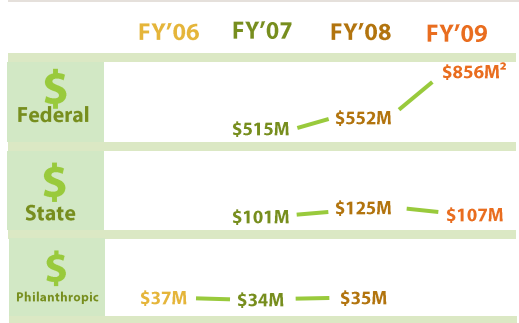
Rental (statewide)

	Pre-2007	New 2007	New 2008	New 2009	Total	3-Year Change
Publicly-Assisted Units Closed	100,826	1,220	723	985	103,754	2.9%
Tenant-Based Vouchers Allocated	32,501	370	720	410	34,001	4.6%
TOTAL OPPORTUNITIES	133,327	1,590	1,443	1,395	137,755	3.3%
Preserved Publicly-Assisted Units	6,262 ¹	1,307	1,123	1,675	NA	NA

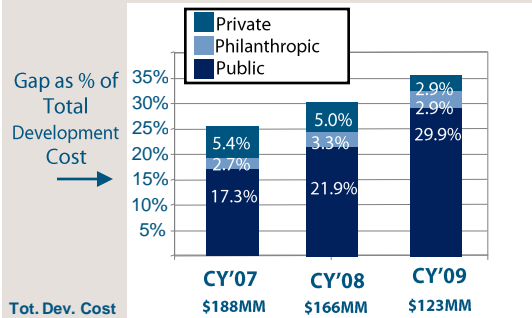
Homeownership (statewide)

	Pre-2007	New 2007	New 2008	New 2009	Total	3-Year Change
Perpetually-Affordable Units	1,758	207	215	177	2,357	34.1%
Down Payment Assistance	NA	1,529	1,251	1,146	NA	NA
TOTAL OPPORTUNITIES	NA	1,736	1,466	1,323	NA	NA

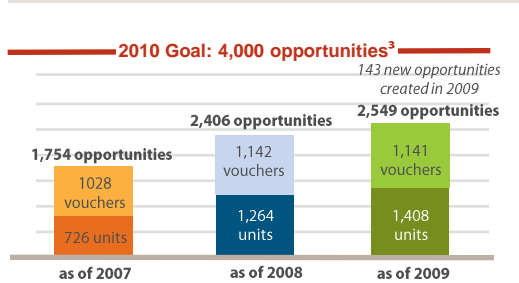
Funding for Affordable Housing



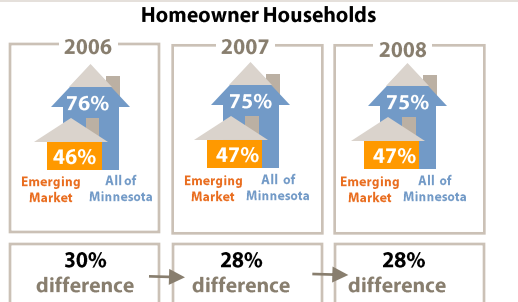
Gap Financing (for new publicly-assisted rental units)



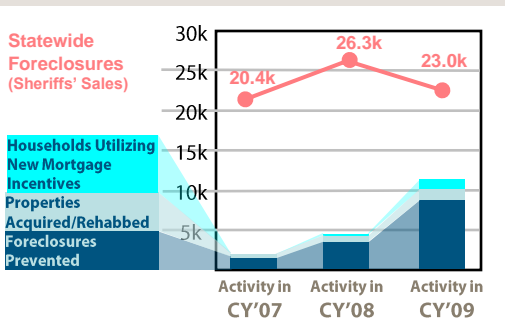
Ending Long-Term Homelessness



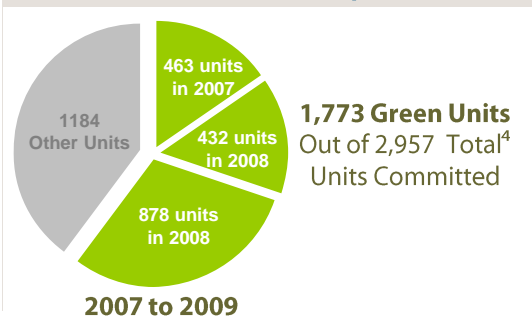
Emerging Market Homeownership



Foreclosures



Green Housing



¹Activity since 2002 in the Twin Cities Metro only ²2009 Federal Funds Include \$206MM in Recovery Act funding. ³Potential overlap in units and voucher counts equaling total opportunities. ⁴MN Housing-funded units only.

Twin Cities

Affordable Housing Opportunities

Rental (total): 58,776

Newly Affordable: 496

Preserved: 1,505

Habitat/CLT Units (total): 1,092

New Units : 72

Down Payment Assistance (2009)

New Households Assisted: 863

Emerging Market (2008)

EM Homeownership Rate: 45%

ELTH (2009)

New Opportunities: 189

Foreclosures (2009)

Sheriff's Sales: 14,459

Greater Minnesota

Affordable Housing Opportunities

Rental (total): 44,978

Newly Affordable: 489

Preserved: 170

Habitat/CLT Units (total): 1,257

New Units: 105

Down Payment Assistance (2009)

New Households Assisted: 283

Emerging Market (2008)

EM Homeownership Rate: 53%

ELTH (2009)

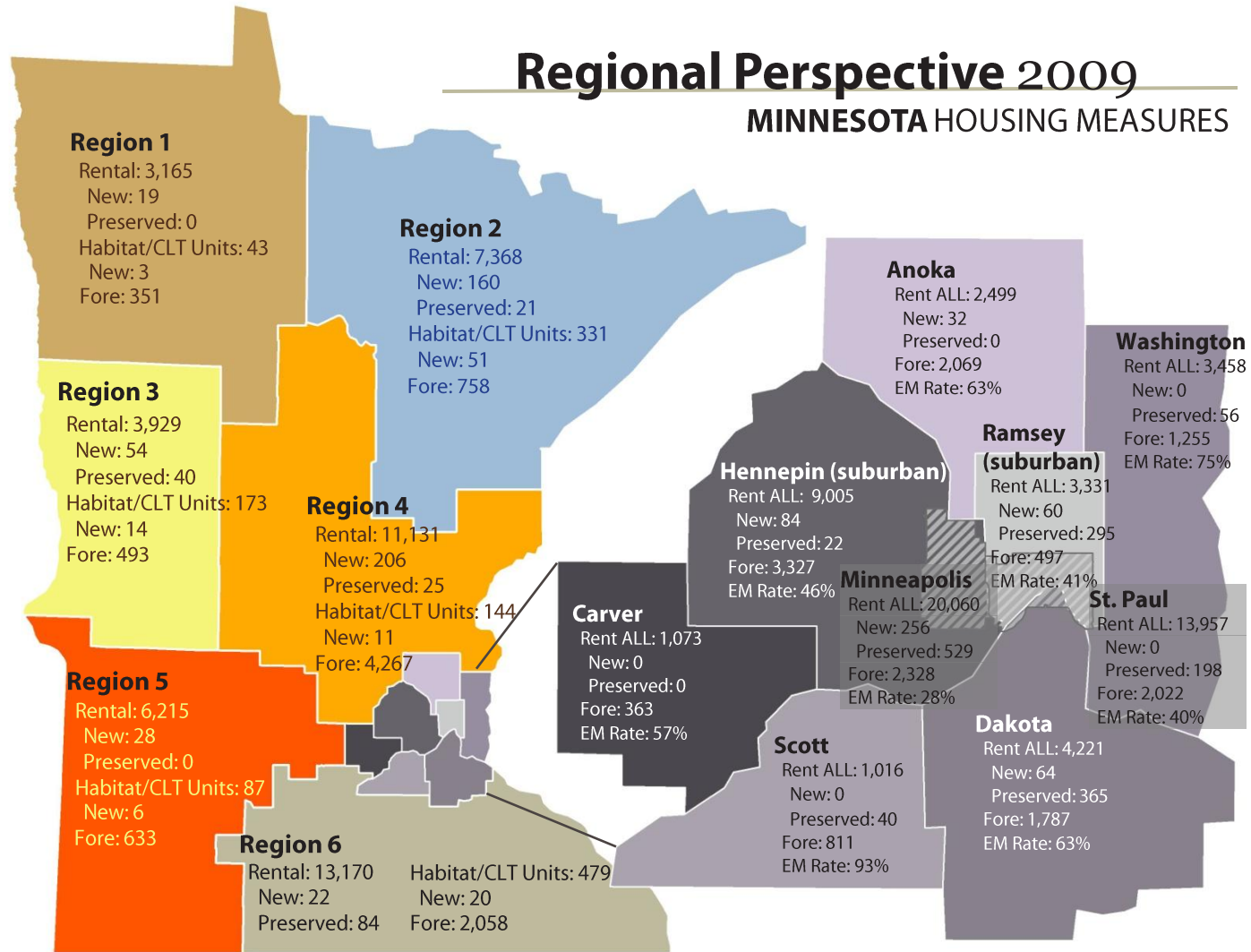
Opportunities Lost: 46

Foreclosures (2009)

Sheriff's Sales: 8,560

Regional Perspective 2009

MINNESOTA HOUSING MEASURES



key

Rental = Total publicly-assisted rental units **(Rental) New** = Newly affordable units **(Rental) Preserved** = Preserved units **Habitat/CLT Units** = Total perpetually-affordable units **(Habitat/CLT Units) New** = Perpetually affordable units (added FY 2008) **Fore** = 2009 Sheriff Sale Foreclosures **EM** = Emerging Market Households in 2008

Region 1: Beltami, Clearwater, Hubbard, Kittson, Lake of the Woods, Mahnommen, Marshall, Norman, Pennington, Polk, Red Lake Roseau. **Region 2:** Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, St. Louis. **Region 3:** Becker, Clay, Douglas, Grant, Otter Tail, Pope, Stevens, Traverse, Wilkin. **Region 4:** Benton, Cass, Chisago, Crow Wing, Isanti, Kanabec, Mille Lacs, Morrison, Pine, Sherburne, Stearns, Todd, Wadena, Wright. **Region 5:** Big Stone, Chippewa, Cottonwood, Jackson, Kandiyohi, Lac Qui Parle, Lincoln, Lyon, McLeod, Meeker, Murray, Nobles, Pipestone, Redwood, Renville, Rock, Swift, Yellow Medicine. **Region 6:** Blue Earth, Brown, Dodge, Faribault, Fillmore, Freeborn, Goodhue, Houston, LeSueur, Martin, Mower, Nicollet, Olmsted, Rice, Sibley, Steele, Wabasha, Waseca, Watonwan, Winona

About The McKnight Foundation

The McKnight Foundation, a Minnesota-based private philanthropic organization, seeks to improve the quality of life for present and future generations. Through grant-making, coalition-building, and encouragement of strategic policy reform, we use our resources to attend, unite, and empower those we serve. Learn more at www.mcknight.org.

About HousingLink

HousingLink is an independent, nonprofit organization that distributes affordable housing information to service agencies, housing providers, and policymakers in the Twin Cities seven-county metropolitan area. Learn more at www.housinglink.org.

Special Thanks to Contributing Project Partners

Anoka County - Kate Thunstrom, Central Community Land Trust - Jason Kresbach, City of Brooklyn Park - Kimberly Berggren, City of Duluth - Keith Hamre, City of Lakes Community Land Trust - Staci Horwitz, City of Minneapolis - Matt Bower - Scott Ehrenberg - Katie White, City of Moorhead CDA - Loretta Szweduk, City of St. Paul - Tom Sanchez, Dakota County CDA - Stephanie Newburg - Melissa Taphorn, Duffy Development - Jeff Von Feldt, Emerging Markets Homeownership Initiative - Shawn Huckleby, Family Housing Fund - Tom Fulton - Moira Gaidzanwa - Lowell Yost, Federal Home Loan Bank of Des Moines - Curt Heidt, Federal Reserve Bank Minneapolis - Michael Grover, Greater Metropolitan Housing Corporation - Carolyn Olson - Eden Spencer, Greater Minneapolis Crisis Nursery - Mary Pat Lee, Greater Minnesota Housing Fund - Robyn Bipes - Warren Hanson - Linda Kozak - Amy McCullough - Stephanie Omersa Vergin, Habitat for Humanity Minnesota - Jan Plimpton, Habitat for Humanity Twin Cities - Mike Radcliffe, Hearth Connection - Jennifer Ho, Hennepin County - Kevin Dockry - Tonja West-Hafner, Housing Assistance Council - Lance George, Housing Preservation Project - Tim Thompson, Metropolitan Council Housing and Redevelopment Authority - Beth Reetz, Minnesota Community Land Trust Coalition - Jeff Washburne - Pat Steiger, Minnesota Council on Foundations - Anne Graham - Juliana Tillema, Minnesota Department of Employment and Economic Development - Reed Erickson, Minnesota Home Ownership Center - Karen Duggleby - Dana Snell, Minnesota Housing - Carol Dixon - Laura Kadwell - Amy Long - Julie Ann Monson - Tonja Orr - John Patterson - Ruth Simmons - Heidi Whitney, Minnesota Housing Partnership - Chip Halbach - Leigh Rosenberg, National Low Income Housing Coalition - Danillo Pelletiere, Northern Communities Land Trust - Jeff Corey, Ramsey County Community and Economic Development - Denise Beigbeder - Mary Lou Egan, Rochester/Olmsted Planning Department - Theresa Fogarty, St Louis County Planning and Development Department - Steve Nelson, Three Rivers Community Action - Jenny Larson, Twin Cities Community Land Bank - Mikeya Griffin, University of Minnesota's Center for Urban and Regional Affairs - Jeff Matson, University of Minnesota's Center for Sustainable Building Research - John Carmody, US Department of Agriculture - Lance George, US Department of Housing and Urban Development - Jeff Gagnier - Jamie Jaunty, Washington County Community Services - Joshua Beck, YWCA of Saint Paul - Stephanie Battle

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Table of Contents

Baseline Housing Measures Fact Sheets

Affordable Housing Opportunities.....	1
Rental – New and Preserved Subsidized Affordable Units	2
Rental – New Tenant-Based Vouchers Allocated	3
Homeownership – New Opportunities	3
Gap Financing.....	4
Dollars Allocated to Housing.....	5
Federal	6
State	7
Philanthropic	8
Ending Long-Term Homelessness.....	10
Emerging Market Homeownership	11
Foreclosures.....	12
Green Housing.....	14
Appendix.....	15
McKnight Housing Vision	16
Data Point Methodology with Updates	19

Affordable Housing Opportunities

GOAL 1: Public Will

Rental (statewide)	Pre-2007	New 2007	New 2008	New 2009	Total	3-Year Change
Publicly –Assisted Units Closed	100,826	1,220	723	985	103,754	2.9%
Tenant-Based Vouchers Allocated	32,501	370	720	410	34,001	4.6%
TOTAL OPPORTUNITIES	133,327	1,590	1,443	1,395	137,755	3.3%
Preserved Publicly-Assisted Units	6,262 ¹	1,307	1,123	1,675	NA	NA
Homeownership (statewide)						
Perpetually-Affordable Units	1,758	207	215	177	2,357	34.1%
Down Payment Assistance	NA	1,529	1,251	1,146	NA	NA
TOTAL OPPORTUNITIES	NA	1,736	1,466	1,323	NA	NA

Key Definitions

- **Affordable Unit:** Units affordable to households earning 60% Area Median Income or below in Twin Cities, and 80% or below in Greater MN.
- **Publicly-Assisted Units Closed:** Rental housing with a first-time commitment to affordability, whether through new construction or by conversion from the private market.
- **Preserved Publicly-Assisted Units:** A previously subsidized affordable rental unit that is provided new funding to maintain or extend its affordability commitment.
- **Tenant-Based Vouchers Allocated:** Total number of tenant-based rental vouchers available to an issuing agency for distribution.
- **Perpetually Affordable Units (Homeownership):** Affordability stays with the property independent of ownership.
- **Down Payment Assistance:** Grants and deferred loans to homebuyers at zero percent interest to make purchase of a home affordable.

Rental – New and Preserved Subsidized Affordable Units

	2007			2008			2009		
	New	Pres/Stab	Total Inventory	New	Pres/Stab	Total Inventory	New	Pres/Stab	Total Inventory
Twin Cities	946	928	57,767	513	614	58,280	496	1,505	58,776
Anoka	0	0	2,407	60	0	2,467	32	0	2,499
Carver	59	0	1,025	48	0	1,073	0	0	1,073
Dakota	81	28	4,109	48	32	4,157	64	365	4,221
Hennepin (suburban part only)	23	692	8,779	142	72	8,921	84	22	9,005
Minneapolis	463	105	19,743	61	93	19,804	256	529	20,060
Ramsey (suburban part only)	47	0	3,223	48	204	3,271	60	295	3,331
St Paul	188	7	13,880	77	176	13,957	0	198	13,957
Scott	44	0	1,016	0	37	1,016	0	40	1,016
Washington	41	96	3,429	29	0	3,458	0	56	3,458
(County Data Unavailable)	0	0	156	0	0	156	0	0	156
Greater MN	274	379	44,279	210	509	44,489	489	170	44,978
Region 1	20	134	3,136	10	0	3,146	19	0	3,165
Region 2	87	38	7,175	33	111	7,208	160	21	7,368
Region 3	37	60	3,863	12	43	3,875	54	40	3,929
Region 4	44	40	10,814	111	24	10,925	206	25	11,131
Region 5	25	0	6,187	0	72	6,187	28	0	6,215
Region 6	61	107	13,104	44	259	13,148	22	84	13,170
Total in MN	1,220	1,307	102,046	723	1,123	102,769	753	990	103,754

Sources: Minnesota Housing (MHFA), City of Minneapolis Community Planning and Economic Development (CPED), US Department of Housing and Urban Development (HUD), Federal Home Loan Bank (FHLB) of Des Moines, US Department of Agriculture (USDA).

Rental – New Tenant-based Vouchers Allocated

	Vouchers Allocated FY'07	New Vouchers Opportunities FY'07	Vouchers Allocated FY'08	New Vouchers Opportunities FY'08	Vouchers Allocated FY'09	New Vouchers Opportunities FY'09
Allocated Section 8 Vouchers	31,179	77	31,229	50	31,210	-19
Housing Trust Fund (HTF)	961	261	1,467	506	1,824	357
Bridges	593	96	756	163	800	44
Housing Opportunities for Persons with AIDS (HOPWA)	125	5	139	14	167	28
Rental Assistance for Family Stabilization (RAFS)	13	-69	0	-13	0	0
Total in Minnesota	32,871	370	33,591	720	34,001	410

Sources: US Department of Housing and Urban Development (HUD) and MN Housing.

Perpetually-Affordable Units

McKnight Region	Total Through 2007	New 2007	Total Through 2008	New 2008	Total Through 2009	New 2009
Twin Cities	933	87	1,027	94	1,092	72
1	36	4	42	6	43	3
2	257	23	296	39	331	51
3	147	12	161	14	173	14
4	119	14	132	13	144	11
5	73	8	83	10	87	6
6	400	59	439	39	479	20
Grand Total	1,965	207	2,180	215	2,357	177

Greater MN Total	1,032	120	1,152	121	1,257	105
Twin Cities Total	933	87	1,020	94	1,092	72

Down Payment / Affordability Assistance

	2007	2008	2009
Twin Cities	743	599	863
Greater MN	786	652	283
Minnesota	1,529	1,251	1,146

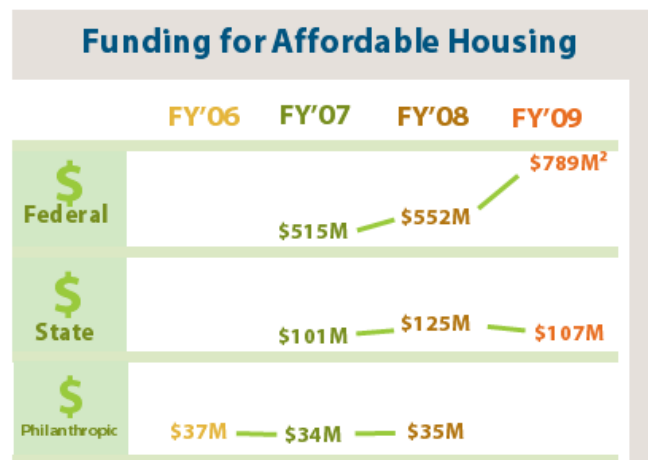
Perpetually-Affordable Units Sources: Habitat for Humanity, MN Community Coalition of Land Trusts (MN-CCLT).

Down Payment/Affordability Assistance Sources: MN Housing (MHFA), Family Housing Fund, Greater Minnesota Housing Fund.

Note: While this report aims to capture the majority of affordable housing opportunities available to Minnesota households, it is recognized that it does not capture all tenant-based voucher programs, perpetually-affordable units, or instances of down payment/affordability assistance.

Funding for Affordable Housing

GOAL 3: Increase Production & Preservation



(Data and footnotes on the following page)

Funding – Federal

usaspending.gov Spending Categories (2008 & 2009 only)	2007 Funding (see detail to right)	2008 Funding	2009 Funding
Community Development Block Grants*	-	\$14,074,663	\$33,155,598
Community Development Fund	-	\$59,403,453	\$117,198,361
Fair Housing Activities	-	\$120,000	\$575,485
Home Investment Partnership Program	-	\$22,716,522	\$24,704,920
Homeless Assistance Grants	-	\$23,552,578	\$20,831,819
Homeownership and Rental Housing Assistance	-	\$460,642	\$123,356
Housing Certificate Fund	-	-\$1,676,564	-\$5,226,017
Housing for Persons with Disabilities	-	\$6,492,287	\$9,185,568
Housing for the Elderly	-	\$24,721,055	\$14,984,904
Housing Opportunities for Persons with AIDS	-	\$1,413,029	\$2,536,824
Lead Hazard Reduction	-	\$10,407,612	\$3,599,834
Manufactured Housing Fees Trust Fund	-	\$42,467	\$60,643
Native American Housing Block Grant	-	\$17,680,696	\$17,647,535
Project-based Rental Assistance	-	\$93,319,779	\$120,762,145
Public Housing Capital Fund	-	\$37,166,066	\$36,916,590
Public Housing Operating Fund	-	\$45,588,793	\$54,277,950
Rent Supplemental Program	-	-\$465,999	-
Rural Housing and Economic Development	-	\$180,000	\$730,330
Tenant Based Rental Assistance	-	\$196,891,720	\$197,577,756
Community Development Fund**	-	-	\$15,835,629
Home Investment Partnership Program**	-	-	\$28,434,123
Homeless Assistance Grants**	-	-	\$23,546,196
Native American Housing Block Grant**	-	-	\$22,882,055
Project-based Rental Assistance**	-	-	\$14,613,426
Public Housing Capital Fund**	-	-	\$100,773,301

	2007	2008	2009
Total Funding	\$515,057,203	\$552,088,799	\$855,728,331
Total ARRA Funding (2009 Recovery Act)	-	-	\$206,084,730

2007 Funding Detail (Not from usaspending.gov)	2007 Funding
Community Development Block Grants*	\$14,663,255
HOME Rental Rehabilitation Program (HOME)	\$21,355,945
American Dream Downpayment Initiative (ADDI)	\$371,583
Emergency Shelter Grants (ESG)	\$2,524,477
Housing Opportunities for Persons with AIDS (HOPWA)	\$947,000
Public Housing - Capital Fund	\$38,936,000
Public Housing - Operating Fund	\$48,320,000
Section 8 (Tenant-based)	\$212,643,000
Section 8 (Unit-based)	\$165,471,646
Housing Tax Credits	\$8,320,016
Section 236	\$1,504,281

2008 and 2009 Data Source: www.usaspending.gov

2007 Data Source: For CBDG, HOME, ADDI, ESG, and HOPWA: US Department of Housing & Urban Development (HUD). For Public Housing and Section 8 funding allocation: Budget of the United States Government Fiscal Year 2009. For Section 8 (Unit-based), Housing Tax Credits and Section 236 funding: MN Housing.

Notes: Funding does not include mortgage program dollars. *Funding totals assume 25% of CBDG funding goes towards housing based on national CBDG report average expenditures. **Indicates American Reinvestment and Recovery Act (ARRA) business fund (2009 only).

Funding – State

Program	2007	2008	2009
Affordable Rental Investment Fund-Minnesota Families (MARIF)	\$880,000	\$192,337	-
Affordable Rental Investment Fund-Preservation (PARIF)	\$10,483,882	\$4,939,475	\$7,161,295
Affordable Rental Investment Fund-Preservation (PARIF Public Housing)	-	\$2,308,600	\$2,630,050
Bridges	\$1,540,110	\$2,862,418	\$2,966,126
Bruce Vento Affordable Housing	\$1,303,654	-	-
Community Fix-Up Fund (CFUF)	\$4,300,197	\$3,329,484	\$3,311,545
Community Revitalization Fund (CRV)	\$8,851,842	\$4,570,225	\$4,725,100
Economic Dev. & Hsg Challenge Fund	\$4,229,597	\$5,814,221	\$3,257,475
Economic Development Initiative Grant (EDI)	-	\$347,000	-
ELHIF	\$1,983,237	\$8,387,261	\$6,367,541
Entry Cost Homeownership Opportunity (ECHO)	\$492,865	\$103,000	-
Family Homeless Prevention & Assistance Program (FHPAP)	\$3,843,287	\$5,930,272	\$8,170,823
Fix-up Fund (FUF)	\$19,432,452	\$15,842,643	\$13,347,022
Flood Insurance Recovery Program	-	\$87,909	\$52,955
Habitat Next 1000 Homes	\$2,009,269	\$2,087,886	\$1,931,715
Habitat 21st Century Fund	-	\$1,036,245	\$1,102,249
Homeownership Assistance Fund (HAF, second mortgage amt shown)	\$4,791,271	\$3,450,224	\$1,618,353
Homeownership Education, Counseling, and Training (HECAT)	\$1,726,979	\$2,854,355	\$5,671,297
Housing Trust Fund (HTF)	\$983,230	\$6,173,461	\$8,052,502
Housing Trust Fund Rental Assistance (HTF RA)	\$3,771,300	\$6,648,944	\$8,763,282
Housing Trust Fund Transitional	\$195,000	-	-
Low and Moderate Income Rental Program (LMIR)	\$23,822,258	\$22,485,404	\$9,970,978
Minnesota Urban & Rural Homesteading Program (MURL)	\$608,653	-	\$885,065
Organizational Support Program (OSP)	\$619,258	-	-
Publicly Owned Housing Program	-	\$4,002,731	\$3,523,380
Quick Start Disaster Recovery Program	-	\$10,761,071	\$423,367
Rehabilitation Loan Program	\$4,149,993	\$5,649,172	\$5,621,070
Rental Assistance for Family Stabilization (RAFS)	\$15,500	-	-
Rental Rehabilitation Loan Program	\$871,342	\$754,452	\$396,133
Tribal Indian Housing	-	\$3,991,969	\$3,588,608
MyHomeSource	-	-	\$3,264,584
Total	\$100,905,176	\$124,610,759	\$106,802,515

First Mortgage Programs for Homebuyers	2007	2008	2009
Minnesota Mortgage Program (MMP)	\$298,621,927	\$217,289,382	\$31,066,155
Community Activity Set-Aside (CASA)	\$159,969,941	\$137,602,736	\$105,062,954
Total	\$458,591,868	\$354,892,118	\$136,129,109

Data Source: MN Housing.

McKnight Baseline Housing Measures Fact Sheets
Data compiled by HousingLink

Last updated: August 2010

Funding – Philanthropic

2009 Rank	MN Grantmaker Foundations	2006		2007		2008	
		\$ to Hsg	% Hsg Tot.	\$ to Hsg	% Hsg Tot.	\$ to Hsg	% Hsg Tot.
1	The McKnight Foundation	\$15,040,000	23.3%	\$10,740,000	15.4%	\$12,440,000	19.6%
2	Otto Bremer Foundation	\$1,740,000	16.9%	\$1,935,000	20.9%	\$2,142,000	24.3%
3	The Minneapolis Foundation	\$1,519,812	4.8%	\$3,319,282	9.9%	\$1,673,709	4.8%
4	Bush Foundation	\$3,351,566	17.1%	\$2,556,500	11.0%	\$1,525,500	8.0%
5	Target	\$2,749,532	10.4%	\$609,859	2.1%	\$1,353,120	5.2%
6	The Saint Paul Foundation	\$2,335,000	9.3%	\$504,000	2.1%	\$1,259,103	6.1%
7	Blandin Foundation	\$1,140,000	6.7%	\$1,153,800	6.8%	\$1,115,000	7.8%
8	Wells Fargo Foundation Minnesota	\$272,500	4.7%	\$920,000	12.9%	\$975,000	12.1%
9	Hugh J. Andersen Foundation	\$1,121,427	15.3%	\$883,000	12.3%	\$914,700	12.4%
10	Travelers Corporation and Travelers Foundation	\$132,500	2.3%	\$930,500	14.1%	\$906,756	12.2%
11	Fred C. and Katherine B. Andersen Foundation	-	-	-	-	\$610,000	40.8%
12	The Jay and Rose Phillips Family Foundation	\$425,000	5.6%	\$815,000	7.3%	\$603,450	7.6%
13	F.R. Bigelow Foundation	\$417,500	2.9%	\$385,000	1.8%	\$585,000	2.1%
14	Patrick and Aimee Butler Family Foundation	-	-	-	-	\$516,171	9.8%
15	Xcel Energy Foundation/Corporate Citizenship	\$164,500	2.8%	\$411,290	7.3%	\$433,495	7.2%
16	General Mills Community Action	\$393,500	8.7%	\$399,000	8.6%	\$387,000	8.8%
17	Thrivent Financial for Lutherans Foundation	\$474,500	16.5%	\$344,000	11.0%	\$308,000	11.6%
18	Cloverfields Foundation	\$245,000	9.1%	\$1,045,000	35.4%	\$220,000	7.8%
19	The Pentair Foundation	-	-	-	-	\$204,147	1.1%
20	Carl and Eloise Pohlrad Family Foundation	\$195,000	1.6%	-	-	\$175,000	2.4%
-	Rochester Area Foundation	-	-	-	-	\$175,000	2.4%
-	Mardag Foundation	\$200,000	10.5%	\$203,000	11.0%	-	-
-	Central Minnesota Community Foundation	\$150,000	7.1%	-	-	-	-
-	Marquette Financial Companies Community Support Program	\$148,000	10.2%	-	-	-	-
-	ClearWay Minnesota	-	-	\$1,022,500	34.1%	-	-
-	Minnesota Community Foundation	-	-	\$195,000	8.1%	-	-
-	General Mills Community Action	-	-	\$164,909	3.6%	-	-
	All Other	\$1,693,769	5.0%	\$1,982,753	1.0%	\$1,695,187	0.9%
	Total (All grants to housing in Minnesota from MN-based Foundations)	\$33,909,106	8.0%	\$30,519,393	6.3%	\$30,217,338	6.3%

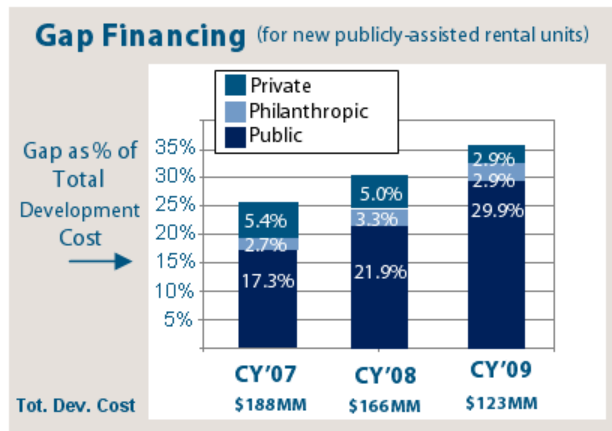
Funding – Philanthropic (continued)

3-Yr Rank	Grants From Outside of MN: Foundation	2006 \$ to Hsg	2007 \$ to Hsg	2008 \$ to Hsg
1	John D. and Catherine T. MacArthur Foundation	-	\$1,500,000	\$2,550,000
2	Wells Fargo Foundation, CA	\$1,095,317	-	-
3	Surdna Foundation, Inc.	-	\$415,000	\$210,000
4	Wells Fargo Foundation	-	-	\$716,000
5	Oishei Foundation, John R., The, NY	\$500,000	-	-
6	Living Cities, Inc.: The National Community Development Initiative	-	-	\$500,000
7	Thrivent Financial for Lutherans Foundation	-	\$385,920	\$102,000
8	Iowa West Foundation, IA	\$217,000	-	-
9	Surdna Foundation, Inc., NY	\$205,000	-	-
10	The F. B. Heron Foundation	-	\$200,000	-
-	All Other	\$985,296	\$627,600	\$460,500
	Total (All grants to housing in Minnesota from foundations outside of Minnesota)	\$3,002,613	\$3,128,520	\$4,538,500
	Total (All grants to housing in Minnesota)	\$36,911,719	\$33,647,913	\$34,755,838

Data Sources: The MN Council on Foundations, The Foundation Center.

Gap Financing

GOAL 3: Increased Production & Preservation



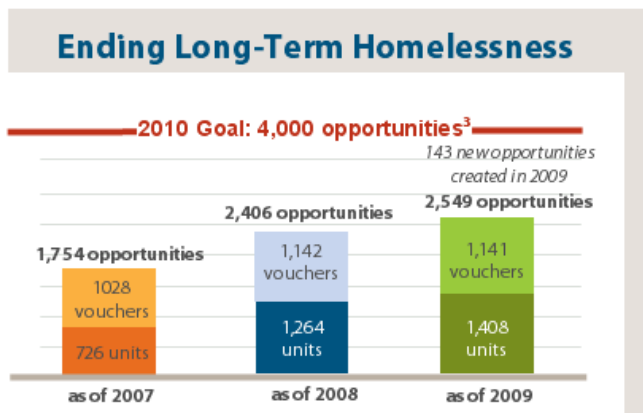
New Publicly Assisted Affordable Rental Units- Gap Financing by Sector

	2007		2008		2009	
	Gap \$s	% of Total Development Cost	Gap \$s	% of Total Development Cost	Gap \$s	% of Total Development Cost
Public	\$32,521,733	17.3%	\$36,505,612	21.9%	\$36,586,419	29.9%
Local	\$20,098,030	10.7%	\$15,973,179	9.6%	\$11,177,808	9.1%
State	\$11,160,042	6.0%	\$20,185,433	12.1%	\$8,674,226	7.1%
Federal	\$1,263,661	0.7%	\$347,000	0.2%	\$16,734,385	13.7%
Philanthropic	\$5,107,462	2.7%	\$5,463,158	3.3%	\$3,492,259	2.9%
Private	\$10,103,287	5.4%	\$8,388,925	5.0%	\$3,496,266	2.9%
Total Gap Dollars	\$47,732,482		\$50,357,695		\$43,574,944	
% of TDC that is Gap	25.5%		30.3%		35.6%	
Total Development Cost	\$187,539,638		\$166,419,554		\$122,501,593	

Source: MN Housing

Ending Long-Term Homelessness

GOAL 2: Innovation & Design



Ending Long-Term Homelessness Definitions:

- **ELTH:** Ending Long Term Homelessness
- **ELTH 2010 Goal:** To create 4,000 additional housing opportunities with support services.
- **Opportunities:** Rental housing targeted at households making <30% Area Median Income (AMI) and where support services are available to residents (includes both units and tenant-based assistance).
- **Long-Term Homelessness:** A person not having a permanent place to live continuously for a year or more, or four times in the last three years (MN Housing Definition).

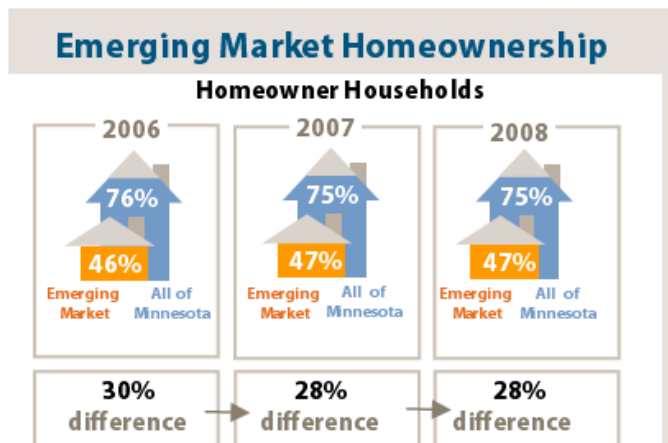
Ending Long-Term Homelessness

	2007		2008		2009	
	Rental	Tenant	Rental	Tenant	Rental	Tenant
Twin Cities	534	677	916	729	1049	785
Anoka	0	0	0	0	0	0
Carver	6	0	6	0	6	0
Dakota	13	30	77	30	19	30
Hennepin	273	264	473	276	664	277
Ramsey	238	114	348	125	348	125
Scott	0	0	0	0	0	0
Washington	4	10	12	10	12	10
Metro Multi-Jurisdictional	0	259	0	288	0	343
Greater MN	192	351	348	413	359	356
Region 1	16	0	16	0	16	15
Region 2	63	64	92	70	107	82
Region 3	24	45	52	45	48	50
Region 4	22	14	88	14	92	14
Region 5	16	8	24	8	20	8
Region 6	51	55	76	66	76	72
Multi-Jurisdictional (TC & Greater MN)	-	165	-	210	-	115
Total in Minnesota	726	1,028	1,264	1,142	1,408	1,141
Total Opportunities	1,754		2,406		2,549	

Data Source: MN Housing.

Emerging Market Homeownership

GOAL 1: Public Will



Ending Long-Term Homelessness Definitions:

- Household: By US Census definition, includes all persons who occupy a housing unit.
- Emerging Market: That sector of the homeownership market which is, by US Census definition, both non-White and/or Hispanic.

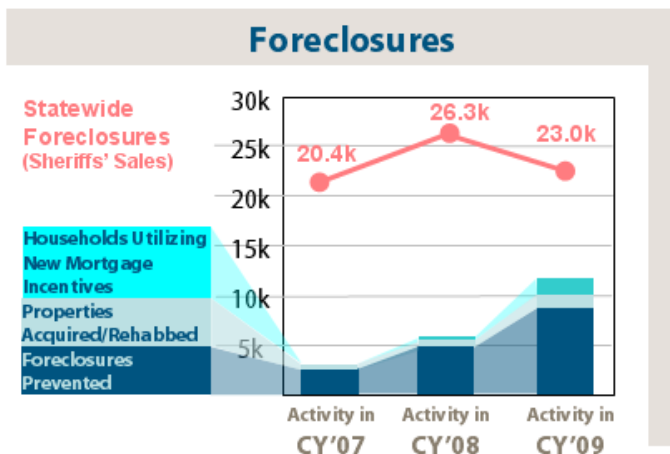
Emerging Market Homeownership

	2006			2007			2008		
	ALL Percent Home Ownership	EM Percent Home Ownership	Percent Difference	ALL Percent Home Ownership	EM Percent Home Ownership	Percent Difference	ALL Percent Home Ownership	EM Percent Home Ownership	Percent Difference
Twin Cities	74%	44%	30%	73%	43%	30%	73%	45%	28%
Anoka	85%	66%	19%	83%	71%	13%	82%	63%	19%
Carver	85%	52%	34%	83%	76%	7%	84%	57%	26%
Dakota	80%	58%	21%	80%	64%	16%	79%	63%	16%
Hennepin (suburban part only)	75%	46%	30%	75%	43%	32%	75%	46%	29%
Minneapolis	54%	27%	27%	53%	29%	24%	53%	28%	24%
Ramsey (suburban part only)	76%	54%	22%	76%	44%	31%	74%	41%	33%
St Paul	59%	37%	22%	56%	33%	24%	57%	40%	18%
Scott	89%	72%	17%	87%	66%	20%	88%	93%	-5%
Washington	87%	79%	7%	85%	73%	12%	85%	75%	9%
Greater MN	79%	55%	24%	78%	58%	20%	77%	53%	24%
Minnesota	76%	46%	30%	75%	47%	28%	75%	47%	28%

Source: US Census American Community Survey 2006-2008.

Foreclosures

GOAL 3: Increased Production & Preservation



Foreclosure Definitions:

- **Foreclosure:** While the process of foreclosure can take many months, (or even be prevented) following the initial filing of foreclosure paperwork, the sheriff sale represents that point in time at which a homeowner officially loses their home to county sheriff's auction.
- **Foreclosure Rate:** Number of foreclosures divided by number of residential parcels.
- **New Mortgage Incentive:** Both mortgage loan and down payment products that were developed in response to the foreclosure crisis.
- **Properties Acquired/Rehabbed:** properties acquired and in the process of rehabilitation for resale to the private market, as well as to properties acquired with the intent to demolish and/or land-bank.
- **Foreclosures Prevented:** Instances in which homeowners, after receiving foreclosure prevention counseling, avoid having their home lost to sheriff sale auction.

Minnesota Foreclosures

	2007	2007 Rate	2008	2008 Rate	2009	2009 Rate
Twin Cities	12,968	1.4%	17,264	1.9%	14,459	1.6%
Anoka	1,680	1.6%	2,285	2.1%	2,069	1.9%
Carver	287	0.4%	336	0.4%	363	0.5%
Dakota	1,610	0.4%	2,063	0.5%	1,787	0.5%
Hennepin	5,561	3.8%	7,348	5.0%	5,655	3.9%
Ramsey	2,346	8.3%	3,023	10.4%	2,519	8.6%
Scott	606	0.5%	952	0.7%	811	0.6%
Washington	878	2.1%	1,257	3.0%	1,255	3.0%

	2007	2007 Rate	2008	2008 Rate	2009	2009 Rate
Greater MN	7,430	0.8%	8,987	1.0%	8,560	1.0%
Region 1	254	0.4%	313	0.5%	351	0.6%
Region 2	610	0.5%	803	0.6%	758	0.6%
Region 3	354	0.4%	451	0.5%	493	0.6%
Region 4	3,657	1.5%	4,478	1.8%	4,267	1.7%
Region 5	639	0.6%	654	0.6%	633	0.6%
Region 6	1,916	0.8%	2,288	0.9%	2,058	0.8%
Minnesota	20,398	1.1%	26,251	1.5%	23,019	1.3%

	2007	2008	2009
Minneapolis	3,021	3,261	2,328
St. Paul	1,899	2,377	2,022

Foreclosure Data Sources: HousingLink (sheriff sales), MN Department of Revenue (residential parcel data for foreclosure rate calculation).

Minnesota Foreclosure Recovery

	2007	2008	<i>Cumulative Through 2008</i>	2009	<i>Cumulative Through 2009</i>
New Mortgage Products Delivered	0	29	29	1,152	1,181
Properties Acquired/Rehabbed	99	262	361	983	1,344
Foreclosures Prevented	1,516	3,816	5,332	8,971	14,303
Total	1,615	4,107	5,722	11,106	16,828

Data Sources:

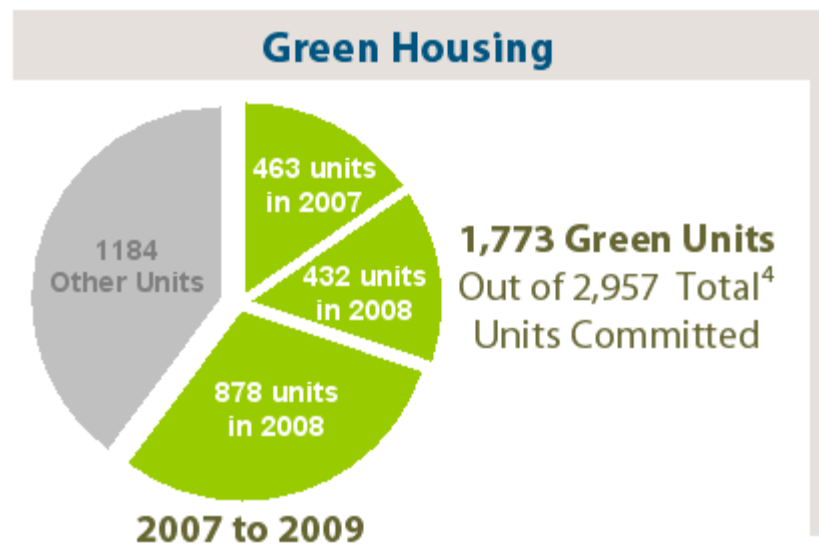
- New Mortgage Products Delivered and Properties Acquired/Rehabbed: Twin Cities LISC Foreclosure Recovery Progress Report (prepared by HousingLink),
- Foreclosures Prevented: The Minnesota Home Ownership Center.

Foreclosure Recovery Notes:

- Recovery progress is measured only for efforts which are funded directly or indirectly and can be reported by Minnesota Foreclosure Partners Council (MFPC) members, which represent a coordinated affiliation of Minnesota public sector government agencies and nonprofits. Many local initiatives not associated with the MFPC and private market initiatives are not captured in this report.
- Foreclosure prevention numbers reflect only households receiving services from the statewide network of counseling agencies coordinated by The Minnesota Home Ownership Center.

Green Housing

GOAL 2: Innovation & Design



New Affordable Rental Units

Location	Financing committed in FY 2007			Financing committed in FY 2008			Financing committed in 2009		
	Green Units	All New Units	% Meet Green Standard	Green Units	All New Units	% Meet Green Standard	Green Units	All New Units	% Meet Green Standard
Twin Cities	324	688	47%	378	888	43%	483	483	100%
Greater MN	139	356	39%	54	147	37%	395	395	100%
Total in MN	463	1,044	44%	432	1,035	42%	878	878	100%

Over Three Years	
Green Units	1,773
Sum of Other Units	1,184
Total	2,957

Source: MN Housing.

Note: Minnesota Housing's multi-family green housing policy was enacted for all properties committed (not closed after February 2007).

Appendix

McKnight Housing Vision

Highlights the data points within the context of the McKnight Housing Evaluation Framework

The Data Point Methodology with Updates

Information about the means by which data in this report was derived, along with updates to the methodology from the previous published report.

McKnight Housing Vision:

Increase Family Stability and Link Families to Greater Opportunity in our Communities (highlighted baseline measures are included in dashboard)

Goal 1	Objective	Baseline Measures As of 1/2008	Indicator or Evidence	Annual Outputs compared with 1/2008 baseline	Short-term Outcomes (2 years as of 1/2010)	Long-term Outcomes (5 years as of 1/2013)
<p>Public Will- Increase public acceptance for affordable housing as a fundamental characteristic of healthy communities</p>	<p>(1) To increase the public acceptance of affordable housing as a community asset</p>	<p>(1) Survey data and poll tracking documenting support for affordable housing as a community asset, particularly among influential stakeholders, elected officials, and community leaders</p>	<p>(1) Public opinion and specific public policies describing affordable housing included in the mix of community housing choices as community asset</p> <p>(2) Public housing comprehensive plans, or other local housing action plans and policies, include specific measures to produce a full range of housing choices and produce progress toward slated goals</p>	<p>(1) Increase in the public recognition of affordable housing as community asset and/or contributor to community economic development</p> <p>(2) Increase in the number of housing units produced in communities throughout Minnesota toward goals established in housing plans for affordable housing.</p>	<p>(1) New and/or expanding organized partnerships among business, public, philanthropic, and community leaders are increasingly effective advocates for affordable housing in all communities</p> <p>(2) New and/or more effective public policies, ordinances, and zoning supporting affordable housing are adopted and are being implemented</p>	<p>(1) The inclusion of affordable housing is a priority of state, regional, and local community development strategies and is supported by business, public, philanthropic, and community leaders</p> <p>(2) State, regional, and local public policies, ordinances, and zoning regulation are increasingly supportive of widely disbursed affordable housing as an essential element of healthy community development</p>
	<p>(2) To advocate for affordable housing options as an essential component of healthy communities</p>	<p>(1) Number and location of MN affordable housing units</p> <p>(2) % of emerging market homeownership in Greater MN</p>	<p>(1) Disbursement of affordable housing without contributing to a concentration of poverty</p> <p>(2) Communities requesting affordable housing as a key component of healthy communities</p>	<p>(1) Increase in % of units produced in communities and high opportunity areas to increase housing choice</p> <p>(2) Increase in the number of housing developments in communities with mixed-income units</p> <p>(3) Increased support for affordable housing within mixed income housing developments by public bodies and officials such as the Met Council, Regional Council of Mayors, and Greater state elected representatives</p>	<p>(1) Increased affordable housing is available in higher opportunity communities</p> <p>(2) Reduced racial segregation based on housing location</p> <p>(3) Increased low-income and minority homeownership</p>	<p>(3) Lending, realtor, affordable housing, and philanthropic organizations actively and effectively work together to increase homeownership by people of color, thereby reducing the gap in homeownership rates between majority and minority communities</p>

Goal 2	Objective	Baseline Measures As of 1/2008	Indicator or Evidence	Annual Outputs compared with 1/2008 baseline	Short-term Outcomes (2 years as of 1/2010)	Long-term Outcomes (5 years as of 1/2013)
Innovation & Design- To promote innovation and quality affordable housing design good for people, families, communities, and the environment with access to good schools, employment, transportation, and community amenities	(1) To encourage continual internal and external affordable housing placement and design innovation and improvements	(1) Assessment of support and resources for innovative affordable housing design and placement	(1) Affordable housing units developed in direct relationship to TOD plan, workforce housing plan, or built in opportunity communities (2) The aesthetic appearance of affordable housing sets a high bar for design and attracts industry attention	(1) Increase in the number of transit oriented development (TOD) affordable housing units produced (2) Increase in workforce affordable housing units built in opportunity communities. (3) Increase in percent of affordable housing units that reflect "state-of-the-art" design excellence	(1) Growth in professional and community resources supporting innovative design (2) Public recognition for excellence in innovative design (3) Affordable housing sets standards for design excellence and integrates TOD plans and workforce needs	(1) Affordable housing increasingly is built near good schools, employment, public transportation, and community amenities and results in healthy outcomes for families (2) Improved housing design and construction increases community acceptance of affordable housing as a community asset
	(2) to Increase the number of low-income people and families living in high quality, energy and cost efficient affordable housing	(1) Percentage of affordable housing that meets green standards	(1) Multi-family and single-family affordable housing meets "Green" criteria accepted by the affordable housing field in Minnesota	(1) Increase in the number of low-income families living in affordable housing meeting MFHA "Green" criteria	(1) All new and preserved affordable housing meets "Green" standard	(3) Innovative affordable housing design and production reduces costs for housing residents and contributes to better environmental stewardship
	(3) To promote supportive housing with holistic, integrated services and opportunities for healthy family development	(1) Units required to meet 2010 goals. (2) Affordable housing family outcome data/studies	(1) Units developed towards the 2010 goal to end long-term homelessness. (2) Families housed in affordable units have better life opportunities and outcomes than families without affordable housing	(1) Increase in the number of supportive housing units meeting 2010 goals (2) Improvements in the amount and quality of family life opportunities and outcomes for families in affordable housing	(1) 2010 MN ending homelessness and supportive housing goals are met (2) Affordable supportive housing improves the quality of family outcomes in a holistic manner	

Goal 3	Objective	Baseline Measures As of 1/2008	Indicator or Evidence	Annual Outputs compared with 1/2008 baseline	Short-term Outcomes (2 years as of 1/2010)	Long-term Outcomes (5 years as of 1/2013)
<p>Increased Production & Preservation- To increase the pace of affordable housing production, preservation, and permanency</p>	<p>(1) To encourage the testing and application of new strategies and innovative financing tools for increased production, preservation, or permanency of affordable housing</p>	<p>(1) Existing quality of strategies, financing, and tools</p> <p>(2) Data on foreclosure in the Metro area and in Greater MN</p>	<p>(1) Quality improvement of innovative strategies, financing, or partnerships that explore new ways to expand availability of affordable housing.</p> <p>(2) Refinements & Improvements in the Super RFP Process</p> <p>(3) Innovative financing tools that help financially stressed homeowners stay in their homes through negotiated solutions with lenders.</p>	<p>(1) Demonstration of the linkage of new strategies and financing tools to an increased pace of affordable housing production, preservation, and permanency</p> <p>(2) Increase in the number of financially stressed homeowners who retain their homes</p>	<p>(1) New, more effective financing models are tested and refined that contribute to an increase in the pace of affordable housing production</p> <p>(2) Increased public investment in resources to resolve problems associated with vacant homes</p>	<p>(1) New, more effective financing models for converting market rate housing, preserving existing housing, and increasing permanency are developed, implemented, and evaluated</p> <p>(2) Significant improvements in housing production and preservation practices of affordable housing organizations are achieved, documented, and refined for further application</p>
	<p>(2) To increase production by enhancing the capacity of nonprofit developers and community partnerships to produce affordable housing.</p>	<p>(1) Current quality and priorities for capacity building determined by consultant review and analysis</p>	<p>(1) Capacity of nonprofit developers, public entities and community partnership with for-profit developers to produce affordable housing</p>	<p>(1) Increase in operating effectiveness of nonprofit affordable housing developers and partnerships</p> <p>(2) Increase in nonprofit and for-profit production</p>	<p>(1) Effective capacity building strategies are identified and adopted by nonprofits and partnerships with for-profit developers</p>	<p>(3) Increases in public subsidies and private investment significantly contribute to annual increases in affordable housing production and preservation (including reductions in vacant homes)</p>
	<p>(3) To increase the pace of production by advocating for and securing greater public and private resources for affordable housing.</p>	<p>(1) Amount of public and private investment in affordable housing</p> <p>(2) Available gap funding</p>	<p>(1) Private investment and public funding for affordable housing, e.g., local bonding and state and local appropriations.</p> <p>(2) Innovative gap financing mechanisms that provide the basis for long-term affordability</p>	<p>(1) Increase in total affordable housing investment</p> <p>(2) Increase in gap financing</p> <p>(3) Increase in the number of gap financed units that are affordable long- term</p>	<p>(1) Increased public funding, private investment, and philanthropic grant making for affordable housing</p> <p>(2) Gap financing is more effective and sustainable</p>	

Minnesota Housing Measures Methodology with Updates (for trending & statewide data)

McKnight's Goal Number & Name	McKnight's Objective and Baseline (Number & Description)	HousingLink's Data Points (by HousingLink baseline reference number)	Additional Information by Data Point
<p>1. Public Will Increase public acceptance for affordable housing as a fundamental characteristic of healthy communities</p>	<p>Objective 2. To advocate for affordable housing options as an essential component of healthy communities</p> <p>Baseline 1. Number and location of MN affordable housing units</p>	<p>1. Opportunities: Number and location of MN affordable housing opportunities</p> <ul style="list-style-type: none"> • Count of new publicly assisted affordable rental units closed in given year • Count of preserved publicly assisted affordable units in given year • Count of new perpetually affordable home ownership units closed in given year • Count of new tenant-based vouchers allocated in given year • Number of households served through down payment assistance for affordable home ownership opportunities <p>Existing Statewide Unit Counts</p> <ul style="list-style-type: none"> • existing publically assisted rental units • perpetually affordable single family homes 	<p>Rental - New Opportunities</p> <p>Methodology:</p> <ol style="list-style-type: none"> 1) HousingLink tracks rental units that have “public assistance” in their financing. This is a subset of all affordable rental units. 2) Primary data sources include: <ol style="list-style-type: none"> a) Minnesota Housing Finance Agency b) US Department of Housing and Urban Development (HUD) c) City of Minneapolis (CPED) d) Family Housing Fund e) Greater MN Housing Fund f) US Department of Agriculture (no new construction since 2005) g) Federal Home Loan Bank of Des Moines. 3) Rental units included in this count serve families at 60% AMI and below in the Twin Cities and 80% in Greater Minnesota, whereas home ownership units serve families at 80% AMI and below for all areas. HousingLink has fact-checked this relative difference against population and income estimates in the respective regions. 4) A statewide inventory was gathered in 2008 on which to base future changes to overall affordable rental stock. Data was collected from FHLB, HUD, MHFA, and USDA on units with current affordability contracts. That list was then “de-duplicated” to provide a single, statewide count. <i>To note:</i> Our data collection for the statewide count is limited to electronic records. There has been activity since the 1960's, and thus it is likely some segment of this market has not been the focus of activity since the advent of electronic record-keeping. <p>Updates</p> <ol style="list-style-type: none"> 1) Lost units: <ol style="list-style-type: none"> a) HUD: Due to contract mergers and number changes, HousingLink is unable to track “lost units” to funding for individual projects. However, HousingLink can arrive at an aggregate number of units funded by geographic region and compare year to year in order to arrive at aggregate “lost” or “new” units. b) All other funders: There is currently no mechanism for reliably tracking lost units. c) HousingLink is monitoring an initiative by the McArthur Foundation intended to address units in danger of being lost; however, we have been told a reliable method for measuring lost units is not a likely outcome. 2) HousingLink's plan is to track 2009 data to its lowest level of local funding and to reach out to nine incrementally new community contacts (all recipients of CDBG funding) in HousingLink's data gathering process for its annual <i>Housing</i>

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			<p>Counts/inventory process.</p> <p><u>Rental – Tenant Vouchers</u></p> <p>Methodology:</p> <ol style="list-style-type: none"> 1) HousingLink tracks voucher allocations (“point of origin,” rather than “point of use”). 2) Data Sources Include <ol style="list-style-type: none"> a) HUD (annual federal Section 8 tenant-based voucher allocations) b) MN Housing (a variety of tenant voucher allocations) <p><u>Homeownership - New Opportunities</u></p> <p>Methodology:</p> <ol style="list-style-type: none"> 1) Data sources currently included in statewide homeownership count include: <ol style="list-style-type: none"> a) Habitat for Humanity - Minnesota b) Minnesota Community Land Trust Coalition 2) This count includes all home ownership units where affordability stays with the property beyond the home owner that gets initial benefit. Home ownership financing models where a home buyer receives funding, but the property sells at market rate to the next and subsequent owners are <i>not</i> included. 3) Representatives from both Habitat and the MN Land Trust Coalition state they are not aware of any lost homeownership units. 4) Habitat for Humanity is not providing address level data in Greater MN, making it the only data set within the unit counts that is reported to us in aggregate. They do, however, aggregate their unit production numbers by Habitat affiliate service area. These areas vary in size from city to regional jurisdictions, but all distinctly fit within the McKnight initiative regions. 5) Theoretically, Habitat and land trusts could both invest in one property, but practically, both Habitat and Land Trust staff state that this is not currently happening. <p><u>Homeownership – Down Payment Assistance</u></p> <p>Methodology</p> <ol style="list-style-type: none"> 1) HousingLink defines “down payment assistance” as one-time financial investment into home ownership that makes the home affordable for the first buyer, but that is not necessarily passed along to the second and subsequent buyers. Note that this does not include contract for deed or so-called “Bridge Loans,” as they do not involve a one-time investment of money on behalf of the prospective homeowner. 2) Data sources include: <ol style="list-style-type: none"> a) Minnesota Housing b) Family Housing Fund

McKnight's Goal Number & Name	McKnight's Objective and Baseline (Number & Description)	HousingLink's Data Points (by HousingLink baseline reference number)	Additional Information by Data Point
			<p>c) Greater MN Housing Fund.</p> <p>3) Public and private sources invest a significant amount annually into down payment assistance that serves households across the state. Although it is a one-time investment, it is broadly recognized as having a long-term community impact.</p> <p>4) HousingLink counts the households served through down payment assistance, versus the financial investment into down payment assistance, since households served is more consistent with the other Opportunities measures.</p> <p>Updates: HousingLink is not including down payment assistance programs specifically intended to address foreclosure, as such programs are not necessarily targeted towards low-income families. However, this activity <i>is</i> captured as part of the foreclosure measures.</p> <p>Overall Opportunities Note: HousingLink recognizes that this measure does not incorporate any demand data into the measure as it is presented on the dashboard, but HousingLink includes counts of cost-burdened households in Minnesota in the report appendix.</p>
<p>1. Public Will Increase public acceptance for affordable housing as a fundamental characteristic of healthy communities</p>	<p>Objective 2. To advocate for affordable housing options as an essential component of healthy communities</p> <p>Baseline 2. Percent of emerging market homeownership in Greater MN</p>	<p>2. Emerging Market Homeownership</p> <ul style="list-style-type: none"> Percent and number of total home ownership that is minority owned Rate of minority homeownership expressed as percent of total minority population 	<p>Methodology: HousingLink uses US Census American Community Survey Data (ACS), the same data EMHI uses, to track emerging market (e.g. minority) percent of total annual home ownership and number of home owners over time. A known limitation of that data is that its release date is September of the following year.</p> <p>Update: EMHI partners have formally eliminated their “40,000 new households by 2012” goal that existed at the commencement of the Housing Measures report. The primary focus, now, seems to be that of “financial literacy,” leading to sustainable home ownership.</p>

McKnight's Goal Number & Name	McKnight's Objective and Baseline (Number & Description)	HousingLink's Data Points (by HousingLink baseline reference number)	Additional Information by Data Point
<p>2. Innovation & Design To promote innovation and quality affordable housing design good for people, families, communities, and the environment with access to good schools, employment, transportation, and community amenities.</p>	<p>Objective 2. To increase the number of low-income people and families living in high quality, energy and cost-efficient, affordable housing</p> <p>Baseline 1. Percentage of affordable housing that meets green standards</p>	<p>3. Green Housing: Percent and number of total affordable homeownership and rental units committed after February 2007 that meet the green standard Minnesota.</p>	<p>Methodology:</p> <ol style="list-style-type: none"> 1) In February 2007, the Minnesota Housing Board approved a mandatory green housing standard for all new construction multi-family development funding applications. Exceptions to this mandatory requirement include developments only funded with housing tax credits or developments funded with general obligation bonds, or projects that can represent a tangible hardship for compliance. This represents the start of a clearly accepted standard and a clear tracking mechanism for compliance with the standard. Thus, units are considered "green" if they had MN Housing funding committed after February 2007 or are part of the Green Housing Initiative. 2) The Foundation's original intent was to determine the percent of the overall affordable housing stock that was "green," and track its change over time. This measure is difficult to obtain because historical data on compliance to a green standard is nearly impossible to obtain without first determining a standard and then reviewing construction documents for compliance. Therefore, any attempt to quantify the total number of green housing units in the affordable housing system will most likely under-represent the historical efforts. This position has been confirmed by Center for Sustainable Development. 3) Green home ownership is not counted in the report, as HousingLink is not aware of the formal adoption of a green "standard," as with rental. <ol style="list-style-type: none"> a) Both Habitat for Humanity and MN Community Land Trust Coalition have said that all their units are "green," but do not share or adhere to any mutual standard. b) MN Housing will introduce a green standard and mechanism for tracking compliance in single family homes. However, as MN Housing's single family affordable home production is not reflected in our "opportunities" measures, HousingLink will not be tracking these counts, going forward. <p>Updates:</p> <ol style="list-style-type: none"> 1) MN Green Communities has undertaken an initiative in which they are retrofitting 10,000 units to new green standards. This activity (which resulted in 24 properties of 1,034 affordable units constructed or rehabilitated prior to the mandatory green standards) should show up in future preservation/stabilization efforts. 2) As of 2009 report, all development activity through MN Housing meets one of three levels of compliance for energy efficiency and sustainability. All development meets this standard, whether it is specifically noted in the funding data or not.
<p>2. Innovation & Design To promote innovation and quality affordable housing design good for people, families, communities, and the environment with</p>	<p>Objective 3. To promote supportive housing with holistic, integrated services and opportunities for healthy family</p>	<p>4. Ending Long-Term Homelessness: Percent of opportunities required to be in service by 2010 to meet Governor's initiative to End Long-Term Homelessness (ELTH)</p>	<p>Methodology:</p> <ol style="list-style-type: none"> 1. HousingLink tracks progress towards the state of MN's Ending Long Term Homelessness initiative through a combination of units and vouchers in service. 2. Data source is MN Housing's annual report. 3. There is potential overlap in unit & voucher counts, but no discernable method of addressing the issue. 4. Although HousingLink has heard community interest in trending the

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access to good schools, employment, transportation, and community amenities.	development Baseline 1. Units required to meet 2010 goal to end long-term homelessness		available/allocated support service dollars, the amount of effort to tract this information is substantial and beyond the current scope of this report. Updates: 1) It is anticipated that ELTH Goals will be revised downward or deadlines extended, but specific revisions will not be made until the Wilder Survey results (available in spring 2010). HousingLink is leaving the goal number as-is for 2007-2009 trending. 2) HousingLink shows cumulative progress-to-date with incremental progress since the 2007 baseline.
3. Increased Production & Preservation To increase the pace of affordable housing production, preservation, and permanency	Objective 1: To encourage the testing and application of new strategies and innovative financing tools for increased production, preservation or permanency of affordable housing Baseline 2. Data on foreclosures and recovery efforts in MN.	5. Foreclosure: <ul style="list-style-type: none"> Foreclosure counts and rates for Twin Cities and Greater Minnesota Foreclosure recovery 	Methodology: 1) The report tracks foreclosure recovery (as a sum "production" of foreclosure mitigation and prevention versus overall foreclosures (sheriff sales). 2) Data Source: HousingLink. Update: HousingLink has also been engaged by LISC, on behalf of the MFPC, to track recovery progress related to the foreclosure crisis. 1) Tracking was retroactive, looking backwards to 2007 and will continue through 2012, reporting in three categories: a) <i>Foreclosure Prevention:</i> As measured by efforts by the Home Ownership Center's prevention network. <i>Note:</i> A 2008 law requires lenders to provide a copy of Notice of Pendency (e.g. "pre-foreclosure notice") to HOC. Thus, they have become the de-facto measurement of prevention efforts for the MFPC. b) <i>Deliver and Expand Access to New Mortgage Products:</i> Measuring only results able to be delivered and reported on by MFPC members, this tracks the number of loans secured as a result of new loan products developed in response to the foreclosure crisis. c) <i>Acquisition/Rehab/Demo:</i> Also only measuring results of reported by MFPC members, this metric investigates how community partners are responding to the large number of foreclosure vacancies. 2) The "Recovery Progress Report is only tracking activity that is funded by and able to be reported by members of the MN Foreclosure Partners Council. Even for that project, trying to get at any activity funded solely outside the scope of the MFPC was deemed unfeasible.
3. Increased Production & Preservation To increase the pace of affordable housing production,	Objective 3. To increase the pace of production by advocating for and securing greater public and private	6. Funding: Total dollar amount of public and philanthropic investment made into affordable housing <ul style="list-style-type: none"> Public: Total Federal and State investment 	Federal Methodology: The sum of Housing and Urban Development grants to agencies within MN primarily constitutes our federal spending metric. HousingLink has determined, however, that between 25 and 26 percent of CDBG spending has traditionally been directed

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preservation, and permanency	<p>resources for affordable housing</p> <p>Baseline 1. Amount of public and private investment in affordable housing</p>	<p>Philanthropic: Percent and total amount of grants towards housing by top 20 MN foundations</p>	<p>specifically to housing. That is accounted for in the analysis and will be monitored into the future.</p> <p>Updates:</p> <ol style="list-style-type: none"> 1) www.federalspending.gov is a new Federal resource for that provides detailed accountability for grant funding, by state and by major department (e.g. Housing and Urban Development). This will be a source for federal housing dollars, going forward. <ol style="list-style-type: none"> a) In the 2009 data, it also notes whether the "Business Fund" in question is "Recovery Act" (e.g. "American Recovery and Reinvestment Act, or ARRA). It is worth noting, however, that ARRA is on a 3-year time frame, and much of that investment has not translated to actual production as of the 2009 report. b) According to information obtained for FY07, 25.4% of CDBG funds were used for housing, nationally. In 2008, that total was 26%. c) HUD does not have 2007 data added, as yet. <p>State</p> <p>Methodology:</p> <ol style="list-style-type: none"> 2) State investment in affordable housing is measured using Minnesota Housing's annual report. Data is reported for the State's Fiscal Year, starting with FY 2007, which runs October 1 – September 30. Minnesota Housing first mortgages are not included in State funding counts since comparable Federal first mortgage figures are not known to be readily available at this time. <p>Philanthropic</p> <p>Methodology:</p> <ol style="list-style-type: none"> 1. HousingLink examines two measures related to philanthropic investment in housing: <ol style="list-style-type: none"> a) Proportion of dollars invested in housing by the state's largest Foundations (largest Foundations defined by net assets). b) Proportion of dollars invested in housing by the state's largest philanthropic investors in housing (largest investors defined by those giving the most toward housing). 3) Philanthropic investment in housing is measured using Minnesota Council on Foundations' data. Known limitations with this data include: <ol style="list-style-type: none"> a) The philanthropic investment is <i>not</i> limited to affordable housing, but includes all housing investments. b) It is based on voluntary self-reporting by Foundations. c) The data has a very late annual release. As of this writing, 2006 data is the most current available data. 4) Individual grants under \$1,000 are not tracked.

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			<p>5) HousingLink decided not to track philanthropic loans like PRIs because the data is not readily, publicly available at this time.</p> <p>Updates:</p> <ol style="list-style-type: none"> 1. Although philanthropic data available from MN Council of Foundations has a significant, inherent, time lag, HousingLink has their ongoing commitment to deliver unaudited data for the top 20 MN Philanthropic Funders prior to March of each report year. 2. HousingLink gathers data from nationally-based The Foundation Center regarding philanthropic funding used in Minnesota, but not originating from within Minnesota. For years in the report so far, these amounts ranged from roughly eight percent to 20 percent of the Minnesota-based giving amount. <p>Overall Notes</p> <ol style="list-style-type: none"> 1) HousingLink tracks financial investments for the state, but does not distinguish between investments made in the metro area and Greater MN. 2) HousingLink tracks funding based on its source at point of origin versus its source at point of use. Tracking the point of origin allows the Foundation to see the financial sources for affordable housing allocations. 3) HousingLink understands the Foundation's interest in having a macro-level perspective on the amount of investment into affordable housing over time. The Foundation has an interest in understanding the public investment at a federal, state and local level. However, HousingLink's opinion is that tracking funding that originates at the local level is not sustainable over time. By its nature local sources of funding are decentralized. HousingLink has learned that even within an individual jurisdiction there is not a single reliable data source for all locally originated affordable-housing funding.
<p>3. Increased Production & Preservation To increase the pace of affordable housing production, preservation, and permanency</p>		<p>7. Gap financing into units: Gap financing as a percentage of total investment into new affordable rental units closed by public, philanthropic and other sources</p>	<p>Methodology:</p> <ol style="list-style-type: none"> 1) HousingLink uses the following definition for gap financing: all funding needed beyond the first mortgage and tax credits to make a project viable. 2) Data source is MN Housing. 3) Gap financing is broken into categories of public, philanthropic & private based on source at point of use. This allows the Foundation to see which entities are using their funding allocations for gap financing.