

2011

MINNESOTA BASELINE HOUSING MEASURES

December 2012

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 in Minnesota. The benchmarks were identified to trace developments in the field and further policy discussion on system trends and performance, with an end-goal to most efficiently meet the 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 as a community asset.
- To promote innovation and quality design beneficial for people, communities, and the environment.
- To accelerate the pace of production, preservation, and permanency of affordable housing.

The five years over which the Minnesota Baseline Housing Measures report has followed statewide trends¹ has encompassed the most volatile and challenging affordable housing landscape in half a century. If there was consistency over that period, it was in a few predominant story arcs that emerged and evolved: diminishing resources with state and federal budget deficits, foreclosures, increased focus on multiple outcomes through location efficiency, and the need for innovation in a changing environment.

State and Federal Funding Waves

In the midst of a foreclosure and housing crisis in early 2009, the Federal government responded with \$203 million stimulus dollars directed specifically to housing in Minnesota². That money helped combat both crises during The Great Recession, but federal funding in 2011 was reduced to below pre-recession levels (down 37% from 2007)³, with state and local housing agencies working to compensate. After federal funding fell dramatically in 2010, the year *after* the passage of the Recovery Act, the state's housing finance agency (Minnesota Housing) increased their contribution to affordable housing by 26% over the previous year; then further increased their funding levels in 2011 (to a full 59% above that of 2009).⁴

Looking forward, the final 2012 analysis will show another strong funding year for the state, with an additional \$35.5 million having been committed to affordable housing as part of a May 2012 bonding bill. That infusion of money will dwarf in comparison to cuts at the federal level.

It is worth noting that without innovative responses to the economic downturn including the Neighborhood Stabilization Program, Section 1602 provision for grants in lieu of tax credits, state affordable housing bonds, and a highly creative and highly competitive local affordable housing sector, the impact on our state would have been more immediate and devastating to preservation and production that occurred in this timeframe.

Foreclosures Continue, Rental Market Redefined

Foreclosures continue at an alarming rate, the crisis long since having transformed from one based on lending practices into one that is primarily economy-based⁵. The number of foreclosures in 2011 (21,298) is higher than it was in the first year of the full-blown wave of foreclosures (20,398, in 2007)⁶, and remains over three times as high as in 2005 (6,472)⁷, the first year the figure was tracked for the state of Minnesota. At the same time, remediation activity through the Federal Government's multi-million dollar Neighborhood Stabilization Program investment in Minnesota is drawing to a close, and a number of other foreclosure-targeted housing activities are wrapping up or being embedded creatively into more traditional housing programs.

Taking steps to ensure a foreclosure never occurs in the first place is the single-most cost-effective use of remaining funds to combat the crisis. The cost of only \$410 in counseling that averts a foreclosure⁸ is a mere fraction of the cost to acquire (and potentially rehabilitate) a property that has gone into foreclosure and is bank-owned. Minnesota's housing field remains innovative and effective with central coordination for programs across the state through a single entity, The Minnesota Homeownership Center. The effort has resulted in 28,684 prevented foreclosures from 2007-2011⁹.

For those homes which *do* undergo foreclosure and are not claimed from the private market by communities, non-profits, rehabbers, or land banks, the disposition of inventory presents a policy question. Even while the rate of homeownership decreases, inventory of lender-owned homes has decreased (54% in the past two years¹⁰). This indicates likely conversion of single-family ownership homes into rental units, a phenomenon supported by HousingLink research revealing that 62% of current private market rental listings are made up of single-family, duplex, condo, or townhome units¹¹. With this growing supply as well as increasing community interest in urban-fill, transit-oriented development (TOD), it will require innovative and proactive agencies to be on the front end of policy and planning that helps to advance renting as a viable long-term housing choice.

Strategies: System and Investment Returns

In *Minnesota Housing Measures 2010*, we discussed three primary statewide models of maximum return-on-investment: affordable housing preservation, ending long-term homelessness, and foreclosure prevention. All three are centered on addressing housing issues up front rather than incurring greater costs as an aftermath, and that theme aligns with the five

strategic priorities in Minnesota Housing's 2013-2015 Strategic Plan¹². Minnesota Housing's priorities are: preserving existing structures (to avoid the cost of new construction), providing supportive services for the long-term homeless (to avoid the greater public cost of multiple interventions), preventing foreclosures (rather than incurring the costs of redressing properties after foreclosures occur), promoting and supporting successful homeownership (rather than focusing on easy access to mortgages that may end in foreclosure), and addressing specific and critical needs in rental housing markets (based on a data-driven market assessment conducted by Minnesota Housing¹³).

"Systems change" and its resulting efficiencies continue as development organizations find new opportunities to partner in affordable housing strategy, investment, and evaluation. Funding for the Corridors of Opportunity initiative¹⁴ has continued to place an emphasis on transit as a focus of future metro development. Initiatives such as the newly-launched "MSP Housing + Transportation Cost Calculator¹⁵" (from a public-facing perspective) and Minnesota Housing's map-based "Community Profiles" tool¹⁶ (from an agency perspective), emphasize the efficiencies inherent in location-based housing decisions.

Conclusion: Efficiency and Innovation Key to "New Normal"

Statewide partners in affordable housing are continuing to demonstrate innovation as they pursue more efficient investment strategies, a necessity in the economic and governmental fiscal environment, and as a fledgling recovery appears in the housing market. However, the market, demand, location-efficiency, foreclosures, and even types of housing needed in the future are only now becoming clearer. Innovation in design, finance, policy, and achieving multiple community development outcomes with constrained housing investment has become the new normal and new challenges await us all in 2013.

¹ The five year study period encompasses the years 2007-2011. The release date for the 2011 report is later than in previous years due to significant changes in the collection and delivery of publicly-assisted rental data a key measure from the report.

² McKnight Foundation, *2011 Housing Measures Report*, Federal Funding Fact Sheet

³ Ibid.

⁴ McKnight Foundation, *2011 Housing Measures Report*, State Funding Fact Sheet

⁵ Minnesota Housing, *Residential Foreclosures in Minnesota*, Spring 2012

⁶ McKnight Foundation, *2011 Housing Measures Report*, Foreclosure Fact Sheet

⁷ Minnesota Homeownership Center, *2010 Foreclosures in Minnesota: A Report Based on County Sheriff's Sale Data*, February 9, 2011

⁸ 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*, March 2010

⁹ Ibid., 5

¹⁰ Minneapolis Area Association of Realtors, *Foreclosures and Short Sales in the Twin Cities*, August 2012. August 2012 (2,248 homes in August 2012 vs. 4,872 homes in August 2010)

¹¹ HousingLink, *Twin Cities Rental Review 2012 Q2*, July 2012

¹² Minnesota Housing, *2013-2015 Strategic Plan*, 2012.

¹³ This assessment is conducted in *Community Profiles*; a web-based market analysis tool that utilizes 24 indicators to identify communities by housing need. It is intended to enable the Agency and its partners to invest resources strategically to maximize effectiveness and impact. (<http://www.mnhousing.gov/PolicyMap/index.aspx>)

¹⁴ Corridors of Opportunity is "...an initiative to promote sustainable, vibrant, and healthy communities in the Twin Cities region, using the region's emerging transitway system as a development focus," Metropolitan Council, *Corridors*

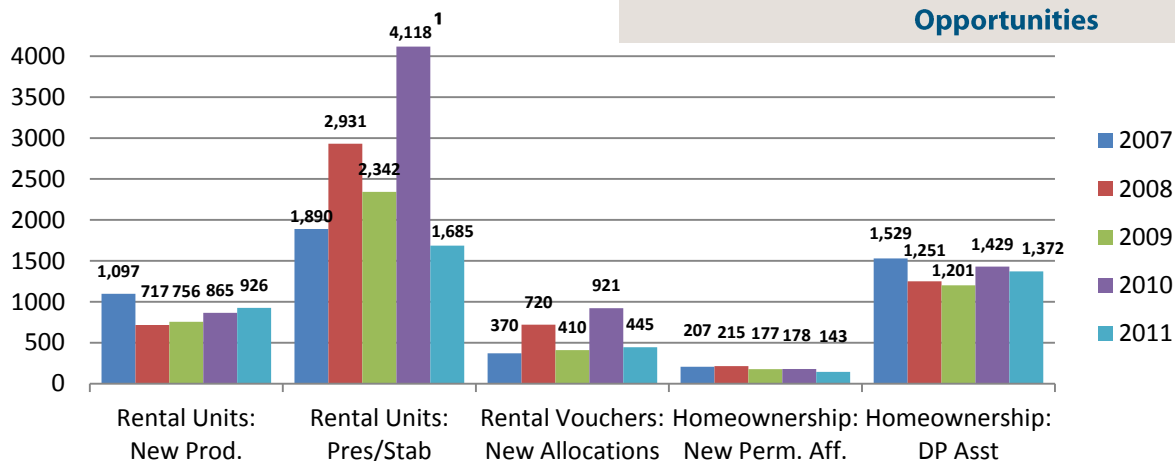
of Opportunity Overview, May 2012; with funding by the US Department of Housing and Urban Development (HUD), and Living Cities, a collaboration of 22 of the nation's largest foundation and financial institutions.

¹⁵ The MSP Housing + Transportation Cost Calculator is a tool designed to calculate address-and user input-based housing and transportation costs for the 13-county Twin Cities metro region (<http://apps.cnt.org/msp/>)

¹⁶ *Ibid.*, 12.

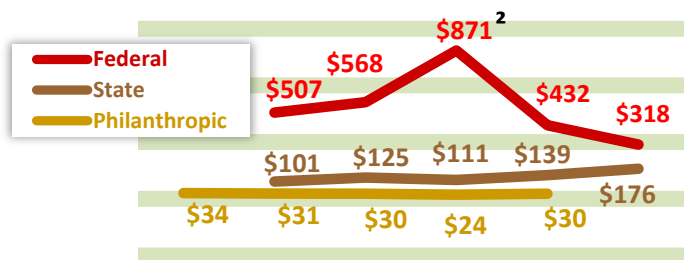
MINNESOTA HOUSING MEASURES

Opportunities



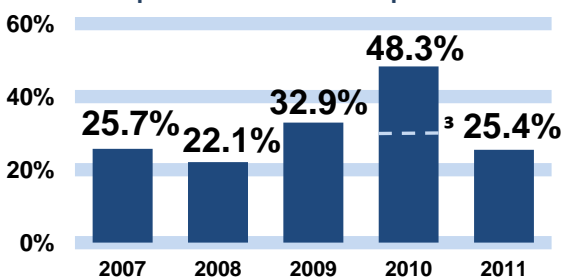
Funding for Affordable Housing

FY'06 FY'07 FY'08 FY'09 FY'10 FY'11

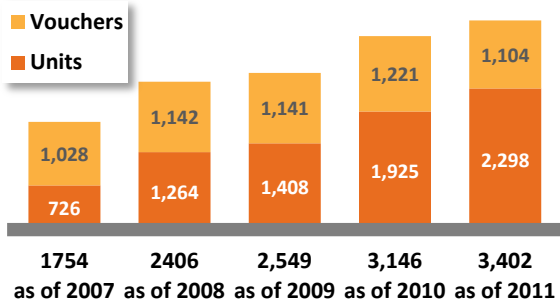


Gap Financing

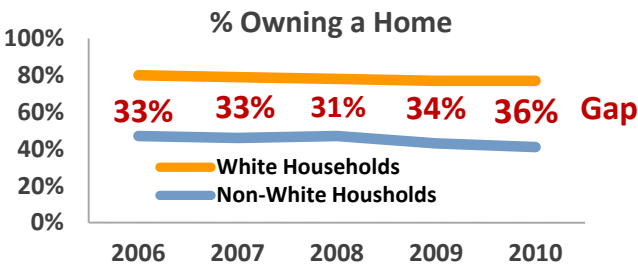
Gap as % of Total Development Cost



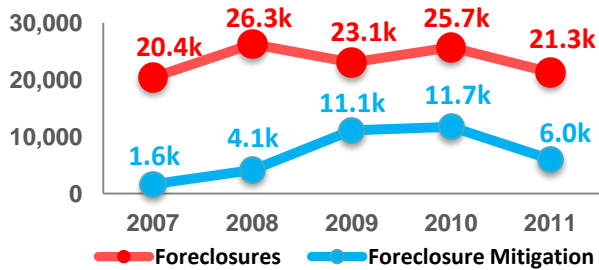
Ending Long-Term Homelessness



Emerging Market Homeownership

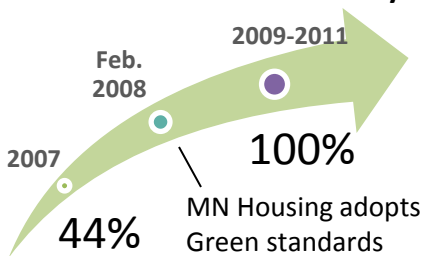


Foreclosure



Green Housing

% of Green Units Produced by Year⁵



¹This figure is high in large part due to Recovery Act funding, but also because of the Dec. 2010 closing of the 1,153-unit Riverside Plaza. ²2010 includes \$203MM in Recovery Act funding. ³2010 is inflated due to the insurgence of Section 1602 (grants-in-lieu-of-tax credits) money into the development process. Without those grants, Gap would have been closer to 29%. ⁴Foreclosure Mitigation includes foreclosures prevented as well as properties impacted by recovery activity. ⁵MN Housing-funded units only.

Twin Cities

Affordable Housing Opportunities

Rental (total): 58,540
Newly Affordable (2011): 742
Preserved (2011): 647
Habitat/CLT Units (2011)
New Units : 73
Down Payment Assistance (2011)
New Households Assisted: 1,056

Emerging Market (2010)
EM Homeownership Rate: 39%

ELTH (2011)
New Opportunities: 253

Foreclosures (2011)
Sheriff's Sales: 13,181

Greater Minnesota

Affordable Housing Opportunities

Rental (total): 45,889
Newly Affordable (2011): 184
Preserved (2011): 1,038
Habitat/CLT Units (2011)
New Units: 70
Down Payment Assistance (2011)
New Households Assisted: 316

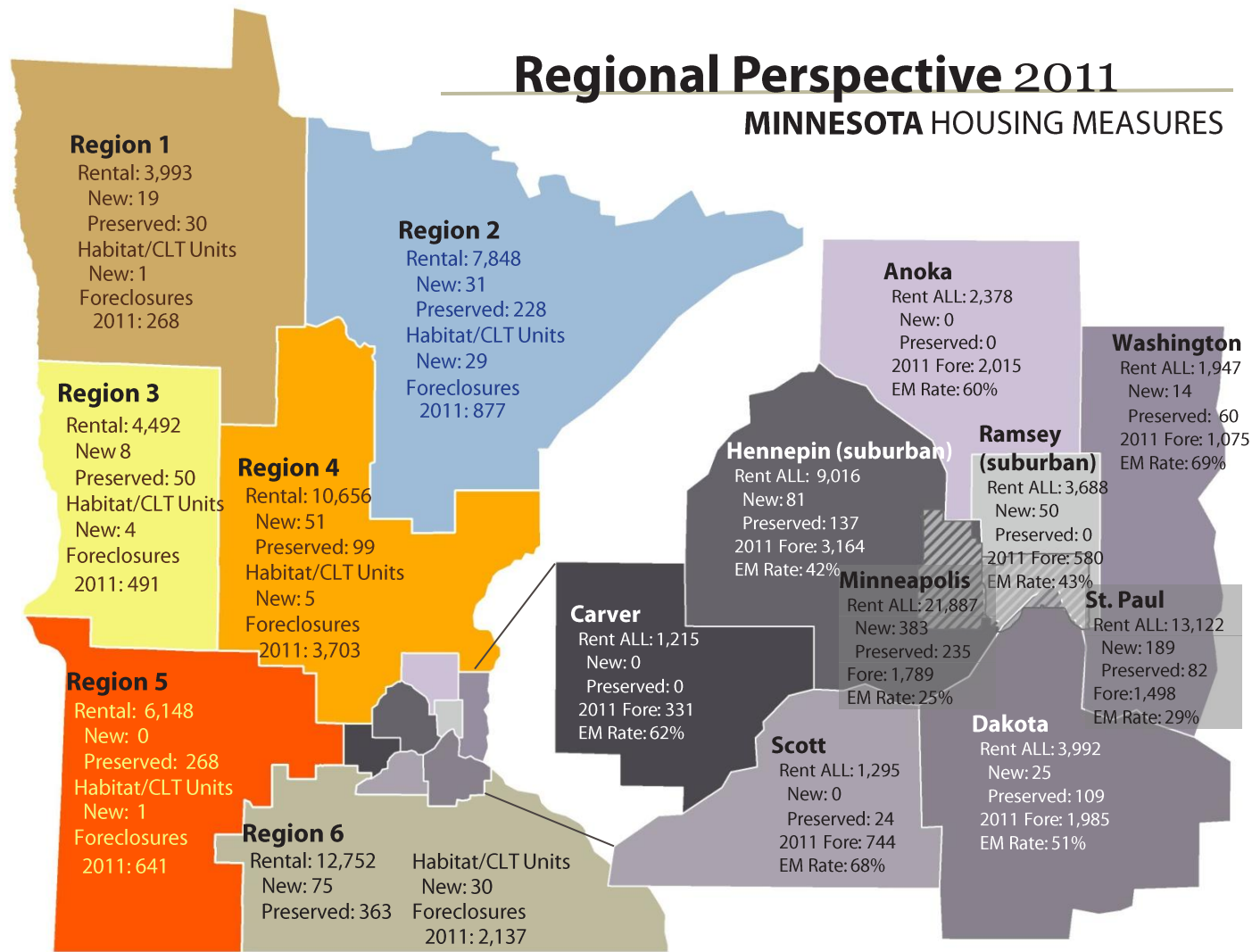
Emerging Market (2010)
EM Homeownership Rate: 47%

ELTH (2011)
New Opportunities: 3

Foreclosures (2011)
Sheriff's Sales: 8,117

Regional Perspective 2011

MINNESOTA HOUSING MEASURES



key Rental = Total publicly-assisted rental units with long-term obligation of affordability **Habitat/CLT Units** = New-perpetually affordable units added in 2011
Foreclosures = 2011 Sheriff Sale Foreclosures **EM** = Emerging Market (non-white) homeownership rate in 2011

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

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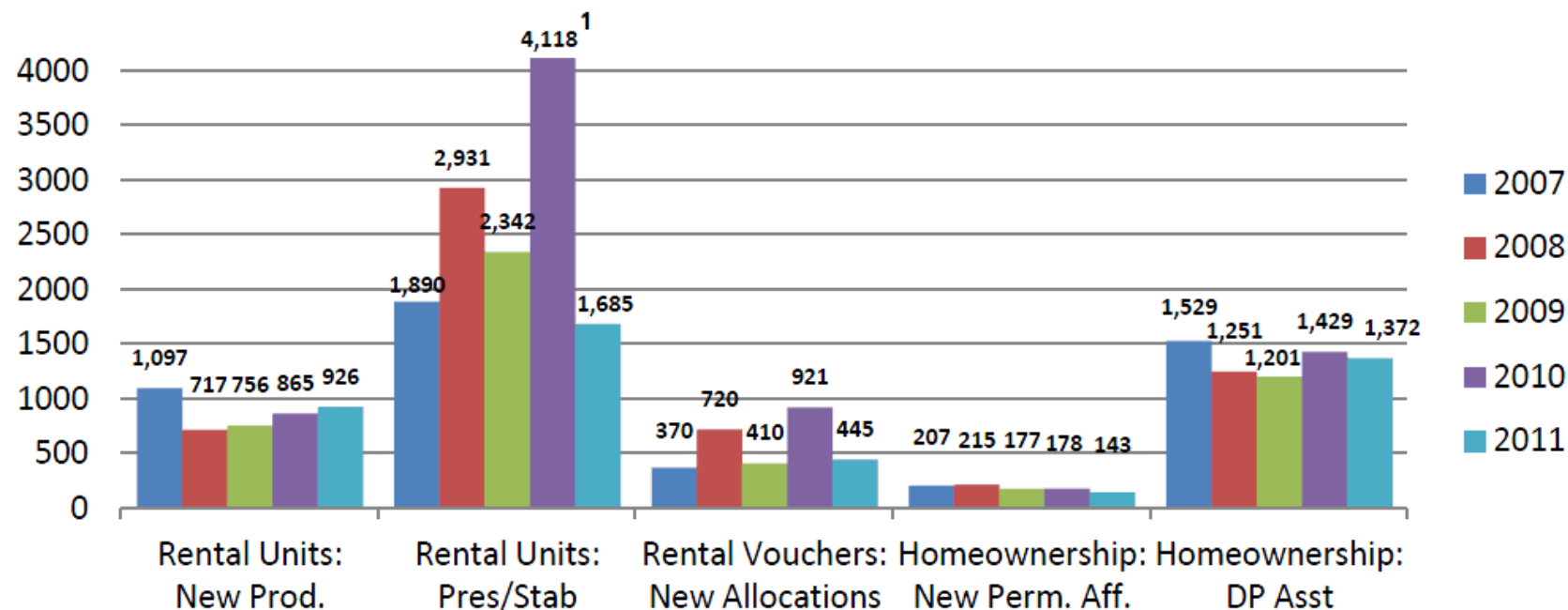
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Affordable Housing New Opportunities

GOAL 1: Public Will



Key Definitions

- **Affordable:** Units affordable to households earning 60% Area Median Income or below in Twin Cities, and 80% or below in Greater MN.
- **Rental Units: New Prod. (New Production):** Newly-built rental housing with public funding that guarantees long-term rent restriction or subsidy.
- **Rental Units: Pres/Stab (Preservation/Stabilization):** Previously-existing structures that receive new funding to create or extend an affordability commitment.
- **Rental Vouchers: New Allocations:** Additional new number of tenant-based rental vouchers available to issuing agencies for distribution.
- **Homeownership: New Perm. Aff. (New Permanently Affordable):** Affordability stays with the property independent of ownership.
- **Homeownership: DP Asst (Down Payment Assistance):** Includes grants and deferred loans to homebuyers at zero percent interest to make purchase of a home affordable

Opportunities for Affordable Housing: New and Preserved Publicly-Assisted Affordable Units

	2007		2008		2009		2010		2011		
	New	Pres/Stab	New	Pres/Stab	New	Pres/Stab	New	Pres/Stab	New	Pres/Stab	Total Inventory
Twin Cities	924	958	513	614	508	1,293	619	3,105	742	647	58,540
Anoka	0	0	60	0	0	0	0	195	0	0	2,378
Carver	59	0	48	0	0	0	0	0	0	0	1,215
Dakota	59	28	25	32	64	365	240	40	25	109	3,992
suburban Hennepin	17	722	142	72	48	22	17	464	81	137	9,016
Minneapolis	469	105	61	93	209	498	213	1616	383	235	21,887
suburban Ramsey	47	0	48	204	187	168	40	258	50	0	3,688
St Paul	188	7	77	176	0	143	0	434	189	82	13,122
Scott	44	0	0	37	0	41	0	24	0	24	1,295
Washington	41	96	52	0	0	56	109	74	14	60	1,947
Greater MN	173	932	204	2317	248	1,049	246	1,013	184	1,038	45,889
Region 1	20	154	18	361	0	45	28	36	19	30	3,993
Region 2	35	7	70	111	146	20	30	293	31	228	7,848
Region 3	0	62	12	113	24	119	0	75	8	50	4,492
Region 4	44	361	37	385	64	312	62	216	51	99	10,656
Region 5	0	94	0	603	0	109	28	130	0	268	6,148
Region 6	74	254	67	744	14	444	98	263	75	363	12,752
Total in MN	1,097	1,890	717	2,931	756	2,342	865	4,118	926	1,685	104,429

Key Definitions: 1) **Affordable:** Units affordable to households earning 60% Area Median Income or below in the Twin Cities Metro area, and 80% Area Median Income or below in Greater MN. 2) **New:** Newly-built rental housing with public funding that guarantees long-term rent restriction or subsidy. 3) **Preserved/Stabilized:** Previously-existing structures that receive new public funding to create or extend an affordability commitment.

Sources: Primary sources include 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. Additional sources include community feedback from counties, cities, and nonprofits.

Note: All new and preserved/stabilized counts reflect units for which financing closed in the given calendar year.

Opportunities for Affordable Housing - Rental Vouchers and Homeownership

Rental – New Tenant-based Vouchers Allocated

Program	Exist. 2007	New '07	Exist. 2008	New '08	Exist. 2009	New '08	Exist. 2010	New '10	Exist. 11	New '11
Allocated Section 8 Vouchers	31,179	77	31,229	50	31,210	-19	31,997	787	32,626	629
Housing Trust Fund (HTF)	961	261	1,467	506	1,824	357	2,106	282	1,993	-113
Bridges	593	96	756	163	800	44	664	-136	588	-76
Housing Opportunities for Persons with AIDS (HOPWA)	125	5	139	14	167	28	155	-12	160	5
Rental Assistance for Family Stabilization (RAFS)	13	-69	0	-13	0	0	0	0	0	0
Total in Minnesota	32,871	370	33,591	720	34,001	410	34,922	921	35,367	445

Perpetually-Affordable Homeownership

McKnight Region	New 2007	New 2008	New 2009	New 2010	New 2011
Twin Cities	87	94	72	84	73
1	4	6	3	1	1
2	23	39	51	32	29
3	12	14	14	7	4
4	14	13	11	14	5
5	8	10	6	5	1
6	59	39	20	35	30
Greater MN Total	120	121	105	94	70
Twin Cities Total	87	94	72	84	73
Grand Total	207	215	177	178	143

Downpayment / Affordability Assistance

	2007	2008	2009	2010	2011
Twin Cities	743	599	779	1,019	1,056
Greater MN	786	652	422	410	316
Minnesota	1,529	1,251	1,201	1,429	1,372

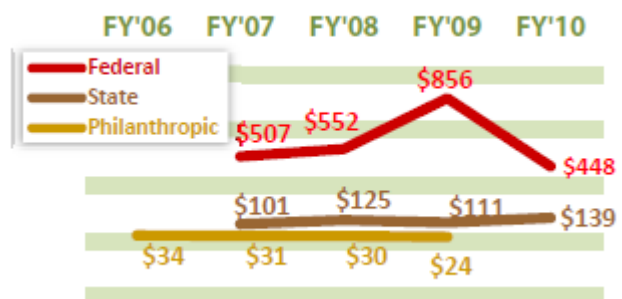
Key Definitions: 1) **Vouchers Allocated:** Total number of tenant-based rental vouchers available to an issuing agency for distribution. 2) **Perpetually-Affordable Homeownership:** Affordability stays with the property independent of ownership. 3) **Downpayment Assistance:** Includes grants and deferred loans to homebuyers at zero percent interest to make a purchase of a home affordable.

Sources: 1) **Vouchers:** HUD, MN Housing 2) **SFH:** MN Coalition of Community Land Trusts, MN Habitat for Humanity, Twin Cities Habitat for Humanity 3) **DP/Affordability Assistance:** MN Housing, Family Housing Fund, Greater MN Housing Fund

Notes: 1) While this report aims to capture the vast 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 downpayment/affordability assistance, including instances of downpayment assistance rendered as a result of foreclosure recovery efforts. 2) MyHomeSource, LLC and NSP, appearing in past Housing Measures reports eliminated from this year's report to avoid double-counting with the Foreclosure measure. 3) Family Housing Fund properties do not include project from Home Prosperity Fund that are related to, and reported in, foreclosure recovery activity elsewhere in this report).

Funding for Affordable Housing

GOAL 3: Increase Production & Preservation



(Data and footnotes on the following page)

Funding - Federal

CFDA Program Title	FY 2007	FY 2008	FY 2009	FY 2010	FY2011
American Dream Downpayment Initiative*	\$371,583	-	-	-	-
Brownfields Assessment and Cleanup Cooperative Agreements	-	\$200,000	\$300,000	\$1,200,000	-
Community Development Block Grants	\$14,663,225	-	-	-	-
Community Development Block Grants/Entitlement Grants	-	\$35,799,535	\$94,772,894	\$31,923,395	\$29,122,834
Community Development Block Grants/State's program	-	\$20,499,118	\$20,813,869	-	\$18,512,969
Community Facilities Loans And Grants	-	\$992,013	\$1,941,300	\$3,275,618	\$1,329,233
Congregate Housing Services Program	-	-	-	\$912,017	-
Direct Implementation Tribal Cooperative Agreements	-	-	-	-	\$50,000
Disaster Housing Program	-	-	-\$1,787,496	-\$81,203	-\$19,676
Economic Development Initiative-Special Project Neighborhood Initiative And Miscellaneous Grants	-	-	\$411,599	\$907,000	\$0
Education and Outreach Initiatives (Fair Housing)	-	-	-	-	\$124,447
Emergency Shelter Grants Program	\$2,524,477	\$17,717,629	\$16,861,012	\$13,826,317	\$2,960,528
Fair Housing Assistance Program State And Local	-	\$120,000	\$25,485	\$19,380	\$14,820
Fair Housing Initiatives Program (Fhip) Private Enforcement Initiative	-	-	\$550,000	-	-
Healthy Homes Demonstration Grants	-	\$999,769	-	\$70,000	-
Home Investment Partnerships Program	\$21,355,945	\$21,238,435	\$22,889,776	\$20,927,663	\$16,108,108
Homeless Management Information Systems Technical Assistance	-	-	-	-	-
Housing Counseling Assistance Program	-	\$1,478,087	\$1,815,144	\$2,074,930	\$1,788,204
Housing Opportunities for Persons with AIDS	\$947,000	\$1,413,029	\$2,536,824	\$1,114,995	\$2,034,735
Indian Housing Assistance	-	\$98,250	-	-	-
Indian Community Development Block Grant Program	-	-	\$1,200,000	\$600,000	-
Indian Housing Block Grants	-	\$17,680,696	\$17,647,535	\$21,329,144	\$17,735,894
Interest Reduction Payments Rental and Cooperative Housing for Lower Income Families	-	\$76,211	\$123,356	\$1,749,661	-\$239,925
Lead Hazard Reduction Demonstration Grant Program	-	\$7,866,736	\$3,000,000	\$6,000,000	\$2,698,745
Lead Technical Studies Grants	-	\$0	\$599,834	-	-
Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation	-	\$770,010	\$704,984	\$871,035	-
Mainstream Vouchers	-	\$2,519,292	\$2,092,216	\$1,623,149	-
Manufactured Home Construction and Safety Standards	-	\$0	\$60,643	\$59,300	-
Manufactured Home Dispute Resolution	-	\$0	-	-	\$61,127
Multifamily Assisted Housing Reform and Affordability Act	-	\$2,509,819	-\$284,642	\$279,323	\$979,898
Multifamily Housing Service Coordinators	-	\$1,494,695	\$784,643	\$2,335,654	\$965,223
Native American Programs	-	-	-	-	\$404,793
Operation Lead Elimination Action Program	-	\$1,541,107	-	-	-
Private Enforcement Initiatives (Fair Housing)	-	-	-	-	\$1,006,365
Public and Indian Housing	\$48,320,000	\$45,588,793	\$54,277,950	\$38,543,880	\$68,762,384
Public Housing Capital Fund	\$38,936,000	\$37,086,400	\$36,817,534	\$37,945,738	\$30,139,083
Rent Supplements Rental Housing for Lower Income Families	-	(\$81,568)	-	(\$68,299)	(\$59,068)
Resident Opportunity and Supportive Services - Service Coordinators	-	\$79,666	\$99,056	\$566,234	\$1,093,245
Rural Housing and Economic Development	-	\$180,000	\$730,330	\$298,073	-

Funding - Federal (continued)

CFDA Program Title	FY 2007	FY 2008	FY 2009	FY 2010	FY2011
Rural Housing Preservation Grants	-	\$269,028	\$141,858	\$152,780	\$137,738
Rural Rental Assistance Payments	-	\$7,528,512	\$16,389,553	\$13,358,624	\$19,274,919
Section 236*	\$1,504,281	-	-	-	-
Tenant Based Rental Assistance	\$212,643,000	-	-	-	-
Section 8 Housing Assistance Payments Program	-	\$90,060,166	\$114,174,204	\$82,646,470	\$50,562,569
Section 8 Housing Choice Vouchers	-	\$196,891,720	\$197,478,323	\$126,717,657	\$2,161,238
Section 8 Moderate Rehabilitation Single Room Occupancy	-	\$1,673,112	\$1,522,666	\$1,920,190	-
Shelter Plus Care	-	\$5,834,949	\$4,212,302	\$4,391,399	\$7,300,262
Specially Adapted Housing for Disabled Veterans	-	-	-	-	\$1,414,608
Substance Abuse and Mental Health Svcs Projects - Reg. and Nat'l Significance (Supportive Hsg)	-	\$371,294	\$721,294	\$721,294	\$721,294
Supportive Housing for Persons with Disabilities	-	\$3,972,995	\$7,102,881	\$3,013,042	\$344,822
Supportive Housing for Persons with Disabilities (2)	-	-	-	-	\$819,517
Supportive Housing for the Elderly	-	\$20,155,529	\$13,467,586	(\$359,820)	(\$8,845)
Supportive Housing Program	-	-	-	-	\$14,470,877
Sustainable Communities Regional Planning Grant Program	-	-	-	-	\$5,825,050
The Rural Development (RD) Multi-Family Housing Revitalization Demonstration Program (MPR)	-	-	-	-	\$413,822
Transitional Hsg Asst -Victims of Domestic Violence Dating Violence Stalking or Sexual Assault	-	\$406,071	\$500,000	\$232,467	\$249,601
Unit-Based Rental Assistance*	\$165,471,646	-	-	-	-
VA Homeless Providers Grant and Per Diem Program	-	-	-	\$225,943	\$567,135
Very Low-Income Housing Repair Loans and Grants	-	-	\$422,079	\$645,977	\$523,134
(blank)	-	\$22,582,434	\$33,057,450	\$7,750,698	\$18,676,204
Community Development Block Grant ARRA Entitlement Grants (CDBG-R)(Recovery Act Funded)	-	-	\$9,827,780	-	-
Homelessness Prevention and Rapid Re-Housing Program (Recovery Act Funded)	-	-	\$23,546,196	-	-
Indian Community Development Block Grant Program (Recovery Act Funded)	-	-	\$446,429	-	-
Public Housing Capital Fund Competitive (Recovery Act Funded)	-	-	\$53,527,822	-	(\$845,187)
Public Housing Capital Fund Stimulus (Formula) (Recovery Act Funded)	-	-	\$47,245,479	(\$209,432)	(\$3,646)
Native American Housing Block Grants (Competitive) (Recovery Act Funded)	-	-	\$15,629,550	\$2,000,000	-
Neighborhood Stabilization Program (Recovery Act Funded)	-	-	-	\$773,024	-
Native American Housing Block Grants (Formula) (Recovery Act Funded)	-	-	\$7,252,505	-	-
Edward Byrne Memorial Competitive Grant Program (Recovery Act Funded)	-	-	\$1,378,412	-	-
Transitional Housing (Recovery Act Funded)	-	-	\$1,000,000	-	-
Tax Credit Assistance Program (Recovery Act Funded)	-	-	\$28,434,123	-	-
Section 8 Housing Assistance Payments Program Special Allocations (Recovery Act Funded)	-	-	\$14,613,426	-	-
Total	\$506,737,157	\$567,613,532	\$871,075,764	\$432,283,317	\$318,179,078

Source: FY 2008 - FY 2010 Federal spending data was obtained through www.usaspending.gov; accessed May 2012. Due to an acknowledged error on the part of www.usaspending.gov administrators, 2007 spending on housing was not available as of our most recent data pull. Thus 2007 data was obtained via HUD's Community Planning & Development Program Formula Allocation report and the official budget for the United States Government.

Note: Due to its different sources, funding categories for 2007 data do not conform to the Catalog of Federal Domestic Assistance (CFDA) in all instances.

Funding - State

Program	2007	2008	2009	2010	2011
Affordable Rental Investment Fund-Minnesota Families (MARIF)	\$880,000	\$192,337	\$0	\$0	\$0
Affordable Rental Investment Fund-Preservation (PARIF)	\$10,483,882	\$4,939,475	\$7,161,295	\$9,337,735	\$17,321,435
Affordable Rental Investment Fund-Preservation (PARIF Public Housing)	\$0	\$2,308,600	\$2,630,050	\$0	\$0
Bridges	\$1,540,110	\$2,862,418	\$2,966,126	\$2,680,913	\$2,131,899
Habitat 21st Century Fund (Bruce Ventro Affordable Housing, pre-2009)	\$1,303,654	\$1,036,245	\$1,102,249	\$1,371,521	\$1,210,824
Community Fix-Up Fund (CFUF)	\$4,300,197	\$3,329,484	\$3,311,545	\$4,313,565	\$2,781,133
Community Revitalization Fund (CRV)	\$8,851,842	\$4,570,225	\$4,725,100	\$6,357,235	\$5,663,289
Economic Development and Housing Challenge Fund	\$4,229,597	\$5,814,221	\$3,257,475	\$7,391,815	\$0
Ending Long-Term Homelessness Initiative Fund (ELHIF)	\$1,983,237	\$8,387,261	\$6,367,541	\$8,472,964	\$4,918,407
Entry Cost Homeownership Opportunity (ECHO)	\$492,865	\$103,000	\$0	\$0	\$0
Family Homeless Prevention and Assistance Program (FHPAP)	\$3,843,287	\$5,930,272	\$8,170,823	\$6,251,827	\$7,174,349
Fix-Up Fund (FUF)	\$19,432,452	\$15,842,643	\$13,347,022	\$26,621,258	\$18,129,947
Flood Economic Development and Housing Challenge Fund	\$0	\$0	\$754,275	\$0	\$260,000
Flood Insurance Recovery Program (FIRP)	\$0	\$87,909	\$52,955	\$4,762	\$0
Habitat Next 1000 Homes	\$2,009,269	\$2,087,886	\$1,931,715	\$1,995,461	\$2,659,863
HOME Homeowner Entry Loan Program (HOME HELP, second mortgage amount)	\$0	\$0	\$6,084,608	\$4,989,863	\$1,824,498
Homeownership Assistance Fund (HAF, second mortgage amount)	\$4,791,271	\$3,450,224	\$1,618,353	\$3,459,828	\$4,561,156
Homeownership Education, Counseling, and Training (HECAT)	\$1,726,979	\$2,854,355	\$5,671,297	\$5,258,293	\$3,707,488
Housing Trust Fund (HTF)	\$983,230	\$6,173,461	\$17,552,234	\$17,552,234	\$34,569,173
Housing Trust Fund Rental Assistance	\$3,771,300	\$6,648,944	\$8,763,282	\$10,618,666	\$10,772,986
Housing Trust Fund Transitional	\$195,000	\$0	\$0	\$0	\$0
Low and Moderate Income Rental Program (LMIR)	\$23,822,258	\$22,485,404	\$9,970,978	\$15,755,623	\$43,295,930
Minnesota Urban and Rural Homesteading Program (MURL)	\$608,653	\$0	\$885,065	\$0	\$0
Capacity Building Grant Program (Organizational Support, pre-2008)	\$619,258	\$429,600	\$298,000	\$313,000	\$383,000
Publicly Owned Housing Program	\$0	\$4,002,731	\$3,523,380	\$4,066,068	\$10,252,331
Quick Start Disaster Recovery Program	\$0	\$10,761,071	\$423,367	\$294,321	\$2,036,347
Rehabilitation Loan Program	\$4,149,993	\$5,649,172	\$5,621,070	\$1,070,919	\$2,125,966
Rehabilitation Loan Program (HOME)	\$0	\$0	\$0	\$518,007	\$0
Rental Assistance for Family Stabilization (RAFS)	\$15,500	\$0	\$0	\$0	\$0
Rental Rehabilitation Loan Program	\$871,342	\$754,452	\$396,133	\$441,237	\$321,496
Tribal Indian Housing	\$0	\$3,991,969	\$3,588,608	\$0	\$0
Total	\$100,905,176	\$124,693,359	\$110,674,814	\$139,137,115	\$176,101,517

Data Sources: 2007 - 2009 data was obtained from table 3 of MN Housing's annual *Housing Assistance in Minnesota, Program Assessment*. For 2010, that report became the *Annual Report and Program Assessment*. Table 3 remains.

Notes: 1) We do not capture interest-generating (or other revenue generating) instruments, such as mortgages with interest, tax credits, etc. 2) We also do not capture programs that utilize federally-funded "pass-through" dollars.

Funding - Philanthropic

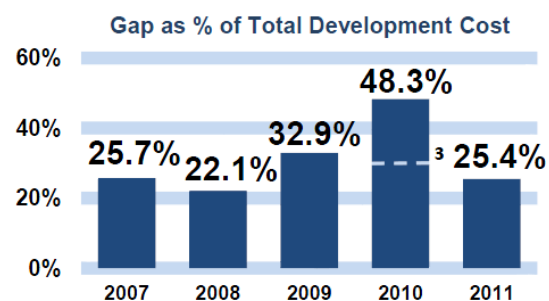
2010 Rank	MN Grantmaker Foundations	2006		2007		2008		2009		2010	
		\$ to Hsg	% to Hsg	\$ to Hsg	% to Hsg	\$ to Hsg	% to Hsg	\$ to Hsg	% to Hsg	\$ to Hsg	% to Hsg
1	The McKnight Foundation	\$15,040,000	23%	\$10,740,000	15%	\$12,440,000	20%	\$6,650,100	12%	\$11,345,000	21%
2	Carl and Eloise Pohlad Family Foundation	\$132,500	2%	\$930,500	14%	\$906,756	12%	\$3,837,400	21%	\$2,018,400	14%
3	Target	\$1,740,000	7%	\$1,935,000	21%	\$2,142,000	24%	\$2,092,000	22%	\$1,930,000	14%
4	The Saint Paul Foundation	\$1,519,812	9%	\$3,319,282	10%	\$1,673,709	5%	\$1,296,803	4%	\$1,876,512	6%
5	Otto Bremer Foundation	\$3,351,566	17%	\$2,556,500	11%	\$1,525,500	8%	\$1,781,338	12%	\$1,210,672	7%
6	Blandin Foundation	\$1,140,000	8%	\$1,153,800	7%	\$1,115,000	8%	\$1,193,000	13%	\$1,158,675	7%
7	Wells Fargo Foundation Minnesota	\$1,121,427	8%	\$883,000	12%	\$914,700	12%	\$625,000	9%	\$756,000	11%
8	Thrivent Financial for Lutherans Foundation	\$164,500	3%	\$411,290	7%	\$433,495	7%	\$509,500	26%	\$612,248	17%
9	The Minneapolis Foundation	\$2,749,532	9%	\$609,859	2%	\$1,353,120	5%	\$1,000,400	6%	\$508,700	3%
10	Fred C. and Katherine B. Andersen Foundation	\$417,500	4%	\$385,000	2%	\$585,000	2%	\$405,000	2%	\$455,000	4%
11	The Jay and Rose Phillips Family Foundation	\$393,500	5%	\$399,000	9%	\$387,000	9%	\$135,000	3%	\$402,500	8%
12	Patrick and Aimee Butler Family Foundation	\$245,000	3%	\$1,045,000	35%	\$220,000	8%	\$397,500	19%	\$382,500	18%
13	F.R. Bigelow Foundation	\$272,500	4%	\$0	0%	\$975,000	12%	\$645,000	10%	\$357,500	7%
14	Hugh J. Andersen Foundation	\$474,500	4%	\$344,000	11%	\$308,000	12%	\$185,500	10%	\$304,000	15%
15	General Mills Foundation	\$0	0%	\$0	0%	\$0	0%	\$0	0%	\$270,000	2%
16	Travelers Corporation and Travelers Foundation	\$425,000	4%	\$815,000	7%	\$603,450	8%	\$247,000	3%	\$205,300	3%
17	Ecolab Foundation and Corporation	\$95,000	2%	\$95,000	4%	\$110,000	5%	\$90,000	4%	\$175,000	9%
18	Healthier Minnesota Community Clinic Fund	\$100,000	2%	\$0	0%	\$0	0%	\$0	0%	\$164,543	4%
19	3M/3M Foundation	\$64,500	2%	\$64,000	1%	\$10,000	0%	\$10,000	0%	\$152,500	1%
20	Bush Foundation	\$2,335,000	9%	\$504,000	2%	\$1,259,103	6%	\$370,603	2%	\$150,000	1%
	All Other	\$4,457,269	3%	\$4,833,162	3%	\$4,339,608	3%	\$3,013,377	3%	\$1,624,340	2%
	Total (All grants to housing in MN from MN-based Foundations)	\$33,904,106	8.41%	\$30,519,393	7.48%	\$30,042,338	7.16%	\$24,113,918	7.11%	\$29,790,427	7.46%

Data Source: The MN Council on Foundations.

Notes: The Greater Twin Cities United Way is a significant contributor to affordable housing in MN, however their contributions have not historically been available through The MN Council on Foundations' reporting mechanism.

Gap Financing

GOAL 3: Increased Production & Preservation



Gap Financing

Gap Dollars

	2007	2008	2009	2010	2011
Public	\$33,331,659	\$18,760,517	\$31,159,606	\$52,108,857	\$26,127,598
Philanthropic	\$4,936,203	\$2,492,595	\$3,330,559	\$2,129,820	\$2,596,513
Private	\$9,900,548	\$8,424,265	\$4,009,000	\$4,494,389	\$2,125,254
Total Gap Dollars	\$48,168,410	\$29,677,377	\$38,499,165	\$58,733,066	\$30,849,365
Total Development Cost	\$187,539,638	\$134,472,397	\$117,077,567	\$121,638,509	\$121,305,190

Gap as % of Total Development Cost

	2007	2008	2009	2010	2011
Public	17.8%	14.0%	26.6%	42.8%	21.5%
Philanthropic	2.6%	1.9%	2.8%	1.8%	2.1%
Private	5.3%	6.3%	3.4%	3.7%	1.8%
% of TDC that is Gap	25.7%	22.1%	32.9%	48.3%	25.4%

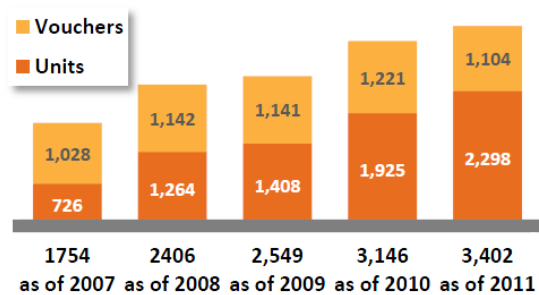
Key Definitions: 1) **Gap Financing:** All funding needed beyond the first mortgage and tax credits to make a project viable (e.g. non-revenue-generating)
 2) **Public Funding:** Funding from government sources. 3) **Philanthropic Funding:** Grants from philanthropic (non-profit) sources 4) **Private Funding:** Grants from the private sector. 5) **Total Development Cost:** All funding needed to meet project costs.

Data Source: Gap data is exclusively derived from MN Housing-financed development projects.

Notes: 1) Units targeted at lower income households may require more gap funding. 2) Total development costs may vary by location.

Ending Long-Term Homelessness

GOAL 2: Innovation & Design



(Data and footnotes on the following page)

Ending Long-Term Homelessness

	2007		2008		2009		2010		2011	
	Rental	Tenant	Rental	Tenant	Rental	Tenant	Rental	Tenant	Rental	Tenant
Twin Cities	534	677	916	729	1049	785	1,466	826	1,799	746
Anoka	0	0	0	0	0	0	4	50	4	45
Carver	6	0	6	0	6	0	6	0	6	0
Dakota	13	30	77	30	19	30	19	30	19	28
Hennepin	273	264	473	276	664	277	1006	250	1326	225
Ramsey	238	114	348	125	348	125	415	138	424	125
Scott	0	0	0	0	0	0	4	0	4	0
Washington	4	10	12	10	12	10	12	10	16	9
Metro Multi-Jurisdictional	0	259	0	288	0	343	0	348	0	314
Greater MN	192	351	348	413	359	356	459	395	499	358
Region 1	16	0	16	0	16	15	20	0	35	0
Region 2	63	64	92	70	107	82	133	89	69	80
Region 3	24	45	52	45	48	50	56	55	61	50
Region 4	22	14	88	14	92	14	84	14	160	13
Region 5	16	8	24	8	20	8	20	8	24	7
Region 6	51	55	76	66	76	72	146	94	150	86
Multi-Jurisdictional (TC & Greater MN)	--	165	--	210	0	115	0	135	0	122
Total in Minnesota	726	1,028	1,264	1,142	1,408	1,141	1,925	1,221	2,298	1,104
Total Opportunities	1,754		2,406		2,549		3,146		3,402	

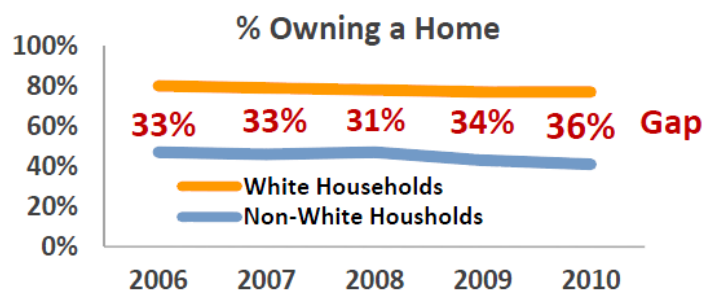
Definitions: 1) **Ending Long-Term Homelessness:** A 2015 goal to create 4,000 additional housing opportunities with support services for long-term homeless MN individuals and families (goal initiated in 2004 as part of Heading Home Minnesota's Business Plan to End Homelessness). 2)

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). 3) **Opportunities:** Rental housing targeted at households making <30% of area median income and where support services are available to residents (includes units and tenant-based assistance).

Notes: 1) Totals do not perfectly align with totals reported in progress reports for the MN Business Plan to End Homelessness. 2) Minnesota Housing Measures does not include McKinney-Vento Continuum of Care-funded opportunities, which are emergency shelter and transitional in nature. 3) There is potential, but likely small, overlap in unit and voucher counts.

Emerging Market Homeownership

GOAL 1: Public Will



Emerging Market Home Ownership Rates vs. Non-Emerging Market (white, not-Hispanic) Home Ownership Rates

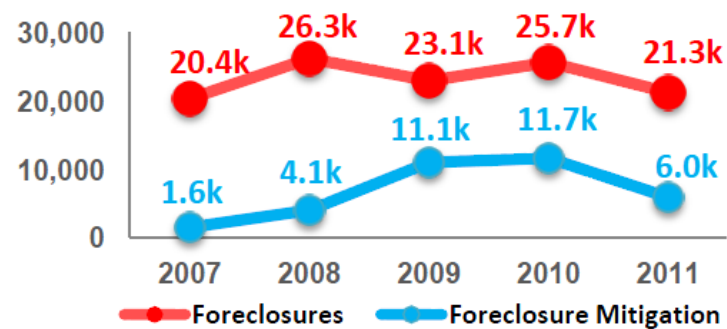
	2006			2007			2008			2009			2010		
	EM	W-nHSP	Gap	EM	W-nHSP	Gap	EM	W-nHSP	Gap	EM	W-nHSP	Gap	EM	W-nHSP	Gap
Twin Cities	45%	79%	35%	44%	79%	35%	45%	78%	33%	40%	77%	37%	39%	76%	37%
Anoka	68%	86%	18%	71%	85%	13%	62%	83%	21%	60%	85%	25%	60%	84%	24%
Carver	76%	86%	10%	84%	83%	-1%	72%	85%	12%	64%	83%	19%	62%	83%	20%
Dakota	59%	82%	23%	63%	82%	19%	65%	81%	16%	55%	81%	26%	51%	80%	29%
Hennepin (suburban part only)	46%	80%	34%	44%	80%	36%	46%	79%	33%	45%	79%	34%	42%	78%	36%
Minneapolis	27%	65%	38%	28%	63%	35%	28%	63%	35%	23%	61%	39%	25%	59%	34%
Ramsey (suburban part only)	53%	79%	26%	44%	79%	35%	42%	78%	37%	55%	74%	18%	43%	77%	34%
St Paul	36%	68%	32%	32%	66%	33%	38%	65%	26%	26%	64%	38%	29%	62%	33%
Scott	81%	90%	9%	67%	89%	22%	91%	88%	-3%	67%	86%	19%	68%	86%	18%
Washington	82%	87%	5%	73%	86%	13%	74%	86%	12%	71%	84%	13%	69%	84%	15%
Greater MN	53%	80%	27%	55%	79%	24%	52%	78%	27%	53%	78%	25%	47%	78%	31%
Minnesota	47%	80%	33%	46%	79%	33%	47%	78%	31%	43%	77%	34%	41%	77%	36%

Key Definition: Emerging Markets: Non-white and/or Hispanic households. (EM = "Emerging Markets," W-nHSP = "White, non-Hispanic")

Source: US Census American Community Survey 2006-2009; US Census 2010.

Foreclosures

GOAL 3: Increased Production & Preservation



(Data and footnotes on the following page)

Foreclosure

Minnesota Foreclosures (Sheriff's Sales)

	2007	2008	2009	2010	2011
Twin Cities	12,968	16,312	14,532	15,779	13,181
Anoka	1,680	2,285	2,069	2,247	2,015
Carver	287	336	363	416	331
Dakota	1,610	2,063	1,860	2,147	1,985
Hennepin	5,561	7,348	5,655	6,161	4,953
Ramsey	2,346	3,023	2,519	2,608	2,078
Scott	606		811	947	744
Washington	878	1,257	1,255	1,253	1,075

<i>Minneapolis</i>	2,346	3,023	2,519	2,608	1,789
<i>St Paul</i>	878	1,257	1,255	1,253	1,498

Greater MN	7,430	8,987	8,560	9,894	8,117
Region 1	254	313	351	347	268
Region 2	610	803	758	1,009	877
Region 3	354	451	493	528	491
Region 4	3,657	4,478	4,267	4,579	3,703
Region 5	639	654	633	779	641
Region 6	1,916	2,288	2,058	2,652	2,137
Minnesota	20,398	25,299	23,092	25,673	21,298

Foreclosure Recovery

	2007	2008	2009	2010	2011
New Mortgage Products Delivered	0	29	1,152	775	941
Properties Acquired/Rehabbed	99	262	983	847	755
Foreclosures Prevented	1,516	3,816	8,971	10,082	4,299
Minnesota Total	1,615	4,107	11,106	11,704	5,995

Definitions: 1) **Foreclosure:** County sheriff's sale; or, that point in time at which a homeowner officially loses their home to county auction. 2) **New Mortgage Product Delivered:** Both mortgage loan and down payment products that were developed in response to the foreclosure crisis. 3) **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. 4) **Foreclosure Prevented:** Foreclosures averted through the efforts of foreclosure prevention counselors.

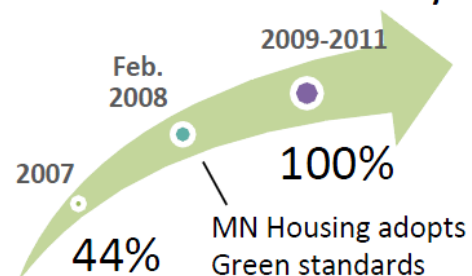
Sources: 1) **Foreclosures:** HousingLink (sheriff sales) 2) **Foreclosure Recovery:** Twin Cities Foreclosure Recovery Progress Report (MN Foreclosure Partners Council, Twin Cities LISC, Family Housing Fund, HousingLink).

Note: 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.

Green Housing

GOAL 2: Innovation & Design

% of Green Units Produced by Year⁵



Green Housing

New Affordable Rental Units

	Green Units	Newly Constructed Affordable Units	% Meet Green Standard
2007	323	731	44%
2008	507	672	75%
2009	647	647	100%
2010	635	635	100%
2011	505	505	100%

Key Definitions: 1) **Green Units:** Multi-family units that meet one of three levels of compliance for energy efficiency and sustainability according to MN Housing's green housing policy, adopted in February 2007. 2) **Newly Constructed Affordable Units:** Newly constructed multi-family units with public-financing, and a first finance closing in the year in question.

Source: MN Housing

Note: MN Housing's multi-family green housing policy stipulates that all properties committed after February 2007 or closed from 2009 on must meet green compliance standards.

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)
Public Will- Increase public acceptance for affordable housing as a fundamental characteristic of healthy communities	(1) To increase the public acceptance of affordable housing as a community asset	(1) Survey data and poll tracking documenting support for affordable housing as a community asset, particularly among influential stakeholders, elected officials, and community leaders	(1) Public opinion and specific public policies describing affordable housing included in the mix of community housing choices as community asset (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	(1) Increase in the public recognition of affordable housing as community asset and/or contributor to community economic development (2) Increase in the number of housing units produced in communities throughout Minnesota toward goals established in housing plans for affordable housing.	(1) New and/or expanding organized partnerships among business, public, philanthropic, and community leaders are increasingly effective advocates for affordable housing in all communities (2) New and/or more effective public policies, ordinances, and zoning supporting affordable housing are adopted and are being implemented	(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 (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
	(2) To advocate for affordable housing options as an essential component of healthy communities	(1) Number and location of MN affordable housing units (2) % of emerging market homeownership in Greater MN	(1) Disbursement of affordable housing without contributing to a concentration of poverty (2) Communities requesting affordable housing as a key component of healthy communities	(1) Increase in % of units produced in communities and high opportunity areas to increase housing choice (2) Increase in the number of housing developments in communities with mixed-income units (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	(1) Increased affordable housing is available in higher opportunity communities (2) Reduced racial segregation based on housing location (3) Increased low-income and minority homeownership	(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

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

Minnesota Housing Measures Report Notes with Updates and Methodology (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
1. Public Will Increase public acceptance for affordable housing as a fundamental characteristic of healthy communities	Objective 2. To advocate for affordable housing options as an essential component of healthy communities Baseline 1. Number and location of MN affordable housing units	1. Opportunities: Number and location of MN affordable housing opportunities <ul style="list-style-type: none"> Count of new publicly assisted affordable rental units with first closing 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 Existing Statewide Unit Counts <ul style="list-style-type: none"> existing publically assisted rental units perpetually affordable single family homes 	Rental - New Opportunities Methodology and Notes: <ol style="list-style-type: none"> HousingLink tracks rental units that have “public assistance” in their financing. This is a subset of all affordable rental units. Primary data sources include: <ol style="list-style-type: none"> Minnesota Housing Finance Agency US Department of Housing and Urban Development (HUD) City of Minneapolis (CPED) Family Housing Fund Greater MN Housing Fund US Department of Agriculture (no new construction since 2005) Federal Home Loan Bank of Des Moines. We reach out to an additional 20-30 local data sources (counties, cities, nonprofits) to verify the results of our initial processing. 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. In the case of metro units, the methodology conforms precisely to the methodology for our annual <i>Housing Counts</i> reports. As of the 2010 report, we began processing a statewide “inventory” via a wholesale “replacement” of previous year’s data, rather than as a mere addition of new units. We deemed this necessary, as there has been no reliable mechanism found for tracking “lost units” (e.g. units for which publicly-funded rent control or subsidy has been lost). As such, we do not have what we consider to be accurate “inventory” numbers prior to 2010, and have removed past years (prior to the current year) from Fact Sheets. Rental – Tenant Vouchers Methodology: <ol style="list-style-type: none"> HousingLink tracks voucher allocations (“point of origin,” rather than “point of use”). Data Sources Include

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			<p>a) HUD (annual federal Section 8 tenant-based voucher allocations)</p> <p>b) MN Housing (a variety of tenant voucher allocations)</p> <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) We define “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 c) Greater MN Housing Fund. 3) Public and private sources invest a significant amount annually into down

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			<p>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>5) We are 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><u>Overall Opportunities Note:</u> HousingLink recognizes that this measure does not incorporate any demand data into the measure.</p>

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1. Public Will Increase public acceptance for affordable housing as a fundamental characteristic of healthy communities	Objective 2. To advocate for affordable housing options as an essential component of healthy communities Baseline 2. Percent of emerging market homeownership in Greater MN	2. Emerging Market Homeownership <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 	Methodology: HousingLink uses one-year estimates 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. Emerging markets are considered to be all households that are not "White Alone, not Hispanic or Latino." A known limitation of that data is that its release date is September of the following year. Update: <ul style="list-style-type: none"> 2010 Report: It was discovered that there was a slight methodological difference between HousingLink's definition of "emerging markets" (a sum of non-white race and ethnicity households) and that of the EMHI research team of the Federal Reserve Bank of Minneapolis and MN Housing (the difference between all households and households defined as "White Alone, not Hispanic or Latino). For consistency purposes, we have elected to switch our methodology, which results in little to no difference in actual reported numbers. 2009 Report: 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.
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.	Objective 2. To increase the number of low-income people and families living in high quality, energy and cost-efficient, affordable housing Baseline 1. Percentage of affordable housing that	3. Green Housing: Percent and number of total affordable homeownership and rental units committed after February 2007 that meet the green standard Minnesota.	Methodology: <ol style="list-style-type: none"> 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. 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

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
	meets green standards		<p>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.</p> <p>3) Green home ownership is not counted in the report, as we are not aware of the formal adoption of a green "standard," as with rental.</p> <p>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.</p> <p>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, we will not be tracking these counts, going forward.</p> <p>4) 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> <p>5) 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.</p> <p>Update: <u>We are re-stating "Green" numbers in this year's report, to reflect changes and updates for production numbers over the past four years.</u></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,	Objective 3. To promote supportive housing with holistic, integrated services and opportunities for healthy family development Baseline 1.	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)	Methodology: <p>1) HousingLink tracks progress towards the state of MN's Ending Long Term Homelessness initiative through a combination of units and vouchers in service.</p> <p>2) Data source is Heading Home Minnesota's <i>Business Plan to End Long-Term Homelessness</i>.</p> <p>3) There is potential overlap in unit & voucher counts, but no discernable method of addressing the issue.</p> <p>4) Although we have heard community interest in trending the available/allocated support service dollars, the amount of effort to tract this information is substantial and beyond the current scope of this report.</p>

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transportation, and community amenities.	Units required to meet 2010 goal to end long-term homelessness		Updates: <ol style="list-style-type: none"> 1) <u>As of the 2011 report, the ELTH goal is no longer being expressed relative to 2010.</u> 2) As of the 2010 report, the traditional ELTH "Initiative" has transformed into being the foundation for "Heading Home Minnesota." Their plan is still to create 4,000 permanent supportive housing opportunities for individuals, youth, and families. 3) We show 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: <ol style="list-style-type: none"> 1) The report tracks two measures related to foreclosure: <ol style="list-style-type: none"> 1) Total foreclosures (e.g. mortgage foreclosures by sheriff's sale), as reported by HousingLink 2) Foreclosure recovery efforts of the MN Foreclosure Council, which are measured by three activity types, also reported by HousingLink: <ol style="list-style-type: none"> (1) <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. (2) <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. (3) <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) The foreclosure recovery measure is derived from a research effort with an independent funding commitment that is set to expire after the release of the 2012 report.

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<p>3. Increased Production & Preservation</p> <p>To increase the pace of affordable housing production, preservation, and permanency</p>	<p>Objective 3. To increase the pace of production by advocating for and securing greater public and private resources for affordable housing</p> <p>Baseline 1. Amount of public and private investment in affordable housing</p>	<p>6. Funding: Total dollar amount of public and philanthropic investment made into affordable housing</p> <ul style="list-style-type: none"> • Public: Total Federal and State investment <p>Philanthropic: Percent and total amount of grants towards housing by top 20 MN foundations</p>	<p>Federal Methodology:</p> <ol style="list-style-type: none"> 1) Beginning with FY 2008, www.usaspending.gov has provided detailed accountability for grant & direct payments for housing into the state of MN. 2) For FY 2007, this data is not available in www.usaspending.gov, and was thus obtained from a variety of budgetary and funding reports, which do not necessarily conform to the "CFDA Program Titles" available from the online reporting. This is an acknowledged error on the part of www.usaspending.gov. We determined in that year that 25 percent of CDBG spending was directed specifically to housing. This was accounted for in the analysis. <p>State Methodology:</p> <ol style="list-style-type: none"> 1) 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. 2) As a rule, we do not capture: <ol style="list-style-type: none"> a. Interest-generating (or other revenue generating) instruments (e.g. mortgages with interest, tax credits, etc.). b. Programs that are federally-funded (e.g. "pass-through" dollars). <p>Philanthropic 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). 2) 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.

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			<p>c) The data has a very late annual release. As of this writing, data availability lags approximately one year behind Federal and State funding data.</p> <p>3) Individual grants under \$1,000 are not tracked.</p> <p>4) We have decided not to track philanthropic loans like PRIs because the data is not readily, publicly available at this time.</p> <p>5) Although philanthropic data available from <i>MN Council of Foundations</i> has a significant, inherent, time lag, we have their ongoing commitment to deliver unaudited data for the top 20 MN Philanthropic Funders prior to March of each report year.</p> <p>6) Through the 2009 report, HousingLink gathered data from nationally-based <i>The Foundation Center</i> regarding philanthropic funding used in Minnesota, but not originating from within Minnesota. For years in the report through 2009, these amounts ranged from roughly eight percent to 20 percent of the Minnesota-based giving amount. We have since determined reporting by The Foundation Center to be incomplete and inconsistent enough to call into question its veracity, and as of the 2010 report, no longer report the number.</p> <p>Overall Notes</p> <p>1) HousingLink tracks financial investments for the state, but does not distinguish between investments made in the metro area and Greater MN.</p> <p>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.</p> <p>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		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>Methodology:</p> <p>1) HousingLink uses the following definition for gap financing: all funding needed beyond the first mortgage and tax credits to make a project viable.</p> <p>2) Data source is MN Housing.</p> <p>3) Gap financing is broken into categories of public, philanthropic & private based</p>

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production, preservation, and permanency			<p>on source at point of use. This allows the Foundation to see which entities are using their funding allocations for gap financing.</p> <p>Update:</p> <p>1) <u>Section 1602 Exchange Funds, unique to 2010, presented an issue in which they could be classified as tax credits (they were offered in exchange for unused credits), but were also used as a significant source of financing for projects that may well have not otherwise moved forward. We elected to include those credits as part of the "gap" calculation, in spite of the following reservations:</u></p> <p>a) <u>These were federal funds already "committed"</u></p> <p>b) <u>At the amounts being used on each project/property, they are a primary financing tool; in most instances they appear to be a primary reason the project will proceed.</u></p> <p>c) <u>Including them in gap financing would, in our opinion, overstate public will</u></p>