

# 2010

## MINNESOTA BASELINE HOUSING MEASURES

June 2010

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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 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 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.

When the 2009 Minnesota Baseline Housing Measures report was released in summer of 2010, it allowed us to assess a particularly challenging period in the history of our state's housing market. With our economy still struggling with The Great Recession, public resources battled to combat historically high foreclosure rates, a reeling home ownership market, and related financial crises in a growing number of individual households. Even as mixed signs of recovery emerge, the environment that originally created the foreclosure crisis continues to have a jarring impact on traditional affordable housing financing systems.

In last year's report, we introduced the notion of "Re-Thinking Housing," a conversation among McKnight and its partners that explored our community's approach to buildings, places, and systems that produce housing. In this past year, we have seen evidence of those conversations put into practice, as agencies both locally and nationally push for *systems change*, improving the ways stakeholders can work together to creatively and efficiently deliver housing solutions.

Now, another year in, we can assess how McKnight and its partners have embraced systems change efforts against the backdrop of these challenges.

## Recovery Act Success

**Keeping Pace During The Great Recession:** While debate rages over the effectiveness of the Federal Government's 2009 stimulus package, its impact on affordable housing in Minnesota is indisputable. In 2009 an additional \$206 million dollars was channeled into Minnesota to support HUD-related programs and concerns,<sup>1</sup> and actual production directly or indirectly

resulting from that funding is evident in this report. A total of 4,013 new affordable rental opportunities were brought on-line in 2010, 943 more than in 2009<sup>2</sup>. Specifically, substantial strides forward were seen in rental preservation/stabilization (up 30 percent), new tenant vouchers allocated (up 125 percent), down-payment assistance (up 25 percent), and opportunities in the Ending Long-Term Homelessness initiative (up 23 percent).<sup>3</sup> The popular Section 1602 tax credit exchange program, U.S. Treasury's response to a frozen tax credit market, was involved in 18 percent of all MN Housing financed affordable housing development projects in 2010, representing 13 percent of the total dollars involved.<sup>4</sup>

**Looking Forward:** The stimulus package was a one-time occurrence and it is over. In FY09, a total of \$856 million came into Minnesota for affordable housing; in FY10, it was down to only \$448 – lower than either FY07 or FY08. Although State investment was up 25 percent from FY09 to FY10, this was not nearly enough to offset the reduced Federal dollars, and both Federal and State legislatures are demanding austerity going forward.

Additionally, evidence suggests that increased government support has not yet been effective at leveraging private investments, but has instead merely sustained a level of production during a private-sector period of indisposition. Our findings reveal that while spending on affordable rental housing development decreased 33 percent from 2007 to 2010, contributions from *non*-public and philanthropic sources decreased a staggering 54 percent.<sup>5</sup>

Against this challenging funding picture a variety of affordable housing challenges remain or are exacerbated by a sputtering economic recovery. Among these are challenges faced by “emerging market” (e.g. minority) households experiencing socioeconomic conditions that put them at heightened risk of foreclosure or other threats of being displaced. The Minnesota Home Ownership Center reports numbers of African-American clients seeking foreclosure counseling services (6.7 percent) that far exceed the percentage of African-American homeowners (3.7 percent), statewide.<sup>6</sup> And while foreclosure data by race is very difficult to determine, the homeownership rate between white and non-white households has widened from 31 percent to 36 percent in just the past two years alone.

## New Strategies & Efficiencies

It is clear that governmental and nonprofit partners must pursue efficiencies and maximum return-on-investment both in how they prioritize their work and how they motivate public will. Three existing initiatives demonstrate clear efficiencies and are reflected in *2010 Housing Measures*.

- 1. Affordable Housing Preservation:** One strategy that communities and agencies have increasingly adopted is the preservation of existing affordable housing units, as opposed to the creation of new ones. Due to an aging base of publicly assisted rental housing, opportunities are continually lost to deterioration, abandonment, or conversion to market rate. The National Housing Trust (NHT) estimates that for every new affordable unit created, two are lost.<sup>7</sup> NHT further estimates that the practice of preservation results in a 40 percent *savings* per unit, as compared to producing new units.<sup>8</sup> HousingLink's analysis of 2010 multifamily funding data from Minnesota Housing corroborates this figure, finding a per-unit cost savings of 42 percent.<sup>9</sup> Government agencies and nonprofit partners in Minnesota have been quick to embrace this cost-effective strategy, driving the preservation

of affordable rental units up 68 percent in four years, while new production has seen a 47 percent decline over the same period.<sup>10</sup>

- 2. Ending Long-Term Homelessness:** Minnesota partners in affordable housing have also recognized efficiencies in ending long-term homelessness. A recent homeless cost avoidance study estimates that the public cost for residents in supportive, long-term housing is \$605 per month – less than one-fifth the cost in public services for their homeless counterparts (\$2,897).<sup>11</sup> Heading Home Minnesota recognizes that a full-range of services is necessary to end a cycle of homelessness. Since its 2004 inception, the public-private partnership has obtained funding for 3,146 new housing opportunities for families and individuals, with an increase of 1,392 opportunities (79 percent) in just the past four years.<sup>12</sup>
- 3. Foreclosure Prevention:** Coordinated by the Minnesota Home Ownership Center through a statewide network of counselors, foreclosure prevention efforts translate to a cost savings of up to \$600 million per year for Minnesota’s homeowners, lenders, neighborhoods, and local governments.<sup>13</sup> This demonstration of high returns on investment led to a recent restoration of federally funded National Foreclosure Mitigation Counseling dollars. In fact, due to its well-regarded foreclosure mitigation outcomes, Minnesota received the third highest award nationally in 2011 in the amount of \$3 million. Also a vanishing resource, this funding pool has prevented over 25,000 foreclosures since 2008.<sup>14</sup>

## **Leading by Example in Energy Efficiency and Sustainability**

One clear recent success in affordable housing has been Minnesota Housing’s commitment to produce sustainable, green housing. All units — both new and preserved — with committed financing since February 2008 are required to conform to Minnesota Green Communities standards. Part of the national Enterprise Green Communities partnership, the effort began in 2004 with a primary focus on affordable housing structures and developments. In 2010 HUD declared a focus on LEED Neighborhood Development, which holds construction to similar standards but expands the notion from individual developments to portions of neighborhoods, entire neighborhoods, and even multiple neighborhoods. The approach aligns with the commitment of the Interagency Partnership on Sustainable Communities, in which previously siloed Federal agencies of Housing and Urban Development (HUD), the U.S. Department of Transportation (USDOT) and the U.S. Environmental Protection Agency (EPA), partner to consider holistic systems changes — the theory being that we elevate communities by simultaneously addressing multiple contributors of success for families with low to moderate incomes and the communities in which they live.

“Smart growth, urbanism, and green building” were cited by HUD among the considerations leading to its \$5 million award for the Twin Cities Metropolitan Council’s Sustainable Communities initiative. Administering and evaluating the outcomes and the systems change leveraged through it and through the Living Cities Integration Initiative (\$10 million in loans, \$3 million in program-related investments, and \$2.77 in grants) has led to an unprecedented partnering among government, academic, and nonprofit agencies — each of whom are concerned with development along proposed rapid transit corridors. As government entities and McKnight’s other partners evaluate potential ongoing investments, the preservation of affordable housing, de-concentration of poverty, access to jobs, and combined costs of housing and transit are all under a metaphorical microscope.

## Challenges of Funding and Perception

Unquestionably, the current economic and legislative climate puts funding for affordable housing at risk. A recent Federal budget compromise between the Obama administration and Congress included significant cuts to publicly assisted housing mainstays such as Community Development Block Grants, Public Housing Capital Fund, and the HOME Investment Partnerships Program. For Minnesota, this shift projects a 16 percent reduction in FY2011 funding, representing cuts totaling \$12.5 million dollars.<sup>15</sup>

Although advocates are increasingly able to demonstrate societal benefits of affordable housing strategies, partners continue to face lingering perception issues in the communities they seek to serve. For local politicians, the PR firm Himle Horner (2009) has suggested that the advancement of affordable housing is typically a high-risk/no-reward political issue, with the stiffness of community opposition proportional to individuals' proximity to proposed projects.<sup>16</sup> However, as homeownership becomes more elusive overall, attitudes are softening around rental housing as a necessary stock for a more sustainable housing mix.

## Conclusion

McKnight and its partners face limited resources and a growing need for affordable housing, despite an ongoing struggle to motivate public will. Nonetheless, a clear success in these difficult times has been the delivery of efficient programs and increasing multiagency collaboration, with more coordinated investments to achieve multiple outcomes.

To maintain momentum, it may prove essential to make a strategic shift in how an affordable housing agenda is pursued in arenas that include opponents of affordable housing. Future solutions may not hinge on demonstrating returns-on-investment, but on effecting systems change that can bring new community voices to the table.

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<sup>1</sup> McKnight Foundation, *2011 Housing Measures Report*, Funding Fact Sheet

<sup>2</sup> Number includes "Rental – New Production," "Rental – Preservation," and "Rental – New Vouchers Allocated" from McKnight Foundation, *2011 Housing Measures Report*

<sup>3</sup> *ibid.* Note that down-payment assistance, in this instance, refers to non-foreclosure recovery-related programs only.

<sup>4</sup> *ibid.*, Gap Fact Sheet

<sup>5</sup> *ibid.*, Gap Fact Sheet.

<sup>6</sup> Minnesota Home Ownership Center, *2010 Year-End Foreclosure Counseling Report*, March 2011.

<sup>7</sup> National Housing Trust website, accessed at [http://www.nhtinc.org/preservation\\_faq.php](http://www.nhtinc.org/preservation_faq.php), June 15, 2011.

<sup>8</sup> *ibid.*

<sup>9</sup> McKnight Foundation, *2011 Housing Measures Report*, Rental – New and Preserved Publicly Assisted Rental Fact Sheet.

<sup>10</sup> *ibid.* Note: For our purposes, "Preservation" of affordable rental housing is concerned with the re-use of existing structures.

Therefore, a unit can be preserved *into* the existing housing stock and, thus, increase the overall base of units in service.

<sup>11</sup> Los Angeles Homeless Services Authority, *Where We Sleep: Costs when Homeless and Housed in Los Angeles*, 2009.

<sup>12</sup> McKnight Foundation, *2011 Housing Measures Report*, Ending Long-Term Homelessness Fact Sheet. Note: The Housing Measures report totals do not precisely match the totals in the progress report for *Minnesota's Business Plan to End Long-Term Homelessness*, as our report does not include McKinney-Vento Continuum of Care funded opportunities, which are emergency shelter and transitional in nature.

<sup>13</sup> MN Home Ownership Center, *2009 Foreclosure Counseling Program Report*, June 2010.

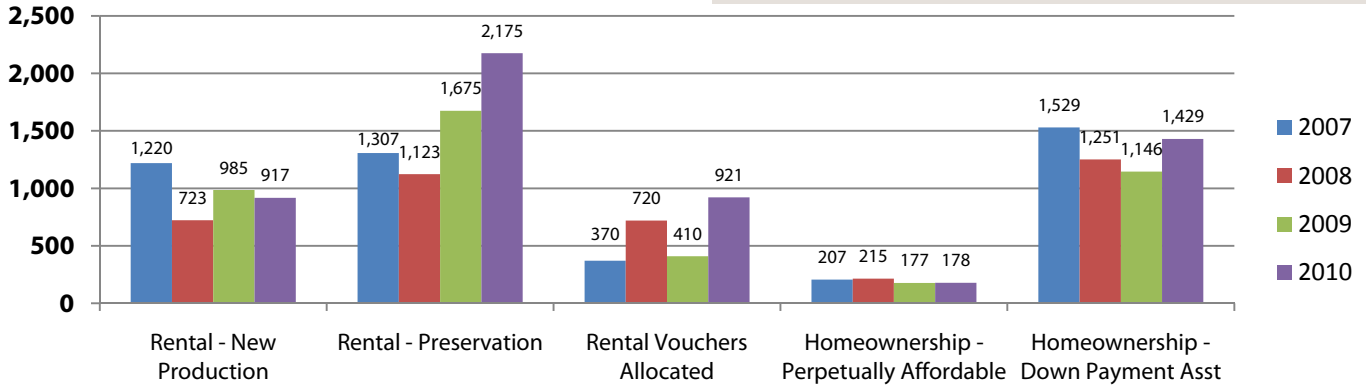
<sup>14</sup> Twin Cities Local Initiatives Support Corporation and HousingLink, *insert to Coordinated Plan to Address Foreclosures in Minnesota*, February 2011.

<sup>15</sup> HousingLink analysis of funding totals from McKnight Foundation, *2011 Housing Measures Report*, Funding Fact Sheet and budget cuts as reported in Multi-Housing News Online, *Housing Cuts in the 2011 Federal Budget*, accessed June 16, 2011 at <http://www.multihousingnews.com/features/finance-investment/housing-cuts-in-the-2011-federal-budget/>

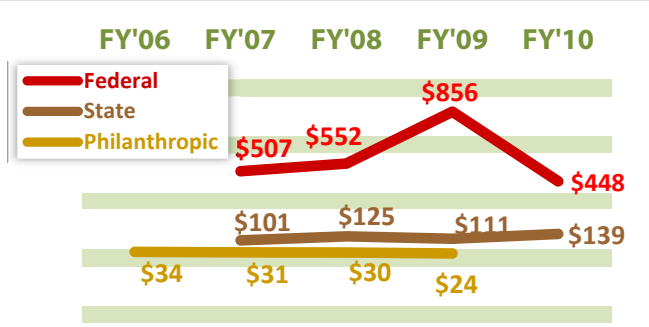
<sup>16</sup> Himle-Horner, *Affordable Housing Research and Recommendations*, July 2009.

# MINNESOTA HOUSING MEASURES

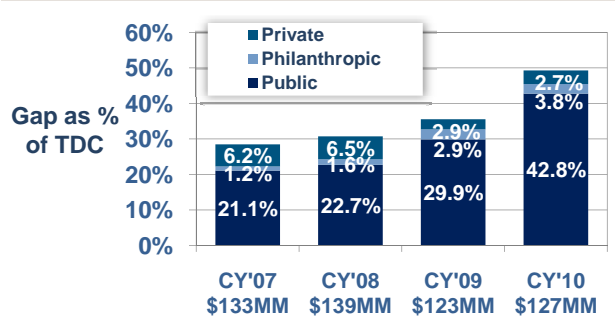
## New Opportunities



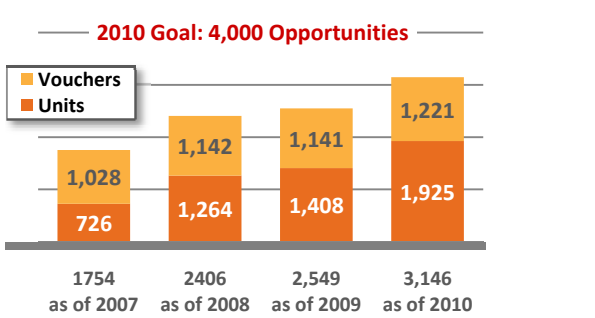
## Funding for Affordable Housing



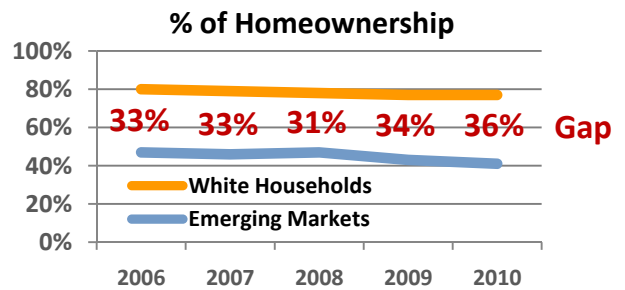
## Gap Financing



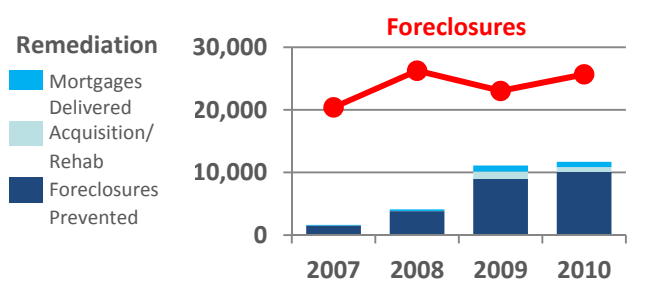
## Ending Long-Term Homelessness



## Emerging Market Homeownership

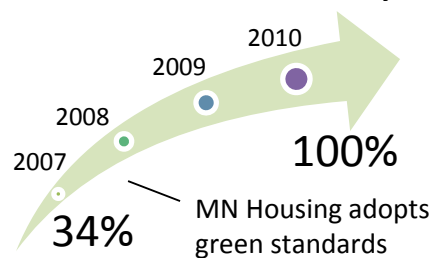


## Foreclosure



## Green Housing

### % of Green Units Produced by Year



For more detail and sources, please consult accompanying fact sheets.

## Twin Cities

### Affordable Housing Opportunities

**Rental (total): 59,337**

Newly Affordable: 561

Preserved: 1,719

### Habitat/CLT Units (total): 1,183

New Units : 84

### Down Payment Assistance (2010)

New Households Assisted: 1,019

### Emerging Market (2010)

EM Homeownership Rate: 39%

### ELTH (2010)

New Opportunities: 458

### Foreclosures (2010)

Sheriff's Sales: 15,779

## Greater Minnesota

### Affordable Housing Opportunities

**Rental (total): 45,334**

Newly Affordable: 356

Preserved: 456

### Habitat/CLT Units (total): 1,352

New Units: 94

### Down Payment Assistance (2010)

New Households Assisted: 410

### Emerging Market (2010)

EM Homeownership Rate: 47%

### ELTH (2010)

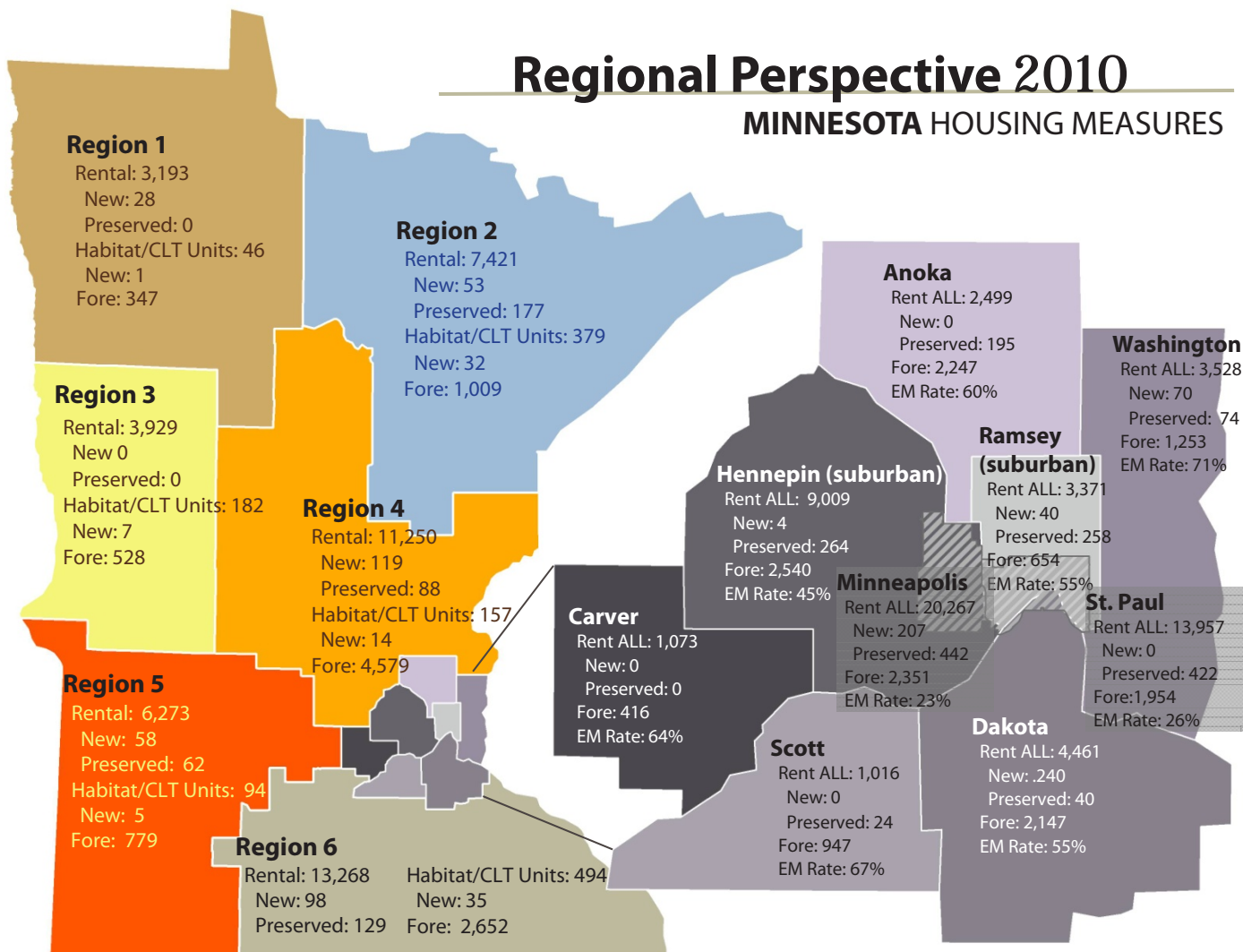
New Opportunities: 139

### Foreclosures (2010)

Sheriff's Sales: 9,894

# Regional Perspective 2010

## 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 2010) **Fore** = 2010 Sheriff Sale Foreclosures **EM** = Emerging Market Households in 2010

**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 family foundation, seeks to improve the quality of life for present and future generations. Through grantmaking, 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](http://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](http://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 Szweduik, 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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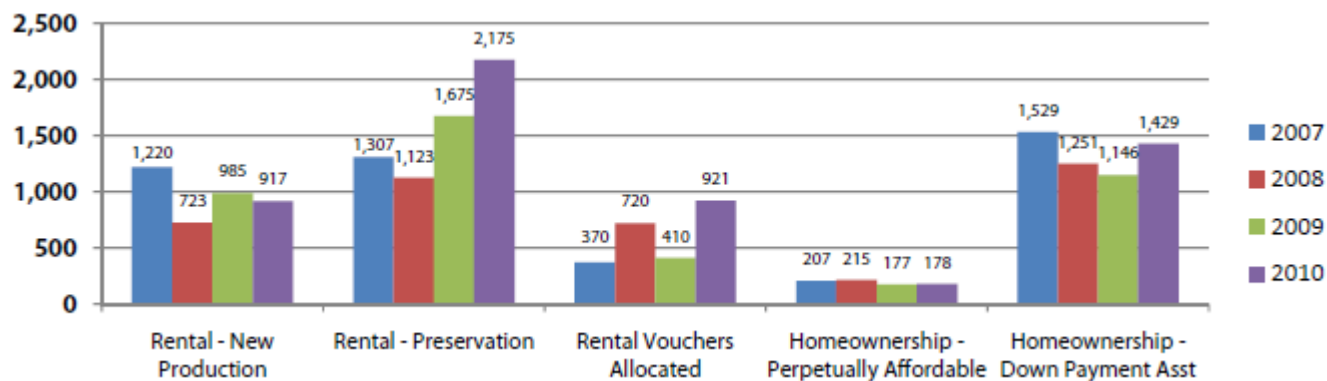
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## Affordable Housing New Opportunities

### GOAL 1: Public Will



### 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/Stabilized 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 issuing agencies for distribution within the state of Minnesota.
- **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			2010		
	New	Pres/Stab	Total Inventory	New	Pres/Stab	Total Inventory	New	Pres/Stab	Total Inventory	New	Pres/Stab	Total Inventory
<b>Twin Cities</b>	<b>946</b>	<b>928</b>	<b>57,611</b>	<b>513</b>	<b>614</b>	<b>58,124</b>	<b>496</b>	<b>1,505</b>	<b>58,620</b>	<b>561</b>	<b>1,719</b>	<b>59,181</b>
Anoka	0	0	2,407	60	0	2,467	32	0	2,499	0	195	2,499
Carver	59	0	1,025	48	0	1,073	0	0	1,073	0	0	1,073
Dakota	81	28	4,109	48	32	4,157	64	365	4,221	240	40	4,461
suburban Hennepin	23	692	8,779	142	72	8,921	84	22	9,005	4	264	9,009
Minneapolis	463	105	19,743	61	93	19,804	256	529	20,060	207	442	20,267
suburban Ramsey	47	0	3,223	48	204	3,271	60	295	3,331	40	258	3,371
St Paul	188	7	13,880	77	176	13,957	0	198	13,957	0	422	13,957
Scott	44	0	1,016	0	37	1,016	0	40	1,016	0	24	1,016
Washington	41	96	3,429	29	0	3,458	0	56	3,458	70	74	3,528
<b>Greater MN</b>	<b>274</b>	<b>379</b>	<b>44,279</b>	<b>210</b>	<b>509</b>	<b>44,489</b>	<b>489</b>	<b>170</b>	<b>44,978</b>	<b>356</b>	<b>456</b>	<b>45,334</b>
Region 1	20	134	3,136	10	0	3,146	19	0	3,165	28	0	3,193
Region 2	87	38	7,175	33	111	7,208	160	21	7,368	53	177	7,421
Region 3	37	60	3,863	12	43	3,875	54	40	3,929	0	0	3,929
Region 4	44	40	10,814	111	24	10,925	206	25	11,131	119	88	11,250
Region 5	25	0	6,187	0	72	6,187	28	0	6,215	58	62	6,273
Region 6	61	107	13,104	44	259	13,148	22	84	13,170	98	129	13,268
<b>Total in MN</b>	<b>1,220</b>	<b>1,307</b>	<b>101,890</b>	<b>723</b>	<b>1,123</b>	<b>102,613</b>	<b>985</b>	<b>1,675</b>	<b>103,598</b>	<b>917</b>	<b>2,175</b>	<b>104,515</b>

## Rental – New Tenant-Based Vouchers Allocated

Program	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	Vouchers Allocated FY'10	New Vouchers Opportunities FY'10
<b>Allocated Section 8 Vouchers</b>	31,179	77	31,229	50	31,210	-19	31,997	787
<b>Housing Trust Fund (HTF)</b>	961	261	1,467	506	1,824	357	2,106	282
<b>Bridges</b>	593	96	756	163	800	44	664	-136
<b>Housing Opportunities for Persons with AIDS (HOPWA)</b>	125	5	139	14	167	28	155	-12
<b>Rental Assistance for Family Stabilization (RAFS)</b>	13	-69	0	-13	0	0	0	0
<b>Total in Minnesota</b>	<b>32,871</b>	<b>370</b>	<b>33,591</b>	<b>720</b>	<b>34,001</b>	<b>410</b>	<b>34,922</b>	<b>921</b>

### Home Ownership – New Perpetually-Affordable Units

McKnight Region	Total Through 2007	New 2007	Total Through 2008	New 2008	Total Through 2009	New 2009	Total Through 2010	New 2010
<b>Twin Cities</b>	940	87	1,027	94	1,099	72	1,183	84
1	38	4	42	6	45	3	46	1
2	273	23	296	39	347	51	379	32
3	149	12	161	14	175	14	182	7
4	118	14	132	13	143	11	157	14
5	75	8	83	10	89	6	94	5
6	380	59	439	39	459	20	494	35
<b>Greater MN Total</b>	<b>1,033</b>	<b>120</b>	<b>1,153</b>	<b>121</b>	<b>1,258</b>	<b>105</b>	<b>1,352</b>	<b>94</b>
<b>Twin Cities Total</b>	<b>940</b>	<b>87</b>	<b>1,027</b>	<b>94</b>	<b>1,099</b>	<b>72</b>	<b>1,183</b>	<b>84</b>
<b>Grand Total</b>	<b>1,973</b>	<b>207</b>	<b>2,180</b>	<b>215</b>	<b>2,357</b>	<b>177</b>	<b>2,535</b>	<b>178</b>

### Home Ownership - Down Payments/Affordability Assistance

	2007	2008	2009	2010
<b>Twin Cities</b>	743	599	779	1019
<b>Greater MN</b>	786	652	422	410
<b>Minnesota</b>	<b>1,529</b>	<b>1,251</b>	<b>1,201</b>	<b>1,429</b>

**Data Sources for Rental – New and Preserved Publicly-Assisted Affordable Units:** Minnesota Housing (MHFA), City of Minneapolis Community Planning and Economic Development (CPED), US Department of Housing and Urban Development (HUD), Federal Home Loan Bank of Des Moines (FHLB), US Department of Agriculture (USDA); other local city, county, and nonprofit sources.

**Sources for Rental – New Tenant-Based Vouchers Allocated:** US Department of Housing and Urban Development (HUD) and MN Housing.

**Sources for Home Ownership - Perpetually-Affordable Units:** Habitat for Humanity and MN Community Coalition of Land Trusts (MN-CCLT).

**Sources for Home Ownership - Downpayment/Affordability Assistance:** MN Housing (MHFA), Family Housing Fund, Greater Minnesota Housing Fund

#### Notes:

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.

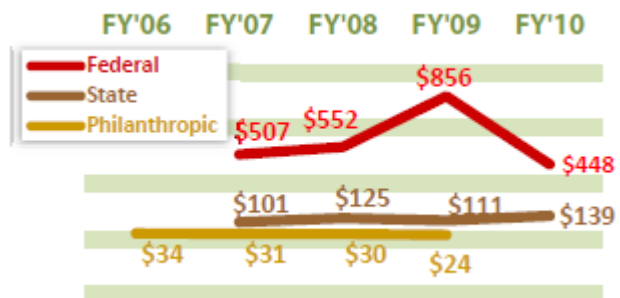
**Rental – New and Preserved Subsidized Affordable Units** All new and preserved/stabilized counts reflect units for which financing closed in the given calendar year.

**Home Ownership – New Perpetually-Affordable Units:** Total through 2007 includes units with financing closed during or after calendar 2002, in the Twin Cities metro only.

## Funding for Affordable Housing

### GOAL 3: Increase Production & Preservation

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(Data and footnotes on the following page)

**Funding – Federal** (dollars in thousands)

CFDA Program Title	FY 2007	FY 2008	FY 2009	FY 2010
American Dream DP Initiative*	\$372	-	-	-
Community Development Block Grants	\$14,663	\$14,075	\$33,156	\$19,164
Community Development Fund	-	\$59,403	\$117,198	\$34,203
Emergency Shelter Grants*	\$2,524	-	-	-
Fair Housing Activities	-	\$120	\$575	-
HOME Investment Partnership Program	\$21,356	\$22,717	\$24,705	\$20,928
Homeless Assistance Grants	-	\$23,553	\$20,832	\$19,108
Homeownership and Rental HSG Asst	-	\$461	\$123	-
Housing Certificate Fund	-	-\$1,677	-\$5,226	\$2,226
Housing for Persons with Disabilities	-	\$6,492	\$9,186	\$4,590
Housing for the Elderly	-	\$24,721	\$14,985	\$6,096
HOPWA	\$947	\$1,413	\$2,537	\$1,115
Lead Hazard Reduction	-	\$10,408	\$3,600	\$6,070
Manufactured Housing Fees Trust Fund	-	\$42	\$61	\$52
Native American Housing Block Grant	-	\$17,681	\$17,648	\$23,329
Project-based Rental Assistance	-	\$93,320	\$120,762	\$86,431
Public Housing Capital Fund	\$38,936	\$37,166	\$36,917	\$38,617
Public Housing Operating Fund	\$48,320	\$45,589	\$54,278	\$37,962
Rent Supplemental Program	-	-\$466	-	-
Rural Housing and Economic Dev	-	\$180	\$730	\$298
Section 236*	\$1,504	-	-	-

CFDA Program Title	FY 2007	FY 2008	FY 2009	FY 2010
Tenant Based Rental Assistance	\$212,643	\$196,892	\$197,578	\$123,702
Unit-Based Rental Assistance*	\$165,472	-	-	-
Community Development Fund†	-	-	\$15,836	-
Home Investment Partnership Program†	-	-	\$28,434	-
Homeless Assistance Grants†	-	-	\$23,546	-
Native American Hsg Block Grant†	-	-	\$22,882	-
Project-based Rental Assistance†	-	-	\$14,613	-
Public Hsg Capital Fund†	-	-	\$100,773	-
Medical Services	-	-	-	\$233
Rural Community Facilities Program	-	-	-	\$3,261
Rural Hsg Assistance Grants	-	-	-	\$186
Rural Hsg Insurance Fund	-	-	-	\$103
Substance Abuse and Mental Health	-	-	-	\$721
Violence against Women Prevention	-	-	-	\$232
Disaster Relief	-	-	-	\$370
Rental Assistance Program	-	-	-	\$13,331
Other Assisted Hsg Programs	-	-	-	\$1,892
Hsg Counseling Assistance	-	-	-	\$2,075
National Endowment for the Arts	-	-	-	\$77
Other	-	-	-	\$1,200

\* Dollars in thousands

†American Reinvestment and Recovery Act (ARRA) business fund (2009 only).

	FY 2007	FY 2008	FY 2009	FY 2010
<b>Total Funding</b>	\$506,737	\$552,089	\$855,728	\$447,571
<b>ARRA Funding (2009 Recovery Act)</b>			\$206,085	

## Funding – State

Program	2007	2008	2009	2010
Affordable Rental Investment Fund-Minnesota Families (MARIF)	\$880,000	\$192,337	\$0	\$0
Affordable Rental Investment Fund-Preservation (PARIF)	\$10,483,882	\$4,939,475	\$7,161,295	\$9,337,735
Affordable Rental Investment Fund-Preservation (PARIF Public Housing)	\$0	\$2,308,600	\$2,630,050	\$0
Bridges	\$1,540,110	\$2,862,418	\$2,966,126	\$2,680,913
Habitat 21st Century Fund (Bruce Ventro Affordable Housing, pre-2009)	\$1,303,654	\$1,036,245	\$1,102,249	\$1,371,521
Community Fix-Up Fund (CFUF)	\$4,300,197	\$3,329,484	\$3,311,545	\$4,313,565
Community Revitalization Fund (CRV)	\$8,851,842	\$4,570,225	\$4,725,100	\$6,357,235
Economic Development and Housing Challenge Fund	\$4,229,597	\$5,814,221	\$3,257,475	\$7,391,815
Ending Long-Term Homelessness Initiative Fund (ELHIF)	\$1,983,237	\$8,387,261	\$6,367,541	\$8,472,964
Entry Cost Homeownership Opportunity (ECHO)	\$492,865	\$103,000	\$0	\$0
Family Homeless Prevention and Assistance Program (FHPAP)	\$3,843,287	\$5,930,272	\$8,170,823	\$6,251,827
Fix-Up Fund (FUF)	\$19,432,452	\$15,842,643	\$13,347,022	\$26,621,258
Flood Economic Development and Housing Challenge Fund	\$0	\$0	\$754,275	\$0
Flood Insurance Recovery Program (FIRP)	\$0	\$87,909	\$52,955	\$4,762
Habitat Next 1000 Homes	\$2,009,269	\$2,087,886	\$1,931,715	\$1,995,461
HOME Homeowner Entry Loan Program (HOME HELP, second mortgage amount)	\$0	\$0	\$6,084,608	\$4,989,863
Homeownership Assistance Fund (HAF, second mortgage amount)	\$4,791,271	\$3,450,224	\$1,618,353	\$3,459,828
Homeownership Education, Counseling, and Training (HECAT)	\$1,726,979	\$2,854,355	\$5,671,297	\$5,258,293
Housing Trust Fund (HTF)	\$983,230	\$6,173,461	\$8,052,502	\$17,552,234
Housing Trust Fund Rental Assistance	\$3,771,300	\$6,648,944	\$8,763,282	\$10,618,666
Housing Trust Fund Transitional	\$195,000	\$0	\$0	\$0
Low and Moderate Income Rental Program (LMIR)	\$23,822,258	\$22,485,404	\$9,970,978	\$15,755,623
Minnesota Urban and Rural Homesteading Program (MURL)	\$608,653	\$0	\$885,065	\$0
Capacity Building Grant Program (Organizational Support, pre-2008)	\$619,258	\$429,600	\$298,000	\$313,000
Publicly Owned Housing Program	\$0	\$4,002,731	\$3,523,380	\$4,066,068
Quick Start Disaster Recovery Program	\$0	\$10,761,071	\$423,367	\$294,321
Rehabilitation Loan Program	\$4,149,993	\$5,649,172	\$5,621,070	\$1,070,919
Rehabilitation Loan Program (HOME)	\$0	\$0	\$0	\$518,007
Rental Assistance for Family Stabilization (RAFS)	\$15,500	\$0	\$0	\$0
Rental Rehabilitation Loan Program	\$871,342	\$754,452	\$396,133	\$441,237
Tribal Indian Housing	\$0	\$3,991,969	\$3,588,608	\$0
<b>Total</b>	<b>\$100,905,176</b>	<b>\$124,693,359</b>	<b>\$110,674,814</b>	<b>\$139,137,115</b>

## Funding – Philanthropic

2009 Rank	MN Grantmaker Foundations	2006		2007		2008		2009	
		\$ to Hsg	% Hsg Tot.	\$ 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%	\$6,650,100	12.0%
2	Carl and Eloise Pohlad Family Foundation	\$195,000	1.6%	-	-	\$175,000	2.4%	\$3,837,400	20.8%
3	Target	\$2,749,532	10.4%	\$609,859	2.1%	\$1,353,120	5.2%	\$2,092,000	21.9%
4	Thrivent Financial for Lutherans Foundation	\$474,500	16.5%	\$344,000	11.0%	\$308,000	11.6%	\$509,500	26.3%
5	Otto Bremer Foundation	\$1,740,000	16.9%	\$1,935,000	20.9%	\$2,142,000	24.3%	\$1,781,338	11.8%
6	The Saint Paul Foundation	\$2,335,000	9.3%	\$504,000	2.1%	\$1,259,103	6.1%	\$1,296,803	4.4%
7	Blandin Foundation	\$1,140,000	6.7%	\$1,153,800	6.8%	\$1,115,000	7.8%	\$1,193,000	13.2%
8	The Minneapolis Foundation	\$1,519,812	4.8%	\$3,319,282	9.9%	\$1,673,709	4.8%	\$1,000,400	6.3%
9	Shakopee Mdewakanton Sioux Community							\$990,000	10.0%
10	F.R. Bigelow Foundation	\$417,500	2.9%	\$385,000	1.8%	\$585,000	2.1%	\$645,000	10.2%
11	Wells Fargo Foundation Minnesota	\$272,500	4.7%	\$920,000	12.9%	\$975,000	12.1%	\$625,000	8.6%
12	Fred C. and Katherine B. Andersen Foundation	-	-	-	-	\$610,000	40.8%	\$405,000	1.9%
13	Patrick and Aimee Butler Family Foundation	-	-	-	-	\$516,171	9.8%	\$397,500	19.2%
14	Bush Foundation	\$3,351,566	17.1%	\$2,556,500	11.0%	\$1,525,500	8.0%	\$370,603	2.3%
15	General Mills Community Action	\$393,500	8.7%	\$399,000	8.6%	\$387,000	8.8%	\$295,000	2.4%
16	Travelers Corporation and Travelers Foundation	\$132,500	2.3%	\$930,500	14.1%	\$906,756	12.2%	\$247,000	3.4%
17	Hugh J. Andersen Foundation	\$1,121,427	15.3%	\$883,000	12.3%	\$914,700	12.4%	\$185,500	10.4%
18	The Jay and Rose Phillips Family Foundation	\$425,000	5.6%	\$815,000	7.3%	\$603,450	7.6%	\$135,000	3.0%
19	TCF Foundation	-	--	-	-	-	-	\$123,500	14.2%
20	Cargill	-	-	-	-	-	-	\$121,500	8.0%
	All Other	\$2,601,269	5.4%	\$5,024,452	2.3%	\$2,727,829	1.3%	\$1,212,774	1.3%
	<b>Total (grants from MN-based foundations)</b>	<b>\$33,909,106</b>	<b>8.0%</b>	<b>\$30,519,393</b>	<b>6.3%</b>	<b>\$30,217,338</b>	<b>6.3%</b>	<b>\$24,113,918</b>	<b>7.1%</b>

## Data Sources:

**Federal Funding:** FY 2008 - FY 2010 Federal spending data was obtained through [www.usaspending.gov](http://www.usaspending.gov); accessed May 2011. Due to an acknowledged error on the part of [www.usaspending.gov](http://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.

**State Funding:** 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.

**Philanthropic Funding:** The MN Council on Foundations

## Notes:

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

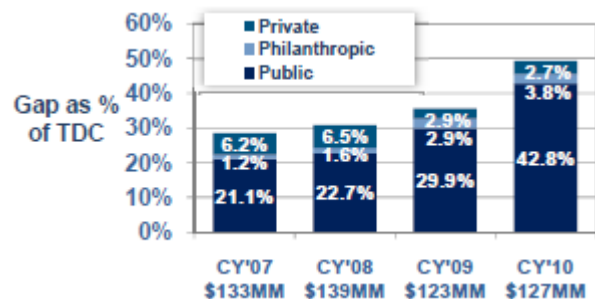
**State Funding:** We do not capture interest-generating (or other revenue generating) instruments, such as mortgages with interest, tax credits, etc. We also do not capture programs that utilize federally-funded "pass-through" dollars.

**Philanthropic Funding:** This measure represents total philanthropic giving to housing in Minnesota from Minnesota-based foundations. Philanthropic giving to housing in Minnesota from foundations based *outside* the state of Minnesota is not tracked, as of the 2010 report. We are unable to obtain the dollar total (which historically represents an additional 10-15 percent on top of the in-state giving) in a timely, consistent fashion, and therefore deem it insufficient to represent trends.



## Gap Financing

### GOAL 3: Increased Production & Preservation



### Key Definitions

- **Gap Financing:** Amount of public and nonprofit investment necessary, beyond private investment, in order to close financing on affordable housing developments.
- **TDC:** Total Development Cost

### New Publicly Assisted Affordable Rental Units- Gap Financing by Sector

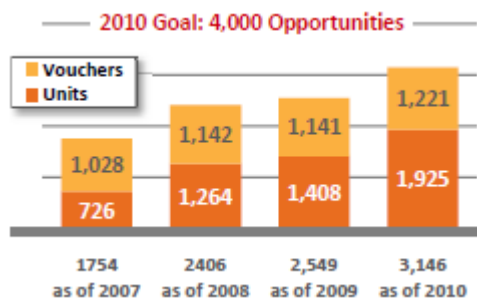
	2007		2008		2009		2010	
	Gap \$s	% of Total Development Cost	Gap \$s	% of Total Development Cost	Gap \$s	% of Total Development Cost	Gap \$s	% of Total Development Cost
<b>Public</b>	\$32,521,733	17.3%	\$36,505,612	21.9%	\$36,586,419	29.9%	\$54,103,784	42.8%
Local	\$20,098,030	10.7%	\$15,973,179	9.6%	\$11,177,808	9.1%	\$17,658,145	14.0%
State	\$11,160,042	6.0%	\$20,185,433	12.1%	\$8,674,226	7.1%	\$35,226,826	27.8%
Federal	\$1,263,661	0.7%	\$347,000	0.2%	\$16,734,385	13.7%	\$1,218,813	1.0%
<b>Philanthropic</b>	\$5,107,462	2.7%	\$5,463,158	3.3%	\$3,492,259	2.9%	\$3,453,320	2.7%
<b>Private</b>	\$10,103,287	5.4%	\$8,388,925	5.0%	\$3,496,266	2.9%	\$4,807,316	3.8%
<b>Total Gap Dollars</b>	<b>\$47,732,482</b>		<b>\$50,357,695</b>		<b>\$43,574,944</b>		<b>\$62,364,420</b>	
<b>% of TDC that is Gap</b>	<b>25.5%</b>		<b>30.3%</b>		<b>35.6%</b>		<b>49.3%</b>	
<b>Total Development Cost</b>	<b>\$187,539,638</b>		<b>\$166,419,554</b>		<b>\$122,501,593</b>		<b>\$126,554,613</b>	

Data Source: MN Housing

## Ending Long-Term Homelessness

### GOAL 2: Innovation & Design

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#### Key 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).

(Data and notes on the following page)

## Ending Long-Term Homelessness

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

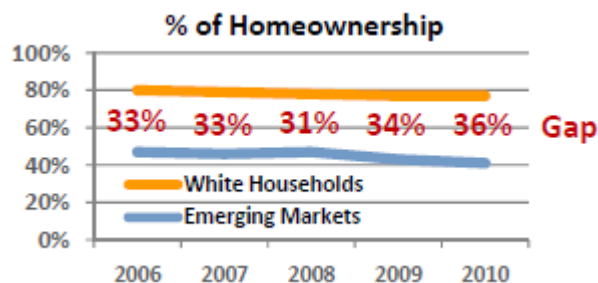
Data Source: MN Business Plan to End Homelessness: Progress Report Through 2010

## Notes:

- Totals do not perfectly align with totals reported in progress reports for the MN Business Plan to End Homelessness. Minnesota Housing Measures does not include McKinney-Vento continuum of Care-funded opportunities, which are emergency shelter and transitional in nature.
- There is potential overlap in units and voucher counts.

## Emerging Market Homeownership

### GOAL 1: Public Will



#### Key Definition:

Emerging Market (EM): That sector of the homeownership market which is, by US Census definition, non-white and/or Hispanic.

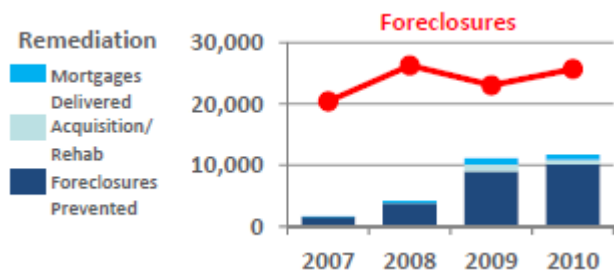
## Emerging Market Homeownership

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

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

## Foreclosures

### GOAL 3: Increased Production & Preservation



#### Key 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

#### Foreclosure Recovery

	2007	2008	Cumulative Through 2008	2009	Cumulative Through 2009	2010	Cumulative Through 2010
New Mortgage Products Delivered	0	29	29	1,152	1,181	775	1,956
Properties Acquired/Rehabbed	99	262	361	983	1,344	847	2,191
Foreclosures Prevented	1,516	3,816	5,332	8,971	14,303	10,082	24,385
<b>Total</b>	<b>1,615</b>	<b>4,107</b>	<b>5,722</b>	<b>11,106</b>	<b>16,828</b>	<b>11,704</b>	<b>28,532</b>

## Minnesota Foreclosures

	2007 Foreclosures	2007 Rate	2008 Foreclosures	2008 Rate	2009 Foreclosures	2009 Rate	2010 Foreclosures	2010 Rate
<b>Twin Cities</b>	<b>12,968</b>	<b>1.4%</b>	<b>16,312</b>	<b>1.9%</b>	<b>14,459</b>	<b>1.6%</b>	<b>15,779</b>	<b>1.7%</b>
Anoka	1,680	1.6%	2,285	2.1%	2,069	1.9%	2,247	2.1%
Carver	287	1.0%	336	1.2%	363	1.2%	416	1.4%
Dakota	1,610	1.3%	2,063	1.6%	1,787	1.4%	2,147	1.7%
Hennepin	5,561	1.5%	7,348	1.9%	5,655	1.5%	6,161	1.6%
Ramsey	2,346	1.6%	3,023	2.1%	2,519	1.7%	2,608	1.8%
Scott	606	1.5%		2.3%	811	1.9%	947	2.2%
Washington	878	1.1%	1,257	1.6%	1,255	1.6%	1,253	1.6%

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

<b>Greater MN</b>	<b>7,430</b>	<b>0.8%</b>	<b>8,987</b>	<b>1.0%</b>	<b>8,560</b>	<b>1.0%</b>	<b>9,894</b>	<b>1.1%</b>
Region 1	254	0.4%	313	0.5%	351	0.6%	347	0.5%
Region 2	610	0.5%	803	0.6%	758	0.6%	1,009	0.8%
Region 3	354	0.4%	451	0.5%	493	0.6%	528	0.6%
Region 4	3,657	1.5%	4,478	1.8%	4,267	1.7%	4,579	1.8%
Region 5	639	0.6%	654	0.6%	633	0.6%	779	0.7%
Region 6	1,916	0.8%	2,288	0.9%	2,058	0.8%	2,652	1.0%
<b>Minnesota</b>	<b>20,398</b>	<b>1.1%</b>	<b>25,299</b>	<b>1.5%</b>	<b>23,019</b>	<b>1.3%</b>	<b>25,673</b>	<b>1.4%</b>

**Data Sources:**

**Foreclosure Recovery:** Twin Cities LISC Foreclosure Recovery Progress Report.

**Foreclosures:** HousingLink (sheriff sales), MN Department of Revenue (residential parcel data for foreclosure rate calculation)

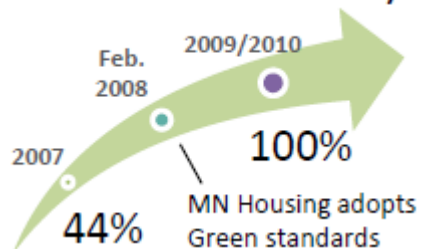
**Note:**

**Foreclosure Recovery:** 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 Year**



**Key Definition:**

**Green Units:** Units that meet one of three levels of compliance for energy efficiency and sustainability as required by MN Housing’s multi-family green housing policy.

**Newly constructed affordable units:** MN Housing financed rental units with affordability targeted at 80% AMI or below, statewide.

### New Affordable Rental Units\*

	Green Units	Newly Constructed Affordable Units	% Meet Green Standard
2007	249	735	34%
2008	507	672	75%
2009	647	647	100%
2010	635	635	100%

\* Table reflects only MN Housing-financed units with financing committed after February 2007.

**Source:** MN Housing.

**Note:** While there are many standards for sustainability, Housing Measures is specifically tracking units that meet one of three levels of compliance for energy efficiency and sustainability as required by Minnesota Housing’s multi-family green housing policy. According to Minnesota Housing, the policy was enacted for all properties committed after February 2007, and all development as 2009 meets this standard, whether it is specifically noted in the funding data or not.

## Appendix

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### **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><b>Public Will-</b> 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)
<b>Innovation &amp; Design-</b> 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><b>Increased Production &amp; Preservation-</b> 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 &amp; 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 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
<p><b>1. Public Will</b> Increase public acceptance for affordable housing as a fundamental characteristic of healthy communities</p>	<p><b>Objective 2.</b> To advocate for affordable housing options as an essential component of healthy communities</p> <p><b>Baseline 1.</b> Number and location of MN affordable housing units</p>	<p><b>1. Opportunities:</b> Number and location of MN affordable housing opportunities</p> <ul style="list-style-type: none"> <li>• Count of new publicly assisted affordable rental units closed in given year</li> <li>• Count of preserved publicly assisted affordable units in given year</li> <li>• Count of new perpetually affordable home ownership units closed in given year</li> <li>• Count of new tenant-based vouchers allocated in given year</li> <li>• Number of households served through down payment assistance for affordable home ownership opportunities</li> </ul> <p>Existing Statewide Unit Counts</p> <ul style="list-style-type: none"> <li>• existing publically assisted rental units</li> <li>• perpetually affordable single family homes</li> </ul>	<p><b>Rental - New Opportunities</b></p> <p><b>Methodology:</b></p> <ol style="list-style-type: none"> <li>1) HousingLink tracks rental units that have “public assistance” in their financing. This is a subset of all affordable rental units.</li> <li>2) Primary data sources include:             <ol style="list-style-type: none"> <li>a) Minnesota Housing Finance Agency</li> <li>b) US Department of Housing and Urban Development (HUD)</li> <li>c) City of Minneapolis (CPED)</li> <li>d) Family Housing Fund</li> <li>e) Greater MN Housing Fund</li> <li>f) US Department of Agriculture (no new construction since 2005)</li> <li>g) Federal Home Loan Bank of Des Moines.</li> </ol> </li> <li>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.</li> <li>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.</li> </ol> <p><b>Updates</b></p> <ol style="list-style-type: none"> <li>1) <u>Lost units:</u> <ol style="list-style-type: none"> <li>a) <u>HUD: Due to contract mergers and number changes, we are unable to track “lost units” to funding for individual projects. However, we 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.</u></li> <li>b) <u>All other funders: There is currently no mechanism for reliably tracking lost</u></li> </ol> </li> </ol>

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			<p>units.</p> <p>c) <u>We are 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.</u></p> <p>2) <u>Our plan is to track 2009 data to its lowest level of local funding is to reach out to data nine incrementally new community contacts (all recipients of CDBG funding) in HousingLink's data gathering process for its annual Housing Counts/inventory process.</u></p> <p><b><u>Rental – Tenant Vouchers</u></b>  <b>Methodology:</b></p> <p>1) HousingLink tracks voucher allocations (“point of origin,” rather than “point of use”).</p> <p>2) Data Sources Include</p> <p>a) HUD (annual federal Section 8 tenant-based voucher allocations)</p> <p>b) MN Housing (a variety of tenant voucher allocations)</p> <p><b><u>Homeownership - New Opportunities</u></b>  <b>Methodology:</b></p> <p>1) Data sources currently included in statewide homeownership count include:</p> <p>a) Habitat for Humanity - Minnesota</p> <p>b) Minnesota Community Land Trust Coalition</p> <p>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.</p> <p>3) Representatives from both Habitat and the MN Land Trust Coalition state they are not aware of any lost homeownership units.</p> <p>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.</p> <p>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>

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><b><u>Homeownership – Down Payment Assistance</u></b></p> <p><b>Methodology</b></p> <ol style="list-style-type: none"> <li>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.</li> <li>2) Data sources include: <ol style="list-style-type: none"> <li>a) Minnesota Housing</li> <li>b) Family Housing Fund</li> <li>c) Greater MN Housing Fund.</li> </ol> </li> <li>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.</li> <li>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.</li> </ol> <p><b>Update:</b>  <u>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 is captured as part of the foreclosure measures.</u></p> <p><b><u>Overall Opportunities Note:</u></b>  HousingLink recognizes that this measure does not incorporate any demand data into the measure.</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><b>1. Public Will</b> Increase public acceptance for affordable housing as a fundamental characteristic of healthy communities</p>	<p><b>Objective 2.</b> To advocate for affordable housing options as an essential component of healthy communities</p> <p><b>Baseline 2.</b> Percent of emerging market homeownership in Greater MN</p>	<p><b>2. Emerging Market Homeownership</b></p> <ul style="list-style-type: none"> <li>Percent and number of total home ownership that is minority owned</li> <li>Rate of minority homeownership expressed as percent of total minority population</li> </ul>	<p><b>Methodology:</b> 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.</p> <p><b>Update:</b></p> <ul style="list-style-type: none"> <li><u>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.</u></li> <li><u>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.</u></li> </ul>
<p><b>2. Innovation &amp; Design</b> 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><b>Objective 2.</b> To increase the number of low-income people and families living in high quality, energy and cost-efficient, affordable housing</p> <p><b>Baseline 1.</b> Percentage of affordable housing that meets green standards</p>	<p><b>3. Green Housing:</b> Percent and number of total affordable homeownership and rental units committed after February 2007 that meet the green standard Minnesota.</p>	<p><b>Methodology:</b></p> <ol style="list-style-type: none"> <li>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.</li> <li>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</li> </ol>

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			<p>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.</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, 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.</p> <p><b>Update:</b>  <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>
<p><b>2. Innovation &amp; Design</b>  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><b>Objective 3.</b>  To promote supportive housing with holistic, integrated services and opportunities for healthy family development</p> <p><b>Baseline 1.</b>  Units required to meet 2010 goal to</p>	<p><b>4. Ending Long-Term Homelessness:</b>  Percent of opportunities required to be in service by 2010 to meet Governor's initiative to End Long-Term Homelessness (ELTH)</p>	<p><b>Methodology:</b></p> <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 &amp; 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>



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
	end long-term homelessness		<p><b>Updates:</b></p> <ol style="list-style-type: none"> <li>1) <u>The traditional ELTH Initiative has transformed into being the foundation for "Heading Home Minnesota."</u> Their plan is still to create 4,000 permanent supportive housing opportunities for individuals, youth, and families.</li> <li>2) We show cumulative progress to date with incremental progress since the 2007 baseline.</li> </ol>
<p><b>3. Increased Production &amp; Preservation</b></p> <p>To increase the pace of affordable housing production, preservation, and permanency</p>	<p><b>Objective 1:</b> To encourage the testing and application of new strategies and innovative financing tools for increased production, preservation or permanency of affordable housing</p> <p><b>Baseline 2.</b> Data on foreclosures and recovery efforts in MN.</p>	<p><b>5. Foreclosure:</b></p> <ul style="list-style-type: none"> <li>• Foreclosure counts and rates for Twin Cities and Greater Minnesota</li> <li>• Foreclosure recovery</li> </ul>	<p><b>Methodology:</b></p> <p>The report tracks two measures related to foreclosure:</p> <ol style="list-style-type: none"> <li>1) Total foreclosures (e.g. mortgage foreclosures by sheriff's sale), as reported by HousingLink</li> <li>2) Foreclosure recovery efforts of the MN Foreclosure Council, as measured by three activity types, also reported by HousingLink: <ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> </ol> <p><i>Note:</i> 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.</p> <p><b>Update:</b></p> <p>The foreclosure recovery measure is derived from a research effort with an independent funding commitment set to expire after the release of the 2011 report. It is yet to be seen whether that funding is renewed.</p> </li></ol>
<p><b>3. Increased Production &amp; Preservation</b></p>	<p><b>Objective 3.</b> To increase the pace of production by</p>	<p><b>6. Funding:</b> Total dollar amount of public and philanthropic investment</p>	<p><b>Federal Methodology:</b></p> <ol style="list-style-type: none"> <li>1) Beginning with FY 2008, <a href="http://www.usaspending.gov">www.usaspending.gov</a> has provided detailed</li> </ol>

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
To increase the pace of affordable housing production, preservation, and permanency	<p>advocating for and securing greater public and private resources for affordable housing</p> <p><b>Baseline 1.</b> Amount of public and private investment in affordable housing</p>	<p>made into affordable housing</p> <ul style="list-style-type: none"> <li>• <b>Public:</b> Total Federal and State investment</li> </ul> <p><b>Philanthropic:</b> Percent and total amount of grants towards housing by top 20 MN foundations</p>	<p>accountability for grant &amp; direct payments for housing into the state of MN.</p> <p>2) For FY 2007, this data is not available in <a href="http://www.usaspending.gov">www.usaspending.gov</a>, 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. We determined in that year that 25 percent of CDBG spending was directed specifically to housing. This was accounted for in the analysis.</p> <p><b>Updates:</b> <u>HUD does not have 2007 data added to <a href="http://www.usaspending.gov">www.usaspending.gov</a> as yet, an acknowledged error on the part of <a href="http://www.usapsending.gov">www.usapsending.gov</a>.</u></p> <p><b>State Methodology:</b></p> <ol style="list-style-type: none"> <li>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.</li> <li>2) As a rule, we do not capture: <ol style="list-style-type: none"> <li>a. Interest-generating (or other revenue generating) instruments (e.g. mortgages with interest, tax credits, etc.).</li> <li>b. Programs that are federally-funded (e.g. "pass-through" dollars).</li> </ol> </li> </ol> <p><b>Philanthropic Methodology:</b></p> <ol style="list-style-type: none"> <li>1. HousingLink examines two measures related to philanthropic investment in housing: <ol style="list-style-type: none"> <li>a) Proportion of dollars invested in housing by the state's largest Foundations (largest Foundations defined by net assets).</li> <li>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).</li> </ol> </li> <li>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"> <li>a) The philanthropic investment is <i>not</i> limited to affordable housing, but includes all housing investments.</li> <li>b) It is based on voluntary self-reporting by Foundations.</li> <li>c) The data has a very late annual release. As of this writing, 2006 data is the</li> </ol> </li> </ol>

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>most current available data.</p> <ol style="list-style-type: none"> <li>3) Individual grants under \$1,000 are not tracked.</li> <li>4) We have decided not to track philanthropic loans like PRIs because the data is not readily, publicly available at this time.</li> <li>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.</li> <li>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.</li> </ol> <p><b>Update:</b>  <u>2010 Report Update: We have since determined reporting by The Foundation Center to be incomplete and inconsistent enough to call into question its veracity. HousingLink recommends leaving it off the report.</u></p> <p><b>Overall Notes</b></p> <ol style="list-style-type: none"> <li>1) HousingLink tracks financial investments for the state, but does not distinguish between investments made in the metro area and Greater MN.</li> <li>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.</li> <li>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.</li> </ol>
3. Increased Production & Preservation		7. Gap financing into units: Gap financing as a percentage of total investment into new	<p><b>Methodology:</b></p> <ol style="list-style-type: none"> <li>1) HousingLink uses the following definition for gap financing: all funding needed beyond the first mortgage and tax credits to make a project viable.</li> </ol>

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
To increase the pace of affordable housing production, preservation, and permanency		affordable rental units closed by public, philanthropic and other sources	<p>2) Data source is MN Housing.</p> <p>3) Gap financing is broken into categories of public, philanthropic &amp; private based on source at point of use. This allows the Foundation to see which entities are using their funding allocations for gap financing.</p> <p><b>Update:</b></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>