

DISCOVERING MINNESOTA'S HOUSING ECOSYSTEM

SECURING MINNESOTA'S HOUSING FUTURE
THE GOVERNOR'S TASK FORCE ON HOUSING
JANUARY 11-12, 2018

BIG EXTERNAL FORCES CURRENT CONDITIONS

POLITICAL

- CAP on TAX EXEMPT PRIVATE ACTIVITY BONDS
- LOCAL ATTENTION from GOV'T.
- POLITICAL WILL
- UNCERTAINTY ABOUT FEDERAL FUNDING
- LONG, COMPLICATED APPROVAL PROCESS

FEDERAL & STATE FUNDING IS DECREASING

- IMMIGRATION STATUS
- RESTRICTIVE LAND USE
- DECREASE IN TAX CREDIT
- REDUCTION in CORPORATE TAX RATE

ECONOMIC

- STAGNANT INCOMES
- INCOME INEQUALITY
- FEDERAL TAX REFORM
- RISING COSTS TO BUILD, RENT, OR OWN A HOME
- COMPETITION FOR BEST VALUE
- LABOR SHORTAGE
- DISPARITIES

PROSPERITY IS NOT ENJOYED BY ALL.

INFRASTRUCTURE

- ZONING IS TOO RIGID
- MORTGAGE INTEREST DEDUCTION
- SHORTAGE OF SKILLED TRADESPEOPLE
- DIFFICULTY FINANCING SMALL RENTAL PROPERTIES in RURAL MINNESOTA
- TIGHTENED SCREENING
- POINT SYSTEM is FLAWED

- INADEQUATE PUBLIC TRANSPORTATION
- LIMITED CAPACITY of DEVELOPERS
- COST OF LAND CONTINUES TO RISE

THE HOUSING ECOSYSTEM IS COMPLICATED & EXPANSIVE

SOCIAL

- LACK OF DONOR PARTICIPATION
- RESTRUCTURING MEDICAID & MEDICARE
- CHANGING DEMOGRAPHICS:
 - BOOMER TSUNAMI
 - GROWTH IN IMMIGRANT POP.
 - MILLENNIAL PREFERENCES
- POLITICAL WILL

CHANGING DEMOGRAPHICS (E.G. AGING, NEW IMMIGRANTS) IMPACTS HOUSING STOCK

- RISING INTOLERANCE
- COMMUNITY EXPECTATION RELATED TO DENSITY & SIZE (BOTH OF WHICH DRIVE COST)
- STIGMAS
- MORAL VALUATION OF OWNERS

THE TOXIC CYCLE OF TRAUMA AND INSTABILITY IS A MAJOR ISSUE & RECURRING THEME

- "NOT IN MY BACKYARD" (NIMBYism)
- SAFETY NET SYSTEM IS SHRINKING & GETTING REDEFINED
- MORAL VALUATION OF OWNERS
- STABLE HOUSING IS A SOCIAL DETERMINANT OF HEALTH
- CHANGING FAMILY STRUCTURES

INNOVATION

- IDENTIFYING HOUSING STOCK NEEDS
- LACK OF INNOVATION MAKING BUILDING LESS COSTLY
- "INADEQUATE DATA ON SUBPOPULATIONS (I.E. Hmong vs. INDIAN)"
- ADVANCEMENTS IN FACTORY-BASED CONSTRUCTIONS (for MULTI-FAMILY & SINGLE FAMILY HOUSING)

- STAGNANT WAGES for RENTERS
- IMMIGRANTS with LARGE FAMILIES
- RENTS STAGNANT
- BROKEN MARKET

HOUSING HAS BEEN SILOED

- HIGH PROPERTY TAXES
- PRECARIOUSLY HOUSED
- AFFORDABILITY
- FINANCING

DENSITY IS A KEY ISSUE

- INFRASTRUCTURE COST
- LOWEST INCOME INDIVIDUALS (BELOW 30% of MEDIAN INCOME)
- AVAILABILITY
- FEAR

- REHAB OF EXISTING HOUSING STOCK
- BETTER UNDERSTANDING NEEDS
- INTEGRATION OF SERVICES
- ALLIANCES & AWARENESS

INTERGENERATIONAL IMPACT OF HOUSING

- RENTS OUT-PACING ECONOMIC GROWTH
- EVICTIONS
- CRIMINAL RECORDS
- CONDITION OF HOUSING
- BUILDING CODE ADDING COST

- INVESTMENT TOOLS
- EDUCATION
- WORKFORCE SHORTAGE
- CHANGING MINDSETS (HOME OWNERSHIP vs. RENTAL)

DIFFERENT NEEDS ACROSS MINNESOTA

- STRONG ECONOMY, LOW INTEREST RATES
- COMMUNITIES are PULLING TOGETHER
- REPRIORITIZE HOUSING & APPROPRIATE FUNDS
- FINANCING AFFORDABLE HOUSING IS COMPLEX



ACTORS & TOOLS



REGULATORY

- FEDERAL
 - FEDERAL HUD
 - FAIR HOUSING ACT

STATE

- STATE OF MINNESOTA
 - BUILDING CODE
 - HUMAN RIGHTS
 - LAND USE PLANNING
- METROPOLITAN COUNCIL (not regulatory, but involved in the process)
- REGIONAL HOUSING POLICY PLAN
- COMP PLAN REVIEW

LOCAL

- COUNTIES, CITIES & TOWNSHIPS
 - PLANNING, LAND USE, & ZONING
 - CODE ENFORCEMENT
 - PERMITTING
 - RENTAL LICENSING
- WATERSHED DISTRICTS
- STORM WATER MANAGEMENT

JUDICIAL

- COURTS

FINANCIAL

LENDERS & FUNDERS

- BANKS / S&Ls / CREDIT UNIONS
- USDA RD
- HUD
- IRS
- MINNESOTA HOUSING
- DEED
- DHS
- MET COUNCIL
- COUNTIES/CITIES
- TRIBAL GOVERNMENTS
- FOUNDATIONS & SOCIAL IMPACT INVESTORS
- COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS (CDFIs)
- EMPLOYERS
- MUSLIM LENDERS
- OTHER INTERMEDIARIES

LOAN INSURERS

- PRIVATE MORTGAGE COMPANIES
- HUD / FEDERAL HOUSING ADMINISTRATION (FHA)
- VETERANS ADMINISTRATION (VA)
- USDA / RD

ENTITIES THAT SECURITIZE & GUARANTEE LOANS

- FANNIE MAE
- FREDDIE MAC
- GINNIE MAE

OTHER

- TAX CREDIT INVESTORS
- PRIVATE EQUITY INVESTORS
- OTHER INVESTORS

OWNERSHIP

- HOME MORTGAGES
- MORTGAGE INTEREST DEDUCTION
- CONTRACT FOR DEED
- RENT TO OWN
- DOWNPAYMENT ASSISTANCE
- GRANTS
- HOME IMPROVEMENT LOANS
- HOME EQUITY LINES OF CREDIT

RENTAL

- AMORTIZING FIRST MORTGAGES
- TAX CREDITS
- DEFERRED LOANS
- GRANTS
- RENT ASSISTANCE
- OPERATING SUBSIDIES

CONSTRUCTION FINANCING

- CONSTRUCTION LOANS
- "VALUE GAP" GRANTS FOR SINGLE-FAMILY DEVELOPMENT

SUPPORTING SERVICE FUNDING

- COMMUNITY PARTNERS & NEIGHBORHOOD GROUPS
- VOLUNTEERS
- FAMILY
- ADVOCATES
- EMPLOYERS/BUSINESSES
- ELECTED OFFICIALS

PRODUCTION

- DEVELOPERS
- ARCHITECTS & ENGINEERS
- BUILDERS
- LABOR & UNIONS
- SUPPLIERS OF BUILDING MATERIALS
- LENDERS & FUNDERS
- LAWYERS

INDIVIDUAL

- POTENTIAL HOMEOWNERS
- CURRENT HOMEOWNERS
- POTENTIAL RENTERS
- CURRENT RENTERS
- LAND OWNERS
- PEOPLE WITHOUT HOUSING (HOMELESS)
- NEIGHBORS (SUPPORT & OPPOSITION)

PROPERTY MANAGEMENT

- RENTAL MANAGEMENT COMPANIES
- PHAs / HRAs
- LANDLORDS



PLANS, PROJECTS & INITIATIVES



TYPES OF HOUSING

COMMUNITY PLANNING

- CONSOLIDATED PLANS
- COMPREHENSIVE PLANS
- COMMUNITY AND SMALL-AREA PLANS (INCLUDING LARGE-SCALE OPPORTUNITIES SUCH AS FORD PLANT)
- LOCAL PLANNING ISSUES (NIMBYism, DENSITY ON TRANSIT CORRIDORS)

KEY PARTNERSHIPS & MULTI-SECTOR CONNECTIONS

- HOMES FOR ALL COALITION
- INTERAGENCY COUNCIL ON HOMELESSNESS
- OLDEST SUB-CABINET
- CRADLE-TO-CAREER EFFORTS
- TWO-GENERATION STRATEGIES
- HOUSING AS FOUNDATION TO SUCCESS IN EDUCATION, HEALTH, EMPLOYMENT, ETC.
- MULTI-SECTOR PARTNERSHIP (HIGHER-GROUND DEVELOPMENT)
- SERVICE INTEGRATION & FINANCE
- CONTINUUMS OF CARE
- REGIONAL COUNCIL MAYORS/ LEAGUE OF MN CITIES
- CRIMINAL JUSTICE REFORM/ CRIMINAL JUSTICE BARRIERS
- ROCHESTER DESTINATION MEDICAL CENTER

REGULATORY INITIATIVES

- ADDING RENTAL ORDINANCES
- PURSUING REGULATORY REFORM
- ADDRESSING REGULATIONS THAT INCREASE HOUSING COSTS
- CHANGING LAWS ON BUILDERS' RISK LIABILITY WITH CONDOMINIUMS

EQUITY INITIATIVES

- ENTIRE ECOSYSTEM COMMUNITY
- SELF-SUSTAINING COMMUNITY
- CREATING MUSLIM LOANS
- ELIMINATING OBSTACLES FOR NEW IMMIGRANTS/ UNDOCUMENTED (USE TAX NUMBERS, RATHER THAN SSN)

AWARENESS

- EDUCATION ABOUT HOUSING FROM ELEMENTARY TO HIGH SCHOOL
- WORKSHOPS TO EDUCATE RESIDENTS ABOUT HOUSING (ADDRESS NIMBYism)

BUILDING TYPES

- SINGLE FAMILY HOMES
- MANUFACTURED HOMES
- ACCESSORY DWELLING UNITS
- APARTMENTS/CONDOS

- TOWNHOMES
- "THE MISSING MIDDLE" (2-6 UNITS)
- HOMELESS SHELTERS

PROPERTY CHARACTERISTICS

- NUMBER OF UNITS
- SIZE OF UNITS (INCL. TINY HOMES)
- UNIT & PROPERTY AMENITIES
- MIXED-USE DEVELOPMENTS

- SCREEN/HEALTHY LOCATION & DENSITY
- COMMUNITY AMENITIES (TRANSIT) WITH and WITHOUT SERVICES

FINANCIAL CHARACTERISTICS

- OWNED vs. RENTED
- AFFORDABILITY
- SUBSIDIZED/UNSUBSIDIZED

- ALTERNATIVE MODELS:
 - COOPERATIVE
 - SHARED EQUITY
 - EMPLOYER OWNED
 - SHARED HOUSING
 - LAND TRUSTS

POPULATIONS of INTEREST

- HOMELESS
- PEOPLE with DISABILITIES
- "HARD to HOUSE" (CRIMINAL RECORDS, EVICTIONS, & OTHER)

- IMMIGRANT FAMILIES
- LARGE AND/OR EXTENDED FAMILIES 55+
- VETERANS

ASPIRATIONS for HOUSING STOCK

- DIVERSITY of TYPE & AFFORDABILITY IN EACH COMMUNITY (INCLUDING LIFE CYCLE)
- ENERGY SECURE CONNECTED TO COMMUNITY

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