

Preservation of Naturally Occurring Affordable Housing

November 5, 2018

Community Development Committee



Background

- Naturally occurring affordable housing (NOAH) increasingly endangered
 - November 6, 2017 viewing / discussion of “Sold Out” at CDC meeting
 - July 18, 2016 presentation by Greater Minnesota Housing Fund at CDC meeting
- NOAH Impact Fund launched in 2017 to provide quick-turnaround source of financial equity for mission-oriented investors willing to preserve affordability when NOAH properties come onto the market
 - Invested in preserving nearly 1000 units of naturally occurring affordable housing
- \$1.4 million included in the Council’s 2018 Unified Budget to support the preservation of naturally occurring affordable housing

Key Investment Parameters

- Funding will assist in the acquisition and preservation of naturally occurring affordable housing at risk of rent increases or rental policy changes due to property sale
- Funding available only within the 7-county metropolitan region
- Targets properties at 60% area median income rents and incomes
- Requirement that a minimum of 75% of the units in the property be restricted to 80% area median income

Proposed Action

- That the Metropolitan Council authorize the Regional Administrator to negotiate and the Chair to execute a Joint Exercise of Powers Agreement with the Minnesota Housing Finance Agency (Minnesota Housing) to provide \$1,400,000 in program support in the form of a grant to the Greater Minnesota Housing Fund for the Naturally Occurring Affordable Housing (NOAH) Impact Fund to further the NOAH Impact Fund's work to preserve naturally occurring affordable housing, using the investment guidelines listed in Attachment 1 to structure the Joint Exercise of Powers Agreement and Council's investment in the NOAH Impact Fund.

Proposed Action (in plain language)

- Authorize a Joint Exercise of Powers Agreement with Minnesota Housing
- Provide \$1,400,000 to the Naturally Occurring Affordable Housing (NOAH) Impact Fund

Questions

About the NOAH Impact Fund:

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