Metropolitan Council Housing and Redevelopment Authority (Metro HRA)

Family Affordable Housing Program
Overview

September 3, 2019
Community Development Committee
Family Affordable Housing Program History

• 1992 – Class action lawsuit filed against City of Minneapolis and Minneapolis Public Housing Authority (MPHA)
  – Alleging historical patterns of racial segregation

• 1995 – settlement - Hollman Consent Decree
  – Required MPHA to demolish 770 units of public housing; and
  – Create 770 units of replacement housing in non-impacted areas

• Regional effort to meet the requirements of the Decree

• Replacement units developed by regional partners
  – MPHA, Metropolitan Council, Washington County, Carver County
Council Involvement

- Council committed to developing 150 units of Public Housing
- Minnesota Statute 473.195 provides the Council with authority to develop housing units *with approval of municipalities*
- January 1999 Council action approved establishment of Family Affordable Housing Program
  - Development and operation of public housing units
- Units purchased on the open housing market between 2001 and 2004
FAHP Unit Purchases

• $28 Million provided by U.S. Department of Housing and Urban Development
  – Transferred from MPHA to the Council

• Unit purchase criteria established
  – Outside of areas of concentrated poverty
  – Within close proximity to public transportation opportunities
  – Near schools, groceries, banking, jobs and recreational facilities

• Prior approval received from cities
  – Cooperation Agreements in place
# FAHP Unit Details

<table>
<thead>
<tr>
<th>City</th>
<th>County</th>
<th># of Units</th>
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<tbody>
<tr>
<td>Blaine</td>
<td>Anoka</td>
<td>15</td>
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<tr>
<td>Coon Rapids</td>
<td>Anoka</td>
<td>20</td>
</tr>
<tr>
<td>Eden Prairie</td>
<td>Hennepin</td>
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<td>Edina</td>
<td>Hennepin</td>
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<td>Golden Valley</td>
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<td>Maple Grove</td>
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<td>Minnetonka</td>
<td>Hennepin</td>
<td>14</td>
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<tr>
<td>Plymouth</td>
<td>Hennepin</td>
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<td>Richfield</td>
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<td>10</td>
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<tr>
<td>Roseville</td>
<td>Ramsey</td>
<td>15</td>
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<tr>
<td>Shoreview</td>
<td>Ramsey</td>
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<tr>
<td><strong>Total</strong></td>
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<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Number</th>
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<tr>
<td>Single Family Homes</td>
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<tr>
<td>Townhomes</td>
<td>68</td>
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</table>

<table>
<thead>
<tr>
<th>Unit Size</th>
<th>Number</th>
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<tbody>
<tr>
<td>Two Bedroom</td>
<td>67</td>
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<tr>
<td>Three Bedroom</td>
<td>68</td>
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<td>Four Bedroom</td>
<td>12</td>
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<td>Five Bedroom</td>
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</table>

*Units built between 1941 and 2002*
FAHP Historical Challenges

• Units developed as Public Housing
• Council had never owned housing before
  – Started from square one
• NIMBYism with neighboring homeowners
• Negotiations with cities to gain FAHP acceptance
• Federal funding for scattered site housing not enough to cover operating costs
  – Units operated at a deficit of approximately $250,000 annually
  – Deficits covered by Section 8 Housing Choice Voucher funding

• WIN . . . Several years of research result in unit conversion
  – From Public Housing to Section 8
  – January 1, 2010
  – Units now cash flow
FAHP Timeline

- Hollman Consent Decree Signed
- Regional negotiations begin
- First unit purchased
- Property Management company hired
- First resident move in
- Units converted from Public Housing to Section 8 Project Based Vouchers
- Units begin to cashflow

1995

- Council establishes FAHP program
- Staff develop policies for operating Public Housing

2000

- All 150 units purchased
- Staff continue bringing units on-line
- Units operate at a deficit

2001

- Conducted a Physical Needs Assessment
- Units in good condition but aging
- Future discussion on unit capital needs

2004

2010

2019
Occupancy

• FAHP Waiting List – separate from Housing Choice Voucher list
  – Last opened in 2017
  – 4,494 applications received
  – 2,000 randomly placed on waiting list
• Residents pay 30% of household income towards rent
• Income eligibility – 50% of Area Median Income (family four = $50,000)
• Resident selection criteria
  – Screen residents in – not out
  – Post-move assistance
Where are we today?

• Units managed by a private management company
  – Kingwood Management
  – Selected through competitive RFP process
  – Challenging portfolio to manage – scattered sites

• Physical needs assessment
  – Units in good condition and have been well maintained
  – Units are aging

• Need to plan for future
  – 2019 discussion on capital needs plan
Questions?

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Metropolitan Council Housing and Redevelopment Authority (Metro HRA)

Public Housing Agency Plan

June 4, 2018

Community Development Committee