

Metropolitan Council Housing and Redevelopment Authority (Metro HRA)

# Family Affordable Housing Program Unit Purchase

October 19, 2020

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
  - Including the Metropolitan Council

# 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*
  - Cooperation Agreements in place
- January 1999 Council action approved establishment of Family Affordable Housing Program
- \$28 Million provided by U.S. Department of Housing and Urban Development
  - Transferred from MPHA to the Council
- Units purchased on the open housing market between 2001 and 2004
  - No unit purchased or sold since initial program inception

# FAHP Unit Details

City	County	# of Units
Blaine	Anoka	15
Coon Rapids	Anoka	20
Eden Prairie	Hennepin	20
Edina	Hennepin	8
Golden Valley	Hennepin	8
Maple Grove	Hennepin	20
Minnetonka	Hennepin	14
Plymouth	Hennepin	10
Richfield	Hennepin	10
Roseville	Ramsey	15
Shoreview	Ramsey	10
Total		150

Unit Type	Number
Single Family Homes	76
Townhomes	65
Twin homes	9

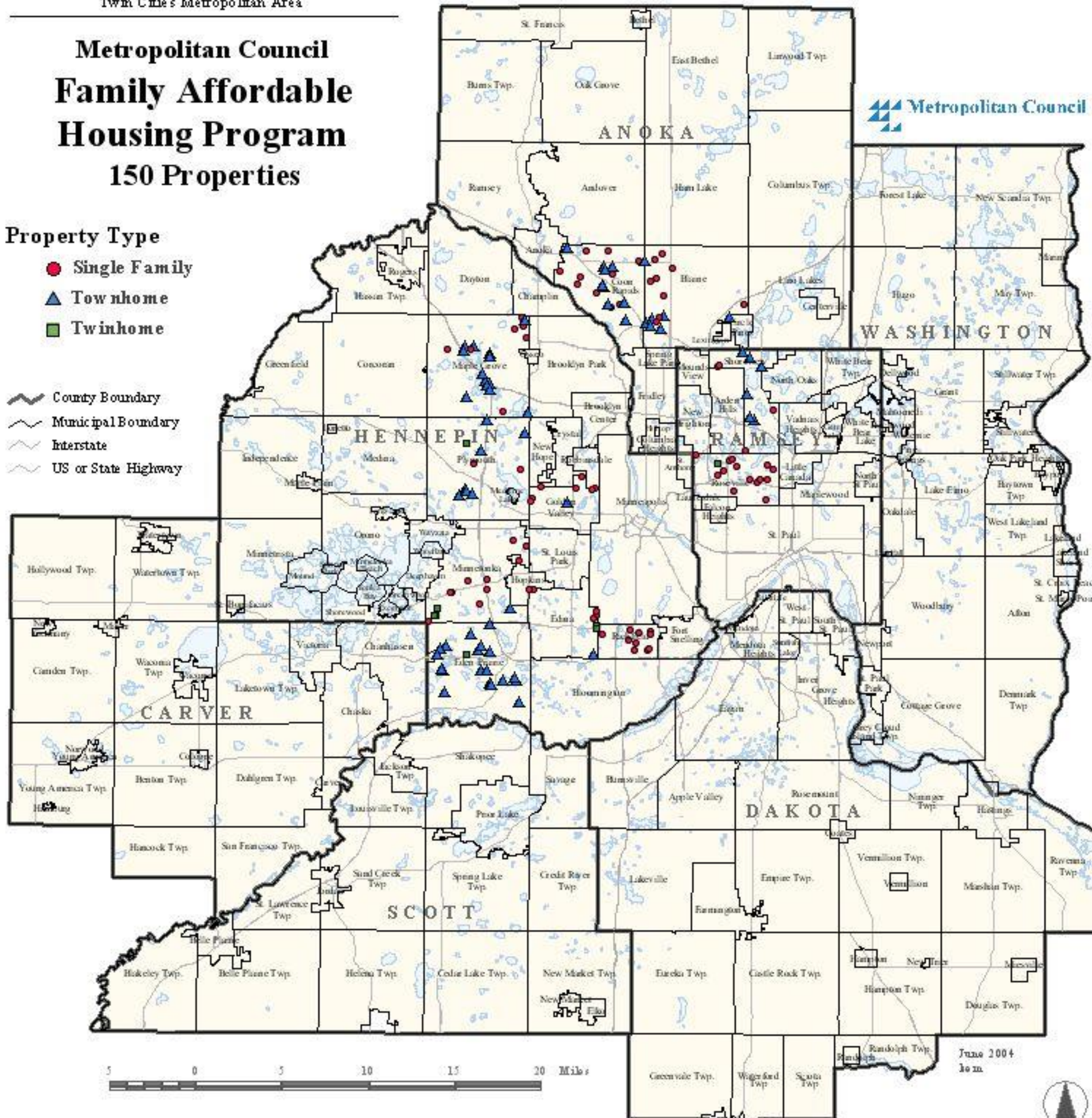
Unit Size	Number
Two Bedroom	67
Three Bedroom	68
Four Bedroom	12
Five Bedroom	3

\*Units built between 1941 and 2002



# Metropolitan Council Family Affordable Housing Program 150 Properties

- Property Type**
- Single Family
  - ▲ Townhome
  - Twinhome
- County Boundary  
— Municipal Boundary  
— Interstate  
— US or State Highway



# Current Opportunity

- Council staff approached by the owner of a neighboring twin home to determine interest in purchasing other half
- Council HRA staff and Real Estate staff visited the unit
  - Needs some cosmetic internal improvements but structurally sound
  - Real Estate staff conducted a unit appraisal to determine value
    - Reasonable price
- Unit purchase will assist with asset protection if the Council owns both sides
- Adds a unit to FAHP portfolio for rental by a low-income family
  - Expanding housing choice

# Funding Source

- \$500,000 programmed in the 2020 Authorized Capital Program
  - Funded by general purpose levy
  - Targeted for FAHP unit maintenance and capital needs
  - Re-purpose a portion of these funds for the unit purchase
    - Will not result in any delay in planned improvements
- Third-party property inspection in 2019 determined properties are in good repair
- Need a more thorough asset assessment
  - Delayed by COVID - 2021

# Next Steps

- October 14<sup>th</sup> – Information item presented to Management Committee
- October 19<sup>th</sup> - Formal action by Community Development Committee
- October 28<sup>th</sup> – Formal action by full Council
- November 4<sup>th</sup> – Formal approval Action by City of Maple Grove
- End of November – Unit Closing
- December – Unit improvements completed
- January – occupancy by low-income family



# Proposed Action

That the Metropolitan Council:

- Amend Metro Housing and Redevelopment Authority existing capital program authority by reducing Family Affordable Housing Program Project 14652 by \$200,000 and transferring that \$200,000 to new project, Family Affordable Housing Program House Acquisition Project 14653.
- Authorize the purchase of property located at 7378 Vinewood Court in the City of Maple Grove.
- Authorize the Community Development Director to execute the necessary documents for the acquisition of this property.
- Direct staff to develop a policy identifying under which conditions the Council would purchase the second half of a duplex where the Council already owns half, as well as consider other opportunities for the sale of existing properties and the acquisition of others.

# Questions?

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