

Minneapolis/St. Paul (MSP) Regional Mixed Income Housing Feasibility Education and Action Project

The Family Housing Fund (FHF) and the Urban Land Institute of Minnesota/Regional Council of Mayors (ULI MN/RCM) have partnered on the MSP Mixed Income Housing Feasibility Education and Action Project which provides tools to help municipalities learn how they can work with the private and non-profit developers to provide mixed income housing in the Minneapolis/St. Paul (MSP) Region. This project allows staff to learn, experiment and, if they choose, develop policies to incentivize mixed income housing development in a collaborative environment.

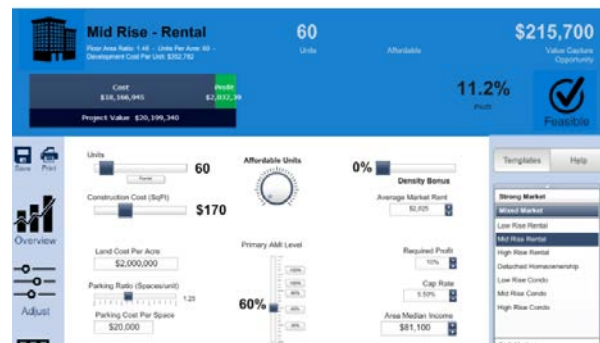
Why now? With home prices increasing and the real estate market fully recovered in many cities, there is renewed interest in expanding housing choices; particularly housing that is affordable to the workforce and those with lower incomes. Development opportunities near new transit hubs also pose new opportunities to provide a full range of housing choices attractive to Millennials, Boomers and the Senior generations. Traditionally, the region has relied heavily on Federal and State Tax Credit financing to promote mixed income housing. This solution has limited resources and added administrative hurdles to successfully interest most developers. Cities are looking for other tools and strategies to encourage inclusion of a mix of incomes in new housing developments.

The project includes three parts:

1. Training Series – Four workshops where city representatives and stakeholders get the answers to questions such as:

- Is it possible, with the right package of incentives or requirements, to have developers produce mixed income housing in the MSP region?
- What incentives are most valuable in different parts of the MSP region?
- What strategies are successful in places similar to the MSP region?

2. Mixed Income Housing Calculator – Explore mixed income housing feasibility with an online calculator that is prepopulated with data from the MSP region. Users are able to experiment with different incentives and requirements and see how developments are impacted by including affordable housing units and their impact on project feasibility. For example, how valuable is a reduction in parking standards and does that offset the cost of including a mix of unit types and values? Participants will be able to choose from various types of municipalities (e.g. inner ring suburb) and developments (e.g. garden apartments), or build their own scenarios.



3. Technical Assistance - Cities that are considering new strategies are provided with technical assistance grants to help them learn more about their markets and craft new housing policy. The Cities of Minneapolis, St. Paul, Golden Valley and Shoreview were provided with 70 hours of technical assistance each to identify specific options and opportunities for mixed income development in their cities.

For more information or to be included in future announcements, please contact:
Cathy Bennett, ULI MN, cathy.bennett@uli.org (612-670-8147)
Tara Beard, Family Housing Fund tara@fhfund.org (612-375-9644)

Additional Information

Project Purpose

Build the capacity of local governments and stakeholders in the MSP region to adopt policies encouraging mixed income housing by providing training, tools and technical assistance.

Background and Need

The economy and housing market in the Minneapolis-Saint Paul region have, by and large, recovered from the recent recession. However, even a full-time job does not guarantee access to a home at an affordable price. Housing sale prices increased seven percent from 2014 to 2015 and rental prices in many neighborhoods are not affordable to many members of the workforce.

Many policymakers in the region want to ensure that there is a full range of housing choices with access to quality jobs and transportation choices. They believe mixed income communities builds economic prosperity and competitiveness by attracting and retaining residents to support key employers.

One way to meet this goal is to work with local developers to reserve a portion of their new units for low or moderate income residents. In some cases, the affordable housing set aside is mandatory, and in others it is part of a voluntary program that is supported by offering local incentives such as density bonuses. While this strategy, which goes by many names, has worked well in many other cities throughout the country, it is still relatively new in the MSP region. Decision makers, staff, builders and the public are all still learning about how to incorporate a mix of incomes within new housing developments. One of the obstacles to the wider implementation of new mixed income strategies is the lack of data.

The project addresses this in several ways. A four-part training series where municipal staff and others learn about mixed income housing. The training attracted 25-30 cities in small, interactive workshops focused on the MSP region, with local and national lessons. Municipalities also were able to use the Mixed Income Housing Feasibility Calculator. This powerful, easy to use tool, is a great instrument for both learning about the concepts involved with mixed income housing, and understanding the economics in different cities in the region. Finally, four cities were provided with funding for technical assistance in exploring and crafting new mixed income policies.

The partners believe the project will expand the knowledge base and increase options to fulfill some of the housing needs of the region's workforce into the future.

Trainings, calculator and technical assistance is provided by Grounded Solutions Network (formerly Cornerstone Partnership).

Grounded Solutions Network was chosen to lead the project because of their extensive experience throughout the country working with cities on affordable housing policy and they have developed the Affordable Housing Calculator which will feature prominently in this project.

Grounded Solutions Network is a national nonprofit formed by the recent merger of the National Community Land Trust Network and Cornerstone Partnership. Together, we are dedicated to shaping communities to be inclusive and filled with opportunity for all.

At Grounded Solutions Network, we know what policies and strategies work, and we help communities use them. We work nationally, supporting nonprofit and government practitioners, advocates, elected officials, and other housing professionals with the knowledge and support they need. We bring together an extensive network of member practitioners from local communities who have a deep understanding of best practices for the sector. We promote homes that remain affordable for generations and provide the foundation for our communities to be stable and strong, for good. Please visit us at www.groundedsolutions.org

The Minneapolis/St. Paul (MSP) Regional Mixed Income Housing Feasibility Education and Action Project is a project sponsored by The Family Housing Fund and the Urban Land Institute Minnesota/Regional Council of Mayors (ULI MN/RCM) Housing Initiative, with funding support from The McKnight Foundation and Metropolitan Council.