Metropolitan Council Housing and Redevelopment Authority (Metro HRA)

Family Affordable Housing Program
Unit Purchase

October 14, 2020
Management 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

<table>
<thead>
<tr>
<th>City</th>
<th>County</th>
<th># of Units</th>
</tr>
</thead>
<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>
<td>20</td>
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<tr>
<td>Edina</td>
<td>Hennepin</td>
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<tr>
<td>Golden Valley</td>
<td>Hennepin</td>
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<td>Maple Grove</td>
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<tr>
<td>Minnetonka</td>
<td>Hennepin</td>
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<tr>
<td>Plymouth</td>
<td>Hennepin</td>
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<td>Richfield</td>
<td>Hennepin</td>
<td>10</td>
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<tr>
<td>Roseville</td>
<td>Ramsey</td>
<td>15</td>
</tr>
<tr>
<td>Shoreview</td>
<td>Ramsey</td>
<td>10</td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>150</strong></td>
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## Unit Type

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Number</th>
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<tbody>
<tr>
<td>Single Family Homes</td>
<td>76</td>
</tr>
<tr>
<td>Townhomes</td>
<td>65</td>
</tr>
<tr>
<td>Twin homes</td>
<td>9</td>
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## Unit Size

<table>
<thead>
<tr>
<th>Unit Size</th>
<th>Number</th>
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</thead>
<tbody>
<tr>
<td>Two Bedroom</td>
<td>67</td>
</tr>
<tr>
<td>Three Bedroom</td>
<td>68</td>
</tr>
<tr>
<td>Four Bedroom</td>
<td>12</td>
</tr>
<tr>
<td>Five Bedroom</td>
<td>3</td>
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</table>

*Units built between 1941 and 2002
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 19th - Formal action by Community Development Committee
- October 28th – Formal action by full Council
- End of November – Unit Closing
- December – Unit improvements completed
- January – occupancy by low-income family
Discussion

• Is there support for the purchase of this unit?
• Is there interest in continued dialogue on building additional equity in the FAHP program?
• Should there be some set parameters on when we should sell a property or buy an additional property?
Questions?

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