



**2020-23
Strategic Plan**

Public Comment Draft

August 29, 2019

The Future: The 2020-23 Strategic Plan

Everyone wants a home they can afford in a community of their choice because it provides the foundation for success, supporting educational achievement, stable employment, health, and prosperity. Today, however, many Minnesotans are struggling with the cost of housing.

- 434,000 lower-income households in Minnesota are spending more than 30% of their income on housing;¹
- Minnesota has the third worst homeownership disparity in the country for households of color;²
- An American Indian is over 20 times more likely to experience homelessness than a person who is white;³ and
- Research funded by the Family Housing Fund found that the housing shortage in the Twin Cities metro area could limit job growth and result in a loss to the Gross Regional Product of \$215 million annually.⁴

We are at a critical moment for housing in Minnesota. The lack of housing that is affordable is having an increasing impact on the economy. While the worst impact is homelessness, many Minnesotans are experiencing the effects of the housing shortage and the high price of renting or buying a home. Over the next four years, we want to:

Go Big So Everyone Can Go Home.

Minnesota Housing has a strong base from which to build, but more is needed. We are recognized as one of the strongest housing finance agencies in the country, with a range of strong programs and a strong balance sheet. With the support of partners, over the last eight years, we have increased our:

- Annual program investment from about \$700 million to over \$1.3 billion;
- Home mortgage lending from 2,245 loans to 5,000;
- Lending to first-time homebuyers of color from 549 to 1,400; and
- Financing of new rental housing from 703 units to 1,100.

Despite these results, we are facing headwinds that require more action. Fortunately, we have great partners and community resources to leverage. We have homeownership advisors, lenders, and real estate agents committed to serving homebuyers of color. We have developers and builders who are finding innovative ways to lower the cost of housing construction. We have businesses who invest in housing opportunities for their employees. We have outreach workers who tirelessly find housing for people experiencing homelessness. We have communities of all types with the expertise, insights, and commitment to take on the toughest housing issues. We have staff, a Governor and Lt. Governor dedicated to this work.

With new leadership, Minnesota Housing is focusing on what we can do to solve the housing challenges that face the state. The vision and the mission hold true.

Our Vision: The Big, Audacious Goal

All Minnesotans prosper and live in a stable, safe home they can afford in a community of their choice

Our Mission: The Core Purpose

Housing is the foundation for success, so we collaborate with individuals, communities and partners to create, preserve and finance housing that is affordable

Our Principles and Values: How We Work

How we work and with whom we engage and partner can be as important as what we do. They impact not only what housing is built, but also where it is built, for whom, and who benefits from the work. To achieve the concept of **One Minnesota** where everyone prospers, we will reorient how we work and expand who has a voice at the table and who participates in and benefits from the housing economy.

We will place the **people and places most impacted** by housing instability at the center of our decision making.

We will **listen, empower and support**.

We will be **inclusive, equitable and just** in our actions.

We will be **innovative and creative** problem solvers.

We will be **flexible, nimble and responsive**.

We will make **data-driven and evidence-based** decisions.

We will pursue **continuous improvement**.

We will **build and leverage** resources.

We will be **accountable** for our results.

Our Core Activities: The Day-to-Day Work

Minnesota Housing's core work is reflects these seven activities:

- **Promote and Support Successful Homeownership.** We finance pre- and post-purchase counseling, education, coaching, and financial empowerment; mortgages and downpayment and closing-cost assistance; and home improvement loans.
- **Finance New Affordable Rental Opportunities.** We finance the construction of new rental housing through amortizing first mortgages, housing tax credits, and zero-interest, deferred loans. We also provide rental assistance.
- **Preserve the Existing Housing Stock.** We provide financing to meet a range of rehabilitation and refinancing needs for both homeownership and rental, provide technical assistance and support to those needing assistance accessing preservation resources, support effective rental property management after we have financed a property, and manage HUD's Project-Based Section 8 rental assistance contracts in Minnesota.
- **Support Housing Stability.** We fund assistance that helps people find and stay in their housing, finance housing with services, and work with local Continuums of Care to connect people experiencing homelessness to the housing and services they need.
- **Support Community and Economic Development.** We engage communities, provide tools to help assess local needs, and support communities with technical assistance and capacity building resources.
- **Lead and Take Action on Critical Housing Issues.** We identify housing issues and needs, work with community partners to advocate for solutions, leveraging both public and private resources.
- **Strengthen the Financial and Organizational Capacity of the Agency.** We are only as strong as our staff, partnerships, systems and balance sheet. We finance our programs through a combination of state and federal appropriations, tax credits, bonding and Agency earnings. We pay for our operating expenses with revenue generated from our financial activities without using scarce state resources. We attract and retain skilled and committed staff. We will build a diverse team and an inclusive work environment. We partner with over 400 organizations across the state to administer the programs that we finance. We create, maintain and operate systems that manage our programs and finances effectively.

Our Strategic Objectives

Over the next four years, we will pursue the following strategic objectives.

Overarching Objectives

- Focus on the people and places most impacted by housing instability
- Create an inclusive and equitable housing system
- Finance housing to improve outcomes in education, employment, health, and other areas of life

Specific Objectives

Availability of Housing that is Affordable

- Preserve the condition and affordability of existing housing
- Increase the development of new housing that is affordable
- Increase access to rental assistance
- Support and preserve manufactured housing

Homeownership

- Address barriers to successful homeownership and reduce the homeownership disparity for households of color

Supports for People

- Effectively link services with housing
- Prevent and end homelessness
- Meet the housing needs of people with disabilities
- Meet the housing needs of seniors

Place-Based Investments

- Strengthen disinvested communities
- Support Tribal nations and indigenous communities in meeting their housing needs

Strategic Goals

What gets measured and tracked gets done. Specific, Measurable, Achievable, Relevant and Time-bound (SMART) goals provide clarity and accountability, inspire action and make a strategic plan tangible. For example, by having a goal of 35% of our first-time homebuyer mortgages going to households of color, we significantly increased our lending to this community and are on the cusp of achieving it. Creating SMART goals takes careful analysis, thought and collaboration. We will develop them for a key set of these objectives over the next year. We have also identified one to three key metrics for tracking each of the objectives to drive results and accountability.

Strategies to Achieve the Overarching Objectives

Focus on the People and Places Most Impacted by Housing Instability

Key Metric: Share of households from these communities that are cost burdened or overcrowded (lowest income, households of color, indigenous communities, seniors, children, large families, and people with disabilities)

Some people and places are far more likely to be impacted by housing instability, which includes being cost-burdened or homeless, living in overcrowded or substandard housing, moving frequently or not having access to homeownership. Communities facing housing challenges and disparities are our priority because the current market is not working for them.

| PEOPLE | | PLACES |
|---|---|---|
| <ul style="list-style-type: none"> • Lowest Income (e.g. <= 30% of area median income (AMI)) • People of Color • LGBTQ • People Experiencing Homelessness • People with Disabilities • Immigrants • Large Families • Seniors • Children | People Facing Barriers and/or Limited Choices: <ul style="list-style-type: none"> • Poor Credit • Limited Savings • Criminal History • Evictions • Transitioning Out of Foster Care, Prison, Other Systems | <ul style="list-style-type: none"> • Disinvested Communities in the Metro Area and Greater Minnesota • Tribal Nations / Indigenous Communities • Manufactured Home Communities • Communities with Job Growth and a Limited Housing Supply |

- **Make People and Places Most Impacted by Housing Instability the Priority of Each Program**

Examples of Actions: (1) Understand the impact that market conditions have on the people and places most impacted; (2) continually engage these communities; (3) prioritize resources to serve the most impacted

- **Advocate Alongside Communities**

Examples of Actions: (1) Be a convener and connector; (2) identify and advocate for new and innovative solutions, particularly when a housing need cannot be met with one of our existing programs

Create an Inclusive and Equitable Housing System

Key Metric: Disparities for housing cost burden, homeownership, poverty, and homelessness, by race
Key Metric: Disparities for housing cost burden, homeownership, poverty, and homelessness, by disability status

Minnesota has vibrant, resourceful communities, including people with disabilities who overcome daily barriers, immigrants who are determined to make a new life, communities of color who have endured generations of

discrimination, and the LGBTQ community that is out and proud. These groups have struggled to achieve prosperity. Minnesota has some of the worst disparities in the country, including in housing, health, education, income and wealth. If we are truly to achieve the concept of One Minnesota, everyone must prosper, not just some. Because the root causes of these disparities are deep and systemic, our strategies will be deep and systemic, starting with Minnesota Housing itself.

- **Increase Minnesota Housing’s Diversity and Cultural Competency**

Examples of Actions: (1) Increase in the number of our leaders and staff who are from communities most impacted by disparities; (2) continue and enhance our journey to become more culturally competent and incorporate these practices into everything we do

- **Empower Communities Facing Barriers to Co-Develop Solutions**

Examples of Actions: (1) Continually engage and empower these communities; (2) create more opportunities for participation in program decision making; (3) listen; (4) act on what we learn

- **Identify the Systemic Barriers Creating Housing Inequities and Develop a Policy Agenda**

Examples of Actions: (1) Support solutions that increase housing stability and access, such as renter protections and renter screening that is guided by evidence-based research; (2) support efforts to mitigate displacement; (3) support laws, local ordinances and practices that create a full range of housing options that are affordable in all communities

- **Create Programs that Are Easier to Access and Administer and Support Households with Different Needs and from Different Backgrounds**

Examples of Actions: (1) Review all program structures, processes, requirements and restrictions with a renewed inclusion and equity lens; (2) identify programs that are not working for everyone; (3) make our programs more inclusive and equitable

- **Partner and Contract with Organizations Led by the Disproportionally Impacted Communities and Support All Partners to Become More Inclusive and Equitable in their Work**

Examples of Actions: (1) Invest in these organizations, build their capacity and provide more opportunities for them to compete for funding, which will lead to culturally appropriate work and direct benefits to disproportionately impacted communities; (2) encourage program partners to assess their leadership and staff composition, their cultural competency and how they incorporate equity practices into their work, learning from partners who are doing this well

- **Continually Analyze Outcomes and Program Processes by Race/Ethnicity, Disability Status, and Other Characteristics that Reflect Inequity**

Examples of Actions: (1) Collect and analyze data at the most disaggregated level possible; (2) thoroughly analyze outcomes and program policies and processes; (3) adjust and act where populations are not being served equitably

Finance Housing to Improve Outcomes in Education, Employment, Health and Other Areas of Life

Key Metric: Number of programs that we administer in partnership with other state agencies

Key Metric: Number of households served by Homework Starts with Home

Stable and affordable homes support educational achievement, stable employment, health, and success in other areas of life. Societal challenges involve complex interactions across issues and sectors, and we need cross-sector solutions. We will act holistically.

- **Build Interagency and Cross-Sector Relationships and Partnerships**

Examples of Actions: Build and strengthen relationships with: (1) the Department of Education, school districts, and the Office of Higher Education to improve educational outcomes; (2) the Department of Health, the Department of Commerce, the Department of Human Services, the health sector, and community organizations to improve health outcomes; (3) the Department of Employment and Economic Development, local community and economic development agencies, the Itasca Project, and employers to improve economic development and employment; (4) the Department of Corrections and local correctional facilities to support successful community reintegration and reduce recidivism

- **Align and Leverage Resources and Programs**

Examples of Actions: (1) Create cross-sector programs, such as Homework Starts with Home, which provides housing assistance to homeless families with school age students; (2) work with the health sector and encourage investment in housing to improve health outcomes

- **Promote Programs and Policies to Address Climate Change**

Examples of Actions: (1) enhance existing sustainability standards, such as Enterprise Green Communities (which creates a holistic approach to green building practices), to promote the development and rehabilitation of sustainable and resilient homes; (2) leverage all available resources, such as utility rebates, and partnerships

- **Actively participate in the Walz-Flanagan Administration’s Interagency Initiatives**

Examples of Actions: (1) Fully engage in the homelessness, equity and inclusion, children, criminal justice, and climate initiatives; (2) take a leadership role in the work to end homelessness

Strategies to Achieve the Specific Objectives

Preserve the Condition and Affordability of Existing Housing

Key Metric: Number of existing rental units affordable to households with an income at or below 50% of the area median income (AMI)

Key Metric: Number of HUD Project-Based Section 8 units

Key Metric: Number of existing homes valued at \$250,000 or less

Existing housing is typically the most affordable, and preserving it is more cost effective than building new. Segments of existing affordable housing are at risk of being lost, either to rent or price increases, or to deterioration. For example, project-based Section 8 units were built about 40 years ago and often have deferred maintenance; and about 10,000 of the 30,000 Section 8 units in Minnesota have contracts that expire in the next four years, when they could convert to market-rate rents. Fortunately, we have had great success in renewing contracts. We also estimate that Minnesota annually loses about 2,000 units of naturally occurring affordable housing (NOAH) after a sale, rehabilitation, and rent increases occur. Finally, 18% of the state's owner-occupied homes have a value of less than \$125,000.⁵ While quite affordable, these homes often need significant repairs.

- **Analyze Data and Other Resources to Identify the Housing Most at Risk of Being Lost**

Examples of Actions: (1) Use data from our systems, U.S. Department of Housing and Urban Development, U.S. Department of Agriculture – Rural Development, Census Bureau, Minnesota Department of Revenue, HousingLink, CoStar, and local data sources; (2) work with interagency stabilization teams and preservation groups to assess needs and risks

- **Streamline, Simplify and Expand Programs**

Examples of Actions: (1) Make programs and funds easier to access and use; (2) increase program flexibility so that they can be used to meet evolving needs in different situations; (3) expand financing options for Naturally Occurring Affordable Housing (NOAH); (4) expand existing programs, such as the Rehabilitation Loan and Rental Rehabilitation Deferred Loan programs, to better serve communities

- **Market and Provide Information about the Full Range of Preservation Resources Available**

Examples of Actions: (1) Find simple ways to summarize and present all the available resources; (2) systematically get the information into the hands of the people needing the resources for themselves or their community

- **Increase Capacity Across the State to Address Preservation Issues**

Examples of Actions: (1) Help communities to identify their preservation needs; (2) support efforts to increase the number of developers in Greater Minnesota and contractors statewide doing preservation work

- **Secure Additional Resources**

Examples of Actions: (1) Advocate for new and/or expanded funding from federal and state sources; (2) encourage localities to invest in housing; (3) explore options for expanding the availability of purchase-rehabilitation loans for owner-occupied homes; (4) make resources available to serve homeowners with extremely-low to moderate incomes.

Increase the Development of New Housing that is Affordable

Key Metric: Number of new rental units funded by Minnesota Housing with rents affordable to households with incomes (1) at or below 30% of the area median income (AMI), and (2) between 31% and 50% of AMI

Key Metric: Number of new owner-occupied homes funded by Minnesota Housing selling for \$250,000 or less

Key Metric: Number of new owner-occupied and rental homes financed by Minnesota in Greater Minnesota communities with substantial job growth

To create and sustain a healthy housing market, the 2018 Housing Task Force called for the development of 300,000 new housing units in Minnesota by 2030 across all types and price points; however, the greatest need is for housing that is affordable for low-income families. Only 24% of renter households with an income at or below 30% of the area median income are in a home they can afford.⁶ The month-supply of homes selling for \$250,000 or less is only 1.4 months, when a five-month supply is considered a healthy and balanced market.⁷

- **Increase Funding**

Examples of Actions: (1) Demonstrate the impact that housing investments have on people's lives and community prosperity; (2) work with Congress and the State Legislature to increase funding; (3) encourage localities to invest in housing; (4) partner with and encourage businesses and employers to invest in housing, recognizing that housing affordable for their workforce is a competitive advantage; (5) effectively leverage existing funding

- **Innovate and Reduce the Cost of Housing Production**

Examples of Actions: (1) Partner with others to use technology and innovation to increase housing construction productivity, which could include modular or panelized construction and even 3-D printing; (2) support strategies to increase the number of contractors and people working in the building trades; (3) review and adjust our design and construction standards; (4) encourage local units of government to evaluate their policies and regulatory costs to promote a full range of housing options in their communities, including duplexes, triplexes, quads, condominiums, townhomes, accessory dwelling units and other higher density housing; (5) focus on life-cycle costs, including durability, maintenance and utility costs

- **Streamline and Simplify Programs**

Examples of Actions: Carry out the same actions listed under this strategy in the previous preservation section, with a focus on new construction

Increase Access to Rental Assistance

Key Metric: Number of rental assistance vouchers or Housing Supports in Minnesota

Key Metric: Share of Housing Choice Vouchers successfully placed

Rental assistance is the most direct approach to making housing affordable. Renters pay what they can afford, and the subsidies cover the rest. However, demand for the assistance grossly outstrips the supply. Minnesota has only 38,000 vouchers for renter households,⁸ while another 220,000 households with very-low incomes currently have rents that are unaffordable.⁹ In addition, a voucher does not guarantee success in finding a unit in today's competitive rental market. In 2018, 67% of renters served by the Metro HRA who started receiving a voucher were unable to find a home to use it.¹⁰ With very low vacancy rates and multiple people competing for an available home, landlords can be very selective, and some refuse to rent to people with vouchers.

- **Work with Partners to Effectively Manage and Target the Existing Assistance**

Examples of Actions: (1) Better understand the full scope and nature of the assistance that is available, including Housing Choice Vouchers, Housing Trust Fund, Bridges, Section 811, HUD-VASH, Housing Supports, Rapid Rehousing and others; (2) maximize the benefit of existing resources by matching tenants with the type of assistance that will be most effective for them

- **Increase the Acceptance of Vouchers**

Examples of Actions: (1) Incentivize landlords to accept households with rental assistance; (2) support solutions that increase acceptance of vouchers and make it illegal to discriminate against individuals and families that have vouchers; (3) advocate for housing navigation services

- **Advocate for Additional Rental Assistance**

Examples of Action: (1) Advocate for new and/or expanded funding from federal, state, and local sources; (2) evaluate the effectiveness of rental assistance in improving people's lives, including in the areas of education, employment, and health

Support and Preserve Manufactured Housing

Key Metric: Number of Minnesota households living in manufactured housing

Key Metric: Number of manufactured home communities lost annually in Minnesota

Manufactured housing is a critical component of Minnesota's housing supply. The median monthly housing cost for someone owning a manufactured home with a mortgage is only \$982, versus \$1,502 for other homeowners with a mortgage and \$937 for renters.¹¹ Currently, about 57,000 Minnesota households live in manufactured housing,¹² and Minnesota has 45,000 sites in manufactured home communities where the land is leased.¹³ Other homes are on private land. In the last three years, Minnesota has lost 770 manufactured home sites through closures.¹⁴ Manufactured home residents face challenges that are not easily addressed through traditional

housing finance tools. The challenges include home conditions and a backlog of infrastructure needs, such as utility and road maintenance, in manufactured home communities.

- **Create a Team and Structure within Minnesota Housing to Support and Preserve Manufactured Housing**

Examples of Actions: (1) Bring together expertise from different parts of the Agency; (2) deploy state resources proactively to address issues as they arise

- **Enhance External Partnerships and Collaborate**

Examples of Actions: (1) Partner with local governments and communities, Northcountry Cooperative Foundation, All Parks Alliance for Change, ROC USA, the Manufactured and Modular Home Association of Minnesota, and others; (2) develop and implement cross-sector strategies

- **Create a Comprehensive Strategy**

Examples of Actions: (1) Finance manufactured home communities, including purchase and infrastructure improvements; (2) finance individual homes, including purchase, rehabilitation, relocation, and replacement; (3) identify and support regulatory changes and model ordinances that address zoning and the rights of residents; (4) support cooperatively-owned manufactured home communities and build capacity for sustainable management; and (5) work with other state and local agencies and community organizations to coordinate funding for community needs, such as storm shelters, community rooms, and playgrounds

Address Barriers to Successful Homeownership and Reduce the Homeownership Disparity for Households of Color

Key Metric: Annual number of home mortgages purchased by Minnesota Housing

Key Metric: Minnesota Housing's annual lending to households of color

Key Metric: Homeownership rates by race and ethnicity by income level

Homeownership is the primary way that most Minnesotans build wealth. According to the Joint Center for Housing Studies at Harvard University, each year of successful homeownership increases household wealth by about \$10,000.¹⁵ However, poor credit, limited savings and income, limited knowledge and trust of the mortgage industry, discrimination, limited access to financing, and other factors create barriers to successful homeownership. While Minnesota has the fourth highest homeownership rate in the country, it also has the third largest disparity in homeownership rates between white/non-Hispanic households and households of color, and the disparity has been persistent.¹⁶ While we have made significant progress in increasing our lending to households of color, the entire industry needs to do more to reduce the disparity. With about 64,000 renter households of color in Minnesota between the ages of 25 and 44 (prime first-time homebuyers) who are potentially income-ready to buy, there is the opportunity for significant improvement.¹⁷

- **Model What it Will Take to Significantly Reduce the Homeownership Disparity**

Examples of Actions: (1) Identify how many additional households of color would need to become successful homeowners to achieve a homeownership rate goal; (2) determine the share that we will address versus the overall industry; and (3) identify the program changes that we will make to achieve the goal; (4) determine how we can support the overall industry to do its part

- **Improve Marketing and Outreach**

Examples of Actions: (1) Continue to refine and enhance the work of our Business Development (outreach) team; (2) pursue more direct-to-consumer marketing, social media, and events to dispel myths and increase awareness of our programs and that homeownership is possible, particularly for millennials, who are the prime first-time homebuyers; (3) create specific marketing strategies to reach the 64,000 households of color who may be ready to buy; (4) increase awareness of our programs among real estate agents and lenders; (5) engage more homeownership advisors, real estate agents, lenders, and other industry professionals to serve more households of color; (6) engage employers and community groups with employees and members of color

- **Provide Comprehensive Homebuyer and Post-Purchase Support, including Education, Counseling, and Financial Coaching**

Examples of Actions: (1) Find ways to bring training and education into schools; (2) work with the Homeownership Center and its network of homeownership advisors in providing education, counseling, and coaching that meets the needs of homebuyers/owners, particularly households of color; (3) expand our Homeownership Capacity program, which is intensive and longer-term financial coaching that is effectively reaching and serving households of color

- **Increase the Inventory of Affordable Homes for Sale**

Examples of Actions: (1) Support the creation of more affordable options, including manufactured/modular housing, townhomes, condominiums, cooperatives, etc.; (2) advocate for more funding to develop and subsidize owner-occupied housing; (3) work with others to reduce the cost of housing development, which could include reducing regulatory costs and increasing construction productivity; (4) support strategies to increase the number of contractors and people working in the building trades

- **Provide Affordable and Accessible Homebuyer and Home-Improvement Financing**

Examples of Actions: (1) Continue refining our programs each year to match market conditions and borrower needs, particularly for households of color, (2) build off of our current successes, which includes 65% of our Deferred Payment Plus Loans (enhanced downpayment assistance) going to borrowers color; (3) explore options for expanding the availability of purchase-rehabilitation loans; (4) expand our lender network to support more lending throughout the state, particularly in communities of color

- **Lead the Overall Mortgage Industry**

Examples of Actions: (1) Demonstrate to the mortgage industry strategies and programs that successfully serve households of color; (2) provide leadership for the Homeownership Opportunity Alliance (HOA), an industrywide coalition, to increase homeownership by households of color

Effectively Link Services with Housing

Key Metric: Share of service providers in our supportive housing portfolio that have the capacity to bill Medical Assistance for housing-related services

Housing with services is an important part of our work, particularly the interagency work through the Office to Prevent and End Homelessness and the Olmstead Implementation Office, which coordinates state agencies' work to help people with disabilities live, learn and work in integrated settings. For many people, effectively linking services with housing is critical to obtaining and maintaining housing stability. On a given day, 77% of adults experiencing homelessness suffer from a mental illness, chemical dependency, and/or a chronic health condition.¹⁸

We have contracted with an external consultant to evaluate the portfolio of permanent supportive housing that we have financed, which has reached about 5,000 housing units. The evaluation recommendations, which are due early in 2020, will inform and refine the following strategies and actions.

- **Better Align Housing and Services Funding**

Examples of Actions: (1) Work with the Department of Human Services (DHS) to better align its service funding and our funding for housing development; (2) collaborate with DHS to promote and implement the new authority that the state received in 2019 from the federal government to use Medical Assistance to pay for certain housing-related services; (3) support efforts to increase the capacity of housing and service providers to access, use and bill for support services, including Medical Assistance and Housing Supports

- **Build the Capacity of Developers to Provide Supportive Housing**

Examples of Actions: (1) Encourage developers who are new to providing supportive housing to receive training so they can create and manage supportive housing successfully; (2) expand the use of our [Supportive Housing Information and Resources](#) guide; (3) provide technical assistance and resources; (4) review Agency assumptions regarding supportive housing financing and cash flow

- **Build the Capacity of Service Providers to Deliver Effective Services**

Examples of Actions: (1) Support providers in obtaining training and increasing their service fidelity; (2) provide fidelity standards for supportive housing services; (3) support efforts to increase the cultural competency of service providers and the services they provide; (4) explore the possibility of incorporating technology and telehealth into supportive housing; (5) support efforts to increase the number of people working in supportive services

Prevent and End Homelessness

Key Metric: Number of people experiencing homelessness, by population (chronic, families with children, veterans, youth, sleeping outside, etc.)

Key Metric: Homelessness disparities by race and disability status

In Minnesota, roughly 8,000 people are homeless each night. An estimated 1,650 people sleep outside without shelter, an increase of 125% since 2015.¹⁹ A person of color in Minnesota is nearly ten times more likely to experience homelessness than a person who is white/non-Hispanic.²⁰ Homelessness is the most severe form of housing instability and encompasses many societal failures – a woefully inadequate supply of housing that is affordable, an unequitable housing system, disparities, trauma, and the intersection of housing, physical and behavioral health, employment, and education. The state has responded, but the severity of the housing crisis is a significant challenge.

- **Lead the Interagency Council on Homelessness and *Heading Home Together: Minnesota’s 2018 – 2020 Action Plan to Prevent and End Homelessness***

Examples of Actions: (1) Build support to end homelessness across the state, (2) coordinate, align, and leverage work across state agencies, systems, and sectors; (3) make data-driven and evidence-based decisions

- **Create more Housing Opportunities for People Experiencing or At-Risk of Homelessness**

Examples of Actions: (1) Use Housing Infrastructure Bonds to build more permanent supportive housing, especially for populations that have been historically underserved; (2) advocate for expanding the availability of rental assistance, including Housing Trust Fund, Bridges, and Housing Supports; (3) incentivize building more deeply affordable housing that is affordable for those with the lowest-incomes

- **Preserve Existing Housing that is Deeply Affordable**

Examples of Actions: (1) Carry out the actions in the housing preservation section of this plan, prioritizing deeply affordable housing; (2) implement recommendations from the evaluation of our permanent supportive housing portfolio, which will be released early in 2020

- **Focus and Target Resources**

Examples of Actions: (1) Prioritize coordinated grant-making by streamlining, coordinating and consolidating homeless funding processes so that community partners can more effectively access resources; (2) improve the effectiveness of Coordinated Entry, which is a process for matching people with available resources; (3) evaluate, improve and expand the homeless prevention targeting tool; (4) continue implementing “Step Down”, which is a process of reducing assistance for people who no longer need full supportive housing, freeing up resources for others

- **Reduce Barriers to Accessing Housing**

Examples of Actions: (1) Support solutions that increase housing stability and access such as renter protections and renter screening that is guided by evidence-based research; (2) advocate for additional housing navigation services; (3) expand incentives for landlords to house people facing barriers (for example, Landlord Risk Mitigation Funds)

Meet the Housing Needs of People with Disabilities

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| Key Metric: Share of people participating in Minnesota Housing programs who have a disability |
|--|

The State of Minnesota is committed to ensuring that people with disabilities have meaningful opportunities to live, learn, and work in integrated settings. A crucial component of that commitment is access to affordable, accessible housing that is supported by appropriate services. People with disabilities should have the opportunity to choose where they live, with whom, and in what type of housing. Individuals should have a meaningful opportunity to choose to have a lease or own their own home, and to live in the most integrated setting appropriate to their needs. Supports and services should allow sufficient flexibility to support individuals' choices on where they live and how they engage in their communities.

Minnesota adopted an Olmstead Plan in 2015, which includes measurable goals related to housing, services, transportation, and a number of other factors that impact the ability of individuals with disabilities to live in integrated settings. Progress has been made, and between July 2014 and June 2018 there were an additional 3,852 people with disabilities living in integrated housing of their choice. But much more work needs to be done and the continued shortage of affordable housing across the state is a barrier that must be addressed.

- **Create more Housing Opportunities for People with Disabilities**

Types of Actions: (1) facilitate the development of affordable housing for individuals with disabilities; (2) identify resources, such as HIB, that can provide supportive housing for individuals with disabilities; (3) identify new models and funding sources that can be used to increase affordable, accessible, and integrated housing options across the state, including both rental and homeownership

- **Link Housing with Services**

Types of Actions: (1) coordinate with the Department of Human Services and other state agencies to help ensure affordable housing units financed by us can include appropriate services for individuals with disabilities; (2) support and build the capacity of developers to create and operate affordable housing options for individuals with disabilities

- **Reduce Barriers to Accessing Housing**

Types of Actions: (1) identify opportunities to facilitate accessibility improvements in existing units and promote the development of new accessible units; (2) pursue resources to provide rental assistance and other financial options to make housing more affordable for individuals with disabilities; (3) continue to seek

federal Section 811 resources; (4) promote less restrictive tenant screening practices and the landlord risk mitigation fund to increase access to housing options

- **Facilitate Interagency Actions Related to the Minnesota Olmstead Plan**

Types of Actions: (1) continue to actively participate in and chair the Olmstead Subcabinet; (2) host and staff the Olmstead Implementation Office, which helps administer the Minnesota Olmstead Plan; (3) seek, and actively participate in, cross-agency initiatives to improve opportunities for individuals with disabilities to live in integrated housing options of their choosing; (4) meaningful engage with individuals with disabilities to identify housing-related needs and propose solutions.

Meet the Housing Needs of Older Minnesotans

Key Metric: Number of senior homes rehabilitated through the Rehab Loan Program, Fix-Up Fund, and Impact Fund

Key Metric: Number of senior rental housing units developed with Minnesota Housing funds

Over the next 17 years, the number of Minnesotans age 65 or older will increase by about 400,000, which will create new housing challenges.²¹ Initially, as baby boomers retire, they likely will live independently and age-in-place, but as they get older and disabilities increase, the housing demands will become more complex. We will take steps to provide older Minnesotans with a range of housing and support options as their needs change.

- **Support Older Minnesotans to Age in Place**

Examples of Action: (1) Assist seniors in retrofitting and repairing their homes through the Rehabilitation Loan Program, Fix-Up Fund, and Impact Fund; (2) rehabilitate existing senior rental housing; (3) partner with the Department of Human Services (DHS), Minnesota Board on Aging, Community Action Agencies, and others to assist seniors in receiving the in-home services they need; (4) find innovative models that holistically combine home repair and in-home services

- **Develop More Housing for Older Minnesotans that is Affordable**

Examples of Actions: (1) Build more senior rental housing; (2) require the housing to have a services component, at a minimum, a tenant service coordinator; (3) focus on deeply affordable units for the lowest-income seniors; (4) develop smaller owner-occupied homes with accessibility features to enable seniors to downsize.

- **Investigate Alternative and Innovative Approaches**

Examples of Actions: (1) Support the use of existing housing, including accessory dwelling units (mother-in-law apartments), home sharing (older Minnesotans renting a room to a younger roommate, who can help with household chores), shared housing (seniors living in a home together), and multigenerational housing; (2) examine models that effectively combine housing and health care and lower overall costs, such as the Support and Services at Home (SASH) model in Vermont

- **Partner with the Department of Human Services (DHS) and Others**

Examples of Actions: (1) Develop a coordinated strategy with DHS that aligns and leverages each agency's expertise and resources; (2) collaborate to address shortages in home improvement contractors and in-home service staff

Strengthen Disinvested Communities

Key Metric: Number of RFP development awards going to Greater Minnesota communities that have not received an award in the last five years

Key Metric: Number of census tracts in Minnesota that are classified as Qualified Census Tracts, which are low-income, high-poverty areas

Some communities in Minnesota struggle to receive the investments they need to prosper, which includes communities with lower incomes, limited job growth, declining populations, market rents that do not support the cost of new construction, a stagnant housing market, and/or a limited capacity to access resources. These communities have housing needs and the market is not addressing them.

- **Improve Community Engagement**

Examples of Actions: (1) Engage disinvested communities on a regular and ongoing basis; (2) listen; (3) act on what we learn

- **Enhance Capacity-Building Efforts**

Examples of Actions: (1) Support communities in assessing their housing needs and then develop and carry out solutions; (2) expand our program delivery structure by supporting organizations from disinvested communities in accessing and using housing resources; (3) better coordinate and leverage the work of the housing intermediaries that we fund to build capacity; (4) work with communities to enhance and leverage their resources, including stronger connections, partnerships, and supports

- **Make Programs Easier to Access**

Examples of Actions: (1) Simplify and streamline existing programs that serve these communities; (2) explore options for creating programs that work better for smaller organizations and communities and in rural Minnesota

- **Bolster Cross-Sector Community Development Work**

Examples of Actions: (1) Support communities in carrying out comprehensive development strategies that incorporate housing, employment, education, and services by better coordinating our work with the Departments of Employment and Economic Development, Education, Health, and Human Services, as well as the Metropolitan Council

Support Tribal Nations and Indigenous Communities in Meeting their Housing Needs

Key Metric: American Indian disparities in housing cost-burden, homeownership, poverty, and homelessness

American Indians and Tribal nations have the wisdom and commitment to meet their housing needs; however, oppression, historical trauma, discrimination, and disinvestment have held them back. Compared with non-Hispanic whites in Minnesota, American Indians are two times less likely to be homeowners, four times more likely to be in poverty, and over 20 times more likely to experience homelessness.²² Recognizing the sovereignty of Tribal nations, we must do a better job of working with them in meeting the housing needs of American Indians living on Tribal lands and throughout Minnesota.

- **Implement our Tribal Consultation Policy and Create an Implementation Plan**

Examples of Actions: Building off the recently-revised Tribal Consultation Policy, create and implement a plan that focuses on engagement, trust, empowerment, support, action, and outcomes

- **Support Tribal Housing Plans**

Examples of Actions: (1) Understand each Tribe's housing plan; (2) on a plan-by-plan basis, work with Tribes to identify ways we can support them

- **Increase Tribal Access to Program Resources**

Examples of Actions: (1) Allocate more resources directly to Tribes (for example, Tribes recently became an administrator of the Family Homelessness Prevention and Assistance Program); (2) provide Tribes sufficient resources to administer these programs; (3) for other programs, contract with administrators with a history of effectively partnering with Tribes and serving American Indians

- **Support Tribes in Building their Program Capacity**

Examples of Actions: Tailor capacity building efforts to the needs of Tribes

- **Increase the Tribal Expertise of Minnesota Housing Staff**

Examples of Actions: (1) Increase staff participation in Tribal training; (2) have staff who effectively work with Tribes serve as mentors for other staff; (3) regularly engage and visit Tribes and communities

Conclusion

Minnesota Housing has just over 250 staff. These objectives and actions are a lot for a mid-sized agency to implement, even over the course of the next four years. We believe that if we and our partners do this work together with the right investments, these actions could reverse the growing housing challenges that face Minnesotans in all parts of the state. Collectively, they would correct the inequities that impact communities of

color and people with disabilities, and anticipate the housing needs of the growing number of seniors. And if we are able to accomplish these objectives, we would help all Minnesotans prosper.

This document is available in alternative formats to individuals with disabilities by contacting Kristy Zack at 651-296-3735.

Endnotes

¹ Minnesota Housing Analysis of data from the U.S. Census Bureau, *American Community Survey* (1-Year Sample, 2017). Lower-income is defined as less than \$50,000 of annual income.

² Minnesota Housing Analysis of data from the U.S. Census Bureau, *American Community Survey* (1-Year Sample, 2017).

³ Minnesota Housing Analysis of data from the U.S. Census Bureau, *American Community Survey* (1-Year Sample, 2017), and HUD's 2018 Point-in-Time count of the homeless population.

⁴ Family Housing Fund, *Housing and Economic Growth in the Twin Cities Region* (Minneapolis: Family Housing Fund, 2019), p. 6.

⁵ Minnesota Housing Analysis of data from the U.S. Census Bureau, *American Community Survey* (1-Year Sample Microdata, 2017).

⁶ U.S. Department of Housing and Urban Development (HUD), 2012-2016 CHAS data.

⁷ Minneapolis Area Association of REALTORS, June 2019 supply.

⁸ In Minnesota, another 50,000 households receive project-based rental assistance or are in public housing.

⁹ U.S. Department of Housing and Urban Development (HUD), 2012-2016 CHAS data. "Very-low income" is defined as 50% of the area median income (AMI) or less. Affordability is defined as spending no more than 30% of gross income on housing.

¹⁰ Based on vouchers administered by the Metro Housing and Redevelopment Authority (HRA).

¹¹ Minnesota Housing Analysis of data from the U.S. Census Bureau, *American Community Survey* (1-Year Sample Microdata, 2017). The American Community Survey uses the term mobile home or trailer.

¹² Minnesota Housing Analysis of data from the U.S. Census Bureau, *American Community Survey* (1-Year Sample Microdata, 2017). The American Community Survey uses the term mobile home or trailer.

¹³ Victoria Clark, *Data Matters: Understanding the Role of Manufactured Home Communities in the Affordable Housing Continuum* (Northcountry Cooperative Foundation and the Center for Urban and Regional Affairs (CURA) at the University of Minnesota: March 2019).

¹⁴ Victoria Clark, *Data Matters: Understanding the Role of Manufactured Home Communities in the Affordable Housing Continuum* (Northcountry Cooperative Foundation and the Center for Urban and Regional Affairs (CURA) at the University of Minnesota: March 2019), p. 7.

¹⁵ Christopher E. Herbert, Daniel T. McCue, and Rocio Sanchez-Moyano, *Is Homeownership Still an Effective Means of Building Wealth for Low-Income and Minority Households? (Was it Ever?)* (Harvard University, Joint Center for Housing Studies, September 2013), p. 46.

¹⁶ U.S. Census Bureau, *American Community Survey* (2017, 1-yr Sample).

¹⁷ Minnesota Housing Analysis of data from the U.S. Census Bureau, *American Community Survey* (1-Year Sample Microdata, 2017).

¹⁸ Wilder Research, *Homelessness in Minnesota: Findings from the 2015 Minnesota Homelessness Study* (November 2016), p. 33.

¹⁹ HUD's 2019 Point-in-Time count of the homeless population

²⁰ Minnesota Housing Analysis of data from the U.S. Census Bureau, *American Community Survey* (1-Year Sample, 2017), and HUD's 2018 Point-in-Time count of the homeless population.

²¹ Minnesota Housing analysis of projection data from the Office of the State Demographer.

²² Minnesota Housing Analysis of data from the U.S. Census Bureau, *American Community Survey* (1-Year Sample, 2017), and HUD's 2018 Point-in-Time count of the homeless population.