



Planning, Research & Evaluation

Summary of Issues and Possible Priorities Identified by Partners and Stakeholders

March, 2015

Background

In the fall and early winter of 2014, Minnesota Housing asked the following questions in an online survey (198 responses) and through discussions with 20 housing-related groups:

- What are the biggest or most important unmet affordable housing needs in Minnesota or in your community?
- What key changes do you see happening in Minnesota or in your community over the next five years that will influence how Minnesota Housing operates and what the Agency's priorities should be? We are looking for demographic, social, economic, political, and technological trends – for example, the growing senior population.
- What can Minnesota Housing do to better to serve low- and moderate-income Minnesotans while fostering strong communities?
- What should be Minnesota Housing's top priorities for the next five years?

The following is a summary of the issues and possible priorities that were identified.

Unmet Needs

- Housing for seniors
- Housing for people who need support services
 - Mental illness
 - Substance abuse
 - Disabled
 - Homeless
- Housing choices for people with blemished histories
 - Ex-offenders
 - Poor rental histories – unlawful detainers/evictions
 - Poor credit histories
- Housing for large families (e.g., immigrant)
- Housing options at the two ends of the Agency's program spectrum:
 - <30% of area median income (AMI)
 - >60% of AMI
- Shortage of rent assistance vouchers and use
 - Waiting lists or closed lists
 - Vouchers being turned back because landlords won't take the tenants using them
- Impact of tight mortgage credit
 - Imperfect credit
 - Large down-payment requirements
 - Student debt
- Aging housing stock and deteriorating conditions
- Housing with affordable transportation access

Changes Over the Next Five Years

- Growing senior population, with an emphasis on the housing and service connection
- Widening gap between housing costs and income
 - Low and stagnant wages
 - Increasing cost of producing affordable housing
- Growing number of jobs and employment opportunities in many communities
- Growing diversity in the state's population, which includes a growing number of immigrants
- Needing to serve people with disabilities, including implementation of the Olmstead Plan
- Meeting the housing needs of the millennial generation (born in early 1980s through late 1990s)
 - Renting and/or holding off on homeownership
 - Student debt
 - Preference for urban living
- Growing importance of housing and transportation linkages
 - Transportation costs
 - Build out of transit lines in the metro area
 - Need for affordable transportation options in rural areas
- Continuing tight rental market and low vacancy rates
- Declining homeownership rate
 - Millennials renting or at least delaying ownership
 - Seniors switching to renting
 - Growing number of households of color (particularly in the first-time homebuyer age group), which have lower homeownership rates
- Decreasing affordability of homeownership (after a period of reduced prices and historically low interest rates):
 - Increasing purchase prices
 - Increasing interest rates
- Increasing number of homeless, particularly families
- Declining population in some rural communities
- Using improved technology to carry out the work of Minnesota Housing
- Declining federal funding and a more conservative political climate

Areas for Improvement for Minnesota Housing

- Reduce complexity of the Agency's processes and requirements – Request for Proposals, mortgage programs, Rental Rehabilitation Deferred Loan program, etc.
- Increase community engagement with general public, employers, community and education leaders, and other state agencies
- Increase funding to build the capacity of partner organizations
- Improve advertisement and promotion of the Agency's programs and services
- Increase funding for rural Minnesota and eliminate metro bias

- Focus on people facing multiple or large barriers (such as a mental illness, other disabilities, or a criminal record) and ensure that support services are available
- Focus on education programs – not only homeownership and foreclosure counseling, but also general financial literacy and budgeting
- Focus on linkages between housing and jobs and also transportation
- Focus on home maintenance, repair, and rehabilitation
- Design programs so that people are encouraged to become self-sufficient

Priorities for the Next Five Years

- Financing housing for seniors
- Preventing and ending homelessness
- Supporting workforce housing
- Serving people with disabilities needing supportive housing (people with a mental illness was mentioned frequently) – Olmstead Plan
- Providing housing choices to people with blemished records, including criminal records, poor credit, and/or poor rental histories (unlawful detainers/evictions)
- Supporting sustainable and successful homeownership
 - Address the homeownership disparity for households of color or Hispanic ethnicity
 - Emphasize homebuyer and homeowners education and counseling
- Preserving federally-subsidized rental housing
- Maintaining the state’s aging housing stock
- Supporting housing and transportation connections
- Engaging the public and promoting affordable housing and the Agency’s programs