

**Amended and Restated Unified Housing Policy of the City of Minneapolis  
(December 15, 2017)**

**1. Consistency with City Plans and Policies**

This Policy shall be interpreted to be consistent with The Minneapolis Plan, as amended by the Minneapolis 2040 Comprehensive Plan update, and the City Council's [Vision, Values, Goals, and Strategic Directions](#), as adopted in 2014.

**2. Affordable Housing**

Consistent with The Minneapolis Plan, the City of Minneapolis has clearly stated goals of growing the population and having no net loss of housing across all income levels.

The City's policy is to strive toward a positive gain on affordable housing units. Each year, the City will prioritize the creation of units affordable to households with incomes less than 30% and 60% of Area Median Income (AMI) through new construction/positive conversion.

The City's housing programs serving those above 60% of AMI (i.e., homeownership assistance programs, preservation of naturally occurring affordable housing) shall continue and those programs will remain a vital part of the City's housing policy.

Any residential project of ten or more units that receives financial assistance from the City or is developed on property purchased from the City shall meet the following affordable housing requirements:

- For residential rental projects, at least 20% of the units shall be affordable to and occupied by households earning 60% or less of AMI.
- For residential ownership projects, at least 10% of the units shall be affordable to and occupied by households earning 80% or less of the AMI.
- The affordable units (both rental and owner occupied) shall be reasonably distributed throughout the project and comparable in size, number of bedrooms, quality and finish to the market rate units in the project as determined by CPED staff. Large redevelopment projects that include more than one building or phase can meet this requirement on a blended basis, so that the total affordable housing units developed within the project area is at least 20 percent of the total housing units produced; however, City financial assistance will only be considered to support buildings or phases that include affordable housing for at least 20 percent of the units.
- Specific City programs, including the Affordable Housing Trust Fund and Family Housing Initiative, may have deeper affordability requirements.
- Unless a shorter affordability period is specifically approved by City Council adopted program criteria, the affordability period for affordable units subject to this Policy shall be for a period not less than 30 years for new construction projects, substantial rehabilitation projects or refinancing of projects resulting in long-term recapitalization.
- The affordable housing requirements of this Policy do not apply if the project is located in a census tract that meets the City's definition of a **minority or** poverty concentrated area and no City financing is involved, even if the project is developed on City-owned property.

For the purposes of this Policy, "unit" means either a for-sale dwelling or a rental dwelling in which a lease is signed prior to occupancy and "financial assistance" provided by the City includes, but is not limited to, tax

increment financing, land writedowns, issuance of bonds to finance the project, pass-through funding for purposes other than pollution remediation, and other forms of direct subsidy. Pass-through funding for pollution remediation alone will not trigger the affordable housing requirements. Any specific projects requesting exemptions to the affordable housing requirements must seek City Council approval on the basis of alternative public purpose.

The City will coordinate its housing and economic development strategies. New affordable housing will be targeted for designated growth areas and commercial and transit corridors that can benefit from and support increased housing density. The City will focus on linking incentives to housing opportunities in proximity to jobs and transit.

No City funds or resources shall be used for operating subsidies and/or rental assistance for any units or projects initiated or created under this Policy.

The City requires owners of rental housing projects subject to this Policy to accept tenant based rental housing assistance, including, but not limited to, Section 8 Housing Choice Vouchers, HOME tenant-based assistance, and Group Residential Housing. This requirement will be enforced through a contract between the City and project owner, pursuant to which the owner will be required to adopt business practices that promote fair housing and provide documentation of compliance with these requirements to the City. This requirement will be further enforced through the City's monitoring policies and procedures.

The City requires owners of City-assisted housing projects to affirmatively market affordable housing opportunities. All rental housing providers must submit an Affirmative Fair Housing Marketing Plan (AFHMP) at least every 5 years, and a Survey and Certification regarding AFHMP outcomes annually. Owners must advertise housing opportunities on HousingLink or another medium acceptable to the City concurrent with any other public or private advertising.

### **3. SRO Replacement**

The City prohibits the demolition/condemnation/elimination of SRO-type housing for any project receiving City financial assistance, as defined above, unless demolition/condemnation/elimination is unavoidable, in which case replacement of such units will be required as part of the project finance plan.

### **4. Senior Housing**

The City has the following goals and objectives:

- Support development of affordable and mixed-income senior rental housing in all quadrants of Minneapolis. Senior rental housing may include independent rental, congregate, and/or assisted living projects;
- Seek opportunities for public and private partnerships;
- Seek new financing options outside of existing affordable housing resources;
- Identify appropriate sites for senior rental housing development based on market information, not solely on opportunity. Locate senior developments close to transit, retail and services;
- Ensure quality management and supportive services;
- Encourage high quality design and amenities.

#### **4a. Senior Housing Initiative**

The City will experience a need for more senior housing options over the next generation. This initiative will help make Minneapolis a fully generational city by providing and focusing on senior housing needs and options so that, as our population ages, senior residents can maintain a household in the City and not be forced to find suitable living arrangements elsewhere. To achieve this, the Minneapolis City Council adopts this Senior Housing Initiative and incorporates it as part of the overall Unified Affordable Housing Policy.

The Senior Housing Initiative will enhance and create affordable housing options in each ward of the City of Minneapolis. To accomplish this goal, the Council adopts the following goals and objectives which will be incorporated into the CPED Senior Housing Initiative:

1. Partner with the development community to create one new senior housing project of at least 35 units in each ward of the city by 2025.
2. Set aside 30% of the annual Affordable Housing Trust Fund budget for senior rental housing financing.
3. Set aside 25% of the annual Housing Revenue Bond Allocation for senior housing.
4. City Council will make it a goal to budget \$1.5 million annually for an owner occupied rehab program of which \$1 million will be set-aside for senior households.
5. CPED will report out on the number of senior housing units created or enhanced as part of the annual Affordable Housing Initiative Report.

The City Council directs CPED to develop strategies and procedures to implement the Senior Housing Initiative.

## **5. Preservation/Stabilization of Affordable Housing**

The City of Minneapolis has experienced a net loss of housing units affordable to low income residents since 2000. The City supports interventions to preserve and stabilize affordable housing of all types.

The first priority of the City is to preserve and stabilize federally subsidized low income housing that is in danger of converting to market-rate housing, having subsidies expire, or is deteriorating due to age, poor management or physical condition. The second priority of the City is to preserve and stabilize Low Income Housing Tax Credit (LIHTC) housing and locally subsidized housing that is approaching the end of its affordability period, and unsubsidized affordable housing that is at risk of experiencing significant rent increases.

In all cases, the highest priority is the preservation of housing for families with children (2+ bedroom units) and for special needs populations.

## **6. Homeless Housing**

We must address the affordable housing crisis if we ever hope to alleviate homelessness in Hennepin County. The major problem underlying shelter use is the lack of affordable permanent and supportive housing. The metropolitan region is experiencing a severe shortage of affordable housing which is exacerbating homelessness in our community and there is a need for a metropolitan-wide response to issues of homelessness.

The City of Minneapolis will be an active partner in the City-County Homeless Task Force to address the housing needs of the homeless.