

CITY OF MINNEAPOLIS

Affordable Housing Trust Fund AHTF

What is the AHTF?

- The AHTF is a gap financing source for multifamily rental projects with 10 units or more.
- The minimum qualifier is 20% of the units must be affordable to households at or below 50% AMI (\$51,700 for a family of four).
- Projects are structured as a deferred loan with affordability in place for at least 30 years.
- The AHTF implements multiple City policies including the Unified Housing Policy, Minneapolis 2040 and Renter Protection Policies.

AHTF Awards

- The maximum award amount is:
 - \$30,000 per unit at any size at or below 50% AMI (\$51,700 for a family of four)
 - \$40,000 per 2BR or more units at or below 30% AMI (\$31,200 for a family of four)
 - 15% of the TDC – whichever is lower

AHTF Special Initiatives

- **Senior Housing Initiative** – The City Council set a goal of providing a minimum of 35 new affordable senior housing units in each ward by 2025. 8 of the 13 wards have met this goal.
- **Large Family Housing Initiative** – Max award is the lower of \$50,000/homeless unit for projects with 3BR or more units@30% AMI or 30% of TDC. The size of the project must be a minimum of four units.
- **SRO/Shared Housing** – Max award is the lower of \$15,000/sleeping room at or below 30% AMI or 30% of TDC. The size of the project must be a minimum of 10 sleeping rooms developed on one site.

AHTF Budget

- The AHTF budget is made up of 3 sources of funds:
 1. CDBG – Community Development Block Grant Funds
 2. HOME Investment Partnership Funds
 3. Local funds – pooled TIF and general fund dollars
 4. Occasionally there are relinquished funds from past projects that have not closed in a timely manner or need to be restructured
- The amounts and allocation of these sources are determined during the annual budget review process.
- Funds must be spent in accordance with all federal and state requirements.

AHTF Award Considerations

- **Thresholds** – The City requires that underwriting criteria be met to meet fiduciary requirements for federal and local public funding to projects.
- **Scoring** – Scoring helps identify the level to which a project meets the objectives and goals adopted by the City. Projects are not awarded funds based on scoring alone.
- **Additional Factors** – Timeliness, significance of funding gaps, comprehensive plan guidance, anti-displacement policies, geographic location and distribution, and emerging developer status.

AHTF Scoring Criteria:

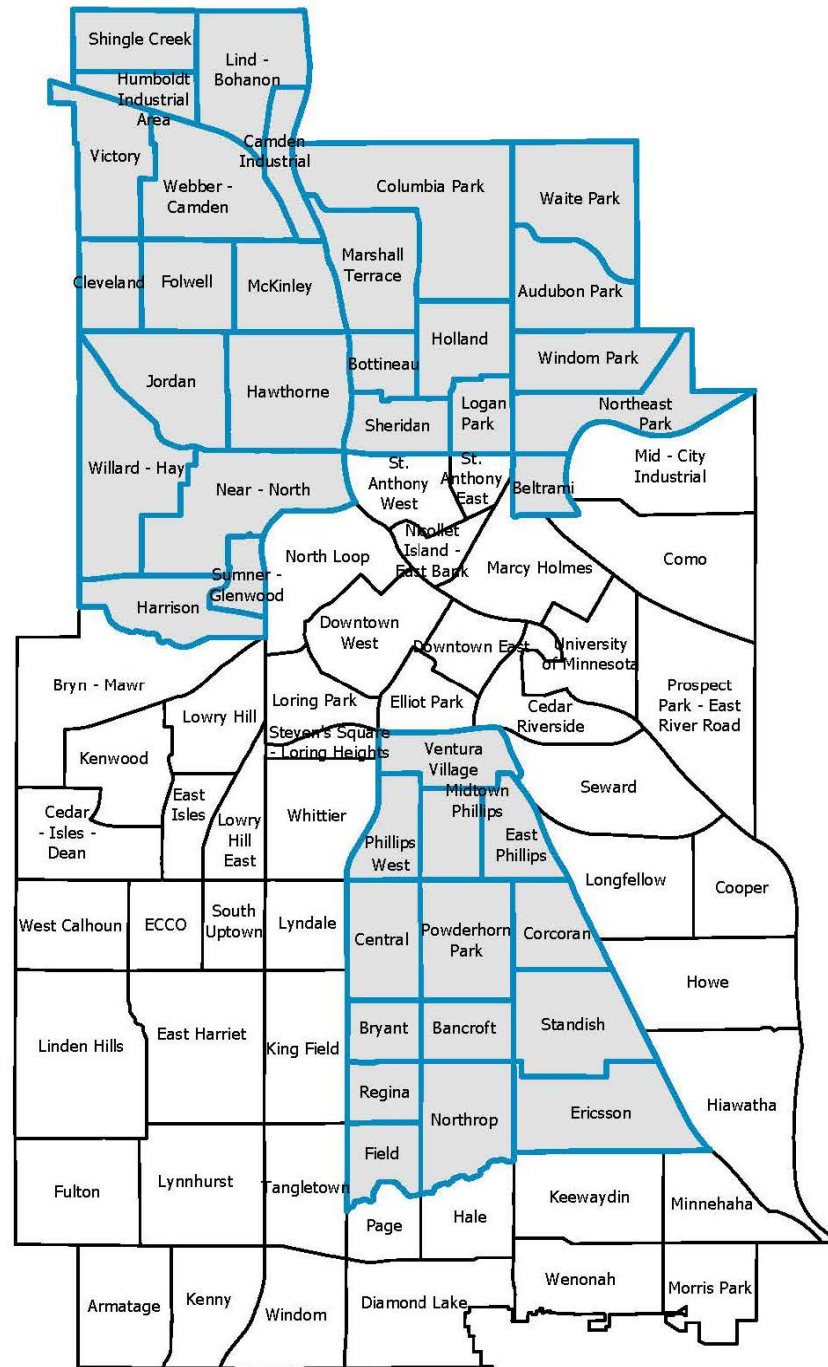
1. Secured Funding 10 pts
2. Property Manager and Management Plan 5 pts
3. Developer Experience 5 pts
4. City Owned Land or RFP 15 pts
5. Economic Integration 5 pts
6. Ratio of Soft Costs to Project Costs 6 pts
7. Large Family Housing 20 pts
8. Support Services (additional language) 10 pts
9. # of 30% units or # of PBV 15 pts
- ~~10. Cost Containment (deletion)~~ 6 pts
11. Housing for Homelessness 10 pts
12. Senior Housing (updated wards and projects) 10 pts
13. Neighborhood Support 1 pt
14. CHDO 5 pts
15. Preservation, Rehabilitation, Stabilization 10 pts
16. New Construction/Positive Conversion 10 pts
17. Sustainable Building Policy Energy Efficiency 10 pts
18. Alignment with Minneapolis 2040 Goals (environmental deleted) 50 pts
19. Equitable Development (New Category) 5 pts

New for the 2021 AHTF

- **Community Preference Policy: AHTF**
 - The goal of the preference policy is to disrupt involuntary displacement of Minneapolis residents, which disproportionately affects Black, Indigenous, People of Color and immigrant households.
 - The preference policy will allow for *up to* 50% of applicable units created under the AHTF program to be prioritized for eligible residents in the initial rental of those units.

Preference Policy Map

Potential renters must live or have lived in these neighborhoods on or before January 1, 2007, to be eligible for the preference.



New for 2021 AHTF

- **New Equitable Development Scoring Criteria**
 - Projects that demonstrate a commitment to equity and inclusion through meaningfully involving community members most affected by housing instability and housing disparities to inform the project proposal will be eligible for points.
 - The project must also demonstrate how it is responsive to the needs of communities most impacted by housing instability and disparities and prevent unwanted displacement.
 - This criterion also matches new scoring included in Minnesota Housing's Qualified Allocation Plan.

New for 2021 AHTF

- **Green Communities Update** – Implementing 2020 Enterprise Green Communities Criteria and elevating scoring incentives.
- **Cost Containment** – Approving new methodology and approach to analyzing cost containment to balance the needs for scarce resources against policies; like energy efficiency, large family units, geographic distribution, and considering life-cycle costs vs. initial construction costs.
- **Supportive Service Housing** – Collecting additional information to better review supportive service housing plans to ensure implementation for target populations.
- **Minneapolis 2040** – In 2020, the AHTF was aligned with the Minneapolis 2040 Plan and this year a few scoring tweaks are being made to best incent compliance.

2020 Noteworthy Deliverables

- The projects awarded in 2020 will create or preserve 952 units: of which 907 are new construction and 45 are stabilization/preservation.
- 175 Project Based Section 8 assisted units will be created and preserved.
- 471 of the total units being developed in these projects will be affordable to residents with incomes at 50% AMI or below including 170 units at 30% AMI or below.

2020 AHTF Selected Project



- Whittier Community Housing
- CommonBond Communities
- Ward 10
- \$2,315,000
- 85 units of preservation and new construction of affordable family housing
 - 85 units at 50% AMI
 - 85 units with Project Based Vouchers
 - 8 homeless units
- 19 3-bedroom units

2020 AHTF Selected Project



- Simpson Community Shelter & Apartments
- Project for Pride in Living, Inc.
- Ward 10
- \$1,260,000
- 42 units of supportive housing for homeless persons combined with emergency shelter
 - 32 units at 30% AMI
 - 10 units at 50% AMI
 - 42 units with Housing Support
- 30 homeless units

2020 AHTF Selected Project



- Agra
- Newport Partners, LLC
- Ward 6
- \$2,000,000
- 175 units of mixed income housing with a hydroponic greenhouse operation that will provide discounts for residents suffering from food insecurity
 - 18 units at 30% AMI
 - 70 units at 50% AMI
 - 87 units at 80% AMI
 - 18 units with Project Based Vouchers
 - 18 homeless units
- 44 3-bedroom units



2020 AHTF Selected Project



- Plymouth Avenue Apartments
- James Archer/Matrix Development LLC
- Ward 5
- \$1,000,000
- 63 units that meet the Senior Housing Policy
 - 14 units at 30% AMI
 - 49 units at 50% AMI
 - 14 units with Housing Support
 - 7 homeless units
 - 7 units for people with disabilities

The Process and Timing

- AHTF awards are issued on an annual basis:
 - Updates to the Program and NOFA – Jan. to Apr.
 - Program and NOFA approved by Council – May
 - NOFA issued – June
 - Proposals due – July
 - Underwriting, scoring and evaluation – Aug. to Oct.
 - Recommendations to Council Committee – November
 - **Awards – December**
- Partners the City works with: Minnesota Housing, Hennepin County, Metropolitan Council, Federal Home Loan Bank, Minneapolis Public Housing Authority, others