Housing and Homelessness

Proposal Details of the Mayor's Recommended ARP Spending, Round 1

Housing and Homelessness

Data Updated 3 days ago

Low Barrier Single R...
MPHA Scattered Site...
Supportive Housing f...
Low-Income Home Repa...
Other

$28,325,000.00
Proposal Name in 2021

Minneapolis Homes/Mi...
Affordable Homeownership Preservation Grant Program

Very low-income, and other at-risk homeowners (seniors, people with disabilities, and veterans) are often at risk of losing their homes due to expense of resolving housing code issues and other deferred maintenance. Regulatory Services has worked with these homeowners to address underlying concerns, but does not have funding to contribute for repairs.

Regulatory Services proposes to extend and expand the current pilot project between our Homeowner Navigation Program and Habitat for Humanity, to provide micro-grants and assistance with repairs to vulnerable homeowners. Regulatory Services would give the funds to Twin Cities Habitat for Humanity, who would distribute the funds to qualified homeowners.

Assist Homeowners at Risk of Foreclosure

Extremely low-income homeowners are at significant risk of displacement when there are changes to their income that affect the sustainability of mortgage payments or significant deferred maintenance needs for their home.

The City proposes providing deeper investment in rehabilitation or in affordability gap for homeowners at risk of displacement due to unsustainable mortgage payments or significant deferred maintenance needs. An average of $70,000 investment will be made to stabilize existing homes in Minneapolis.
Heritage Park Emergency Stabilization Support

Heritage Park, a mixed-income housing community constructed in the early 2000s by McCormack Baron Salazar (MBS) and Minneapolis Public Housing Authority (MPHA) has significant recapitalization needs, including immediate infrastructure, lighting, and security improvements.

This funding will cover the cost of a series of immediately needed physical safety improvements at Heritage Park, informed by extensive community engagement, while plans for a larger recapitalization of the properties are developed.

Housing Stabilization: Land Trust and Perpetual Affordable Housing Models

Households with incomes at or below 60% AMI are disproportionately cost burdened and at risk of displacement, and a majority of households are BIPOC. This program seeks to stabilize renters and homeowners with high cost burden rates through acquisition and rehabilitation financing, resulting in perpetually affordable housing units.

An average of $70,000 per household will be provided for acquisition and/or rehabilitation funding for existing housing units. The 2021 investment will serve approximately 15 households and is focused on serving households below 50% AMI to transition to sustainable, affordable homeownership.
NOAH Preservation Fund

Post-pandemic housing market uncertainties may present additional opportunities for preservation buyers to acquire NOAH properties as current owners look to sell.

This funding will increase resources available in two existing NOAH acquisition programs (NOAH Preservation Fund and Small and Medium Multifamily program). Under current program rules, this amount will support acquisition and preservation of 100-200 NOAH units. Funds could also potentially support Opportunity to Purchase transactions.

Low-Income Home Repairs/Maintenance

Most households with incomes at or below 50% AMI are cost burdened and have barriers to financing or paying for the improvements needed to their homes. Without maintaining basic life safety and code compliance, the housing units are condemned, creating instability for occupants and losing out on wealth accumulation from the home. These challenges are expected to compound due to loss of income and economic stability of households due to the COVID-19 pandemic.

This program is available city-wide, however the City will focus outreach to communities with the most significant home repair needs and the highest concentration of households with incomes at or below 80% AMI. City funds will be available as 0% interest loans that are deferred and payable upon property sale. CPED would administer and distribute funds to homeowners for long term maintenance, energy efficiency, systems replacement, and environmental hazard mitigation.
Encampment Response

Due to COVID and the subsequent increase in the number of homeless encampments, there is an increased need to provide porta potties, handwashing stations, used syringe boxes, hygiene kits, PPE and drinking water. These provisions help prevent the spread of infectious diseases including COVID, Hepatitis and HIV, fund community outreach partners and provide a safe and secure storage place for personal items.

This funding will support for the provision of and servicing of hygiene stations (porta potty, handwashing, syringe litter). Fund community outreach partners, through an RFP process, to provide health related outreach to homeless individuals with a particular focus on encampments. Develop and implement a plan that will result in homeless individuals having a location or an item that would allow them to keep personal items safe and secure. Provide micro grants to our Outreach partners so that they can purchase supplies for distribution and equip our Homeless Response Coordinators with supplies that they can distribute as they visit the various encampments.

Homelessness Response Flexible Fund

The City has seen an increase in encampments over the last year and needs more innovative, low barrier solutions to create pathways out of homelessness and into housing.

This pool of funds will be a “flexible fund” that can be used for a range of activities related to homelessness response, with an emphasis on creating a pathway out of unsheltered homelessness into permanent housing solutions.
Supportive Housing for Persons Experiencing Homelessness

There is a severe shortage of housing that is affordable to individuals with incomes at or below 30% AMI with services available to support the health and housing stability of residents. The City needs new housing models for people who are experiencing homelessness, including low barrier and supportive housing.

Funds will be used to support acquisition and/or rehab of housing, either in one location or scattered site, to serve people who are transitioning out of homelessness.

Women's Shelter

Hennepin County, in partnership with the non-profits that operate shelters and people with lived experience of homelessness identified the need for a stand-alone emergency shelter in order to provide appropriate emergency shelter for individuals who identify as women who are experiencing homelessness.

Funds will be used to acquire a property for the site of a new, 30-bed emergency homeless shelter for people who identify as women.
Reduce Racial Disparities in Homeownership - ($4,450,000)

Expand Homeownership to BIPOC Households in Harrison

The Harrison townhomes is a 17-unit project that seeks to provide perpetually affordable homes at 80% of AMI or below. The request would provide additional development gap subsidy to serve lower-income households, incomes of 41-60% AMI, through perpetually affordable housing. This proposal seeks to make the Harrison Townhomes development more accessible to households below 60% AMI, which will improve access by both Harrison neighborhood residents and BIPOC renters city-wide. Harrison Townhomes (formerly known as LEEF Townhomes) is being developed through a partnership of City of Lakes Community Land Trust, Habitat for Humanity and Harrison Neighborhood Association.

Expand Homeownership to Low-Income Households

Reduce racial disparities in homeownership. Expand down payment and closing cost assistance to 50 additional households at 60% AMI to achieve homeownership through the Minneapolis Homes: Homeownership Opportunity Minneapolis (HOM) program.

Currently HOM provides $10,000 for buyers below 80% AMI. This request is to add an additional assistance tier for households with incomes at or below 60% AMI at $20,000 per household. Approval will provide more options for homebuyers with incomes at or below 60% AMI to access naturally affordable homes throughout the City of Minneapolis.
First Mortgage Equity Loan Fund

Reduce racial disparities in homeownership by contributing to an equity pool to contribute to manual underwriting of first mortgage products and reduce barriers to homeownership. Barriers in homeownership are anticipated to be more pronounced due to the economic impacts, such as income loss or higher medical or dependent care expenses, of the COVID-19 pandemic.

Build Wealth Minnesota, Inc. (BWM) proposes to assist households with underwriting barriers to conventional first mortgage products by manually underwriting loans in compliance with FHA standards. Manual underwriting is expected to assist households with credit or other barriers to securing a first mortgage.

Minneapolis Homes/Missing Middle

Create perpetually affordable housing units in a currently vacant and boarded missing middle development to serve households below 60% AMI. Missing middle development is defined as a two to 20-unit development.

$2.4 Million of ARP funding will provide the needed project and affordability gap for HOPE Communities and City of Lakes Community Land Trust to purchase and begin rehabilitation of the project in 2021. All the units in the project will be perpetually affordable to households at 60% AMI.
Low Barrier Single Room Occupancy (SRO) Pilot

There is a severe shortage of housing affordable to individuals with incomes at or below 30% AMI. Many persons experiencing homelessness served by shelters could afford to pay rent, if more deeply affordable options were available. Single Room Occupancy (SRO) units have historically been a cost-effective part of the housing continuum serving extremely low-income individuals.

This funding will support development and implementation of a new pilot program to fund acquisition, rehabilitation or adaptive re-use, and/or operating reserves for SRO-type properties in partnership with Hennepin County. This funding level will support acquisition/development of up to approximately 75 SRO dwelling units.

Envision Pilot

The City needs new housing models, including new shared housing and intentional communities, that provide deeply affordable housing to people experiencing homelessness in order to prevent and end homelessness.

Funds will be used for development assistance for Envision Community to create an intentional community that is designed and led by residents with lived experience of homelessness.
MPHA Scattered Site Construction

Minneapolis Public Housing Authority (MPHA) has a portfolio of scattered site public housing single family rental homes that need significant repair/replacement. The Minneapolis 2040 plan provides an opportunity to increase density on these sites thereby increasing the amount of large family, deeply affordable public housing in locations throughout the city.

This funding will provide gap financing for MPHA's proposal to assemble approximately 16 scattered sites and replace current structures with modularly constructed higher density (four-unit and six-unit buildings), all 2 and 3 bedroom unit properties, for a total of 84 deeply affordable units.