

# *Minneapolis Affordable Housing Trust Fund 2002-2012*

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*Affordable Housing Trust Fund  
2002-2012*



# Affordable Housing Trust Fund

- Established by the City Council and Mayor
- Creates and preserves affordable rental housing
- Provides gap funding for development;
  - the developer must leverage as much additional funds as possible from both private and public sources.
- Percentage of AHTF dollars in projects is approximately 10%.
- Simply put, for every \$1 of AHTF, the city attracts \$10 of additional funding through debt, equity and other funders.

# Types of AHTF Projects

- Families/Persons that have experienced long term homelessness
- Permanent supportive housing for persons with special needs
- Workforce housing
- Senior housing
- Family Housing

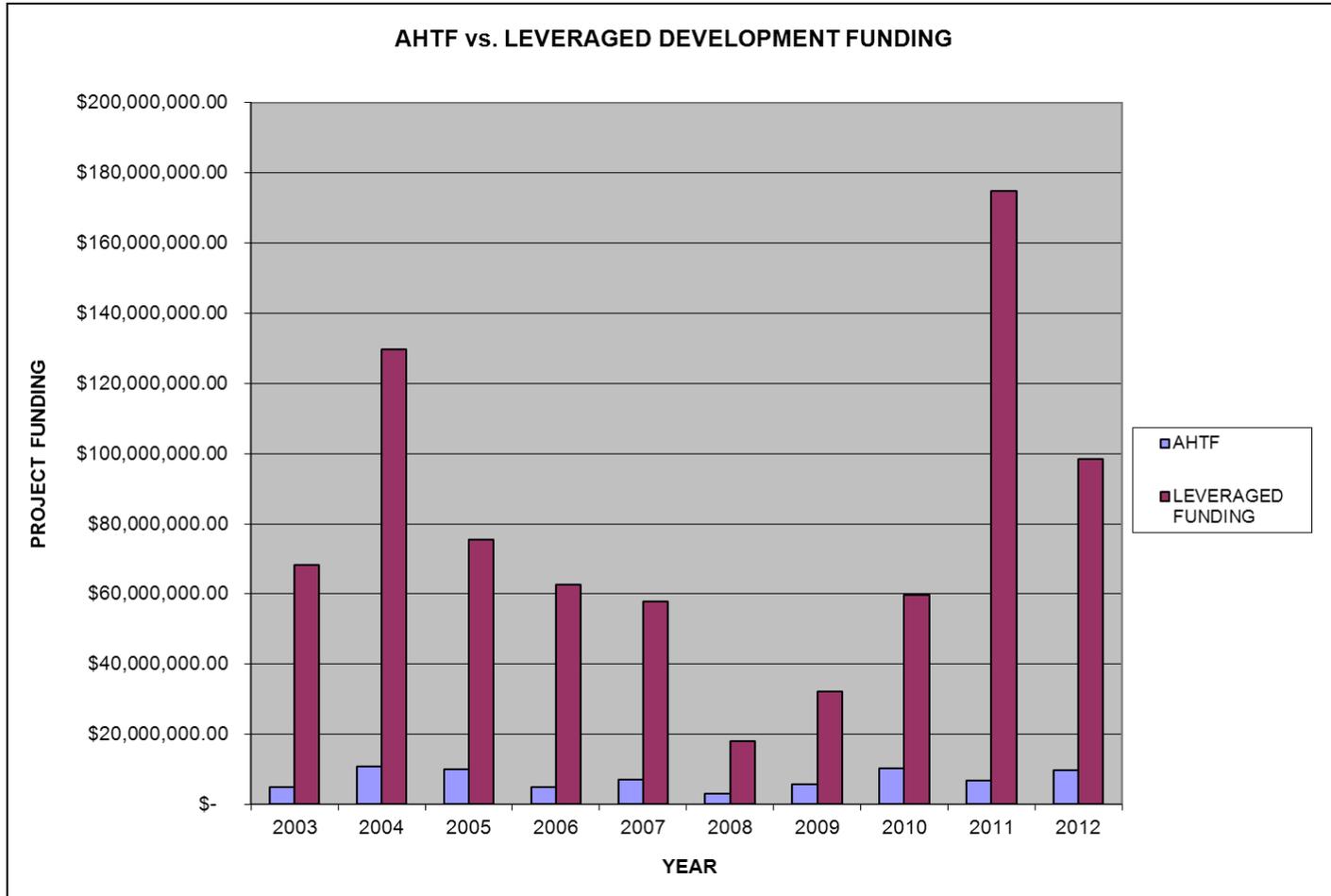


# Production



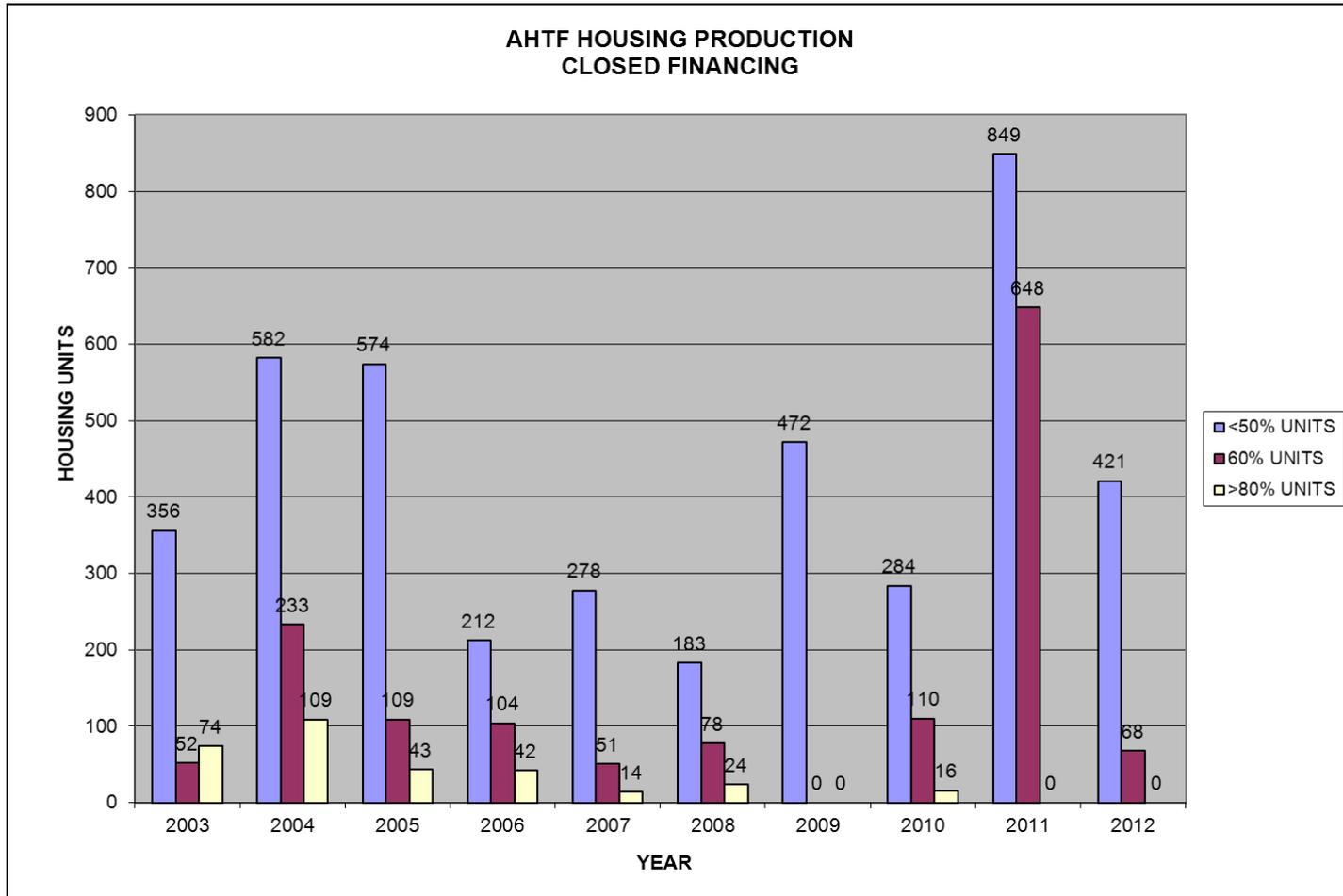
Audubon Crossing by Metro Plains Development

# Production



This graph indicates the amount of leverage provided by the AHTF for years 2003-2012

# Production cont...



# Location

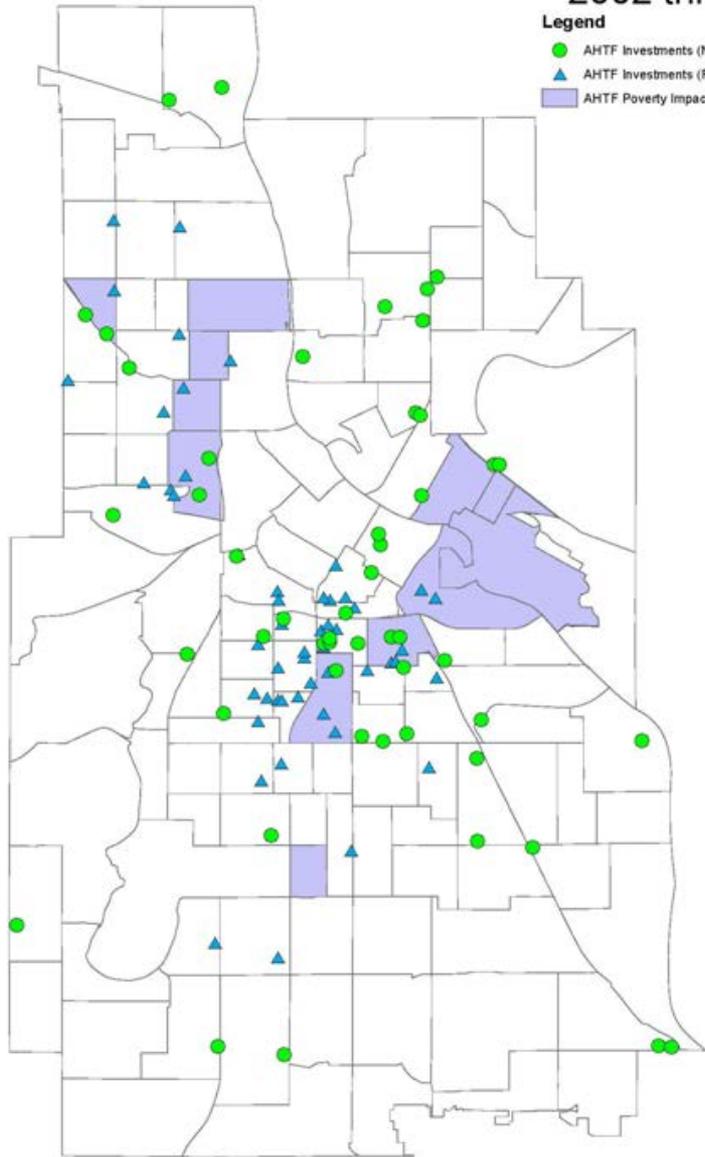


Projects using the AHTF have been located across the City of Minneapolis.

# AHTF Investments 2002 thru 2012

## Legend

- AHTF Investments (New Construction)
- ▲ AHTF Investments (Rehab / Stabilization)
- AHTF Poverty impacted Census Tracts (2012)



0 0.5 1 2 Miles

Produced: 1/23/2013

# AHTF Leverage

- AHTF investment, 2002 to 2012 = \$73 million
- Total other public/private financing = \$777 million
- Leverage ratio = 1:10



# Leverage cont...

YEAR CLOSED	TOTAL UNITS	<50% UNITS	60% UNITS	>80% UNITS	AHTF	LEVERAGED FUNDING	TDC	AHTF PER AFFORDABLE UNIT (<50% AMI)
2003	482	356	52	74	\$ 4,928,850.00	\$ 68,325,099.00	\$ 73,253,949.00	\$ 13,845.08
2004	924	582	233	109	\$10,719,265.00	\$129,765,685.93	\$140,484,950.93	\$ 18,417.98
2005	726	574	109	43	\$ 9,958,695.00	\$ 75,390,760.00	\$ 85,349,455.00	\$ 17,349.64
2006	358	212	104	42	\$ 4,990,921.00	\$ 62,723,817.00	\$ 67,714,738.00	\$ 23,542.08
2007	343	278	51	14	\$ 7,189,519.00	\$ 57,796,659.00	\$ 64,986,178.00	\$ 25,861.58
2008	285	183	78	24	\$ 3,075,088.00	\$ 17,948,069.00	\$ 21,023,157.00	\$ 16,803.76
2009	472	472	0	0	\$ 5,668,859.00	\$ 32,230,329.00	\$ 37,899,188.00	\$ 12,010.29
2010	476	284	110	16	\$10,350,816.00	\$ 59,735,302.00	\$ 70,086,118.00	\$ 36,446.54
2011	1663	849	648	0	\$ 6,809,882.00	\$174,849,869.00	\$181,659,751.00	\$ 8,021.06
2012	599	421	68	0	\$ 9,697,110.00	\$ 98,546,769.00	\$108,243,879.00	\$ 23,033.52
	6,328	4,211	1,453	322	\$73,389,005.00	\$777,312,358.93	\$850,701,363.93	\$ 17,427.93

# Total Housing Units Produced as a result of AHTF (2002-2012)

<b>Units at 50 % AMI</b>	<b>4,211</b>
Units at 60% AMI	1,453
Units at 80% AMI	322
Total	6,328

# Benefits of the AHTF



Lindquist Apartments by RS Eden

# Benefits of the AHTF

Beyond providing decent, safe and affordable housing opportunities to every demographic and income segment of City of Minneapolis citizens, the AHTF provides the following additional benefits:

- Community revitalization
- Removal of blight and blighting influence
- Tax-Base enhancement
- Increases Density along Commercial and Community Corridors
- Job Creation
- Provides Decent, Safe and Affordable Housing
- Special Needs Housing

# Community Revitalization

Local non-profit developers used funding from the AHTF to transform the intersection of Franklin and Portland Avenues. The projects revitalized the area, removed undesirable activities and became the base for creating market rate housing units.



# Removal of blight and blighting influence

East River Commons replaced a blighted group of buildings including a polluted gas station with a vibrant mixed use, mixed income project



West River Commons by At Home Apartments

# Tax Base Enhancement

- 2002 – 2012 Total Development Cost of AHTF Projects = \$850 million
- Estimated Tax-Base Enhancement at 60% of TDC = \$510 million



# Job Creation

Projects funded with the AHTF create a wide variety of jobs, particularly construction jobs. MN Housing estimates that there are 16 jobs produced for every \$1,000,000 in total development costs in a project.



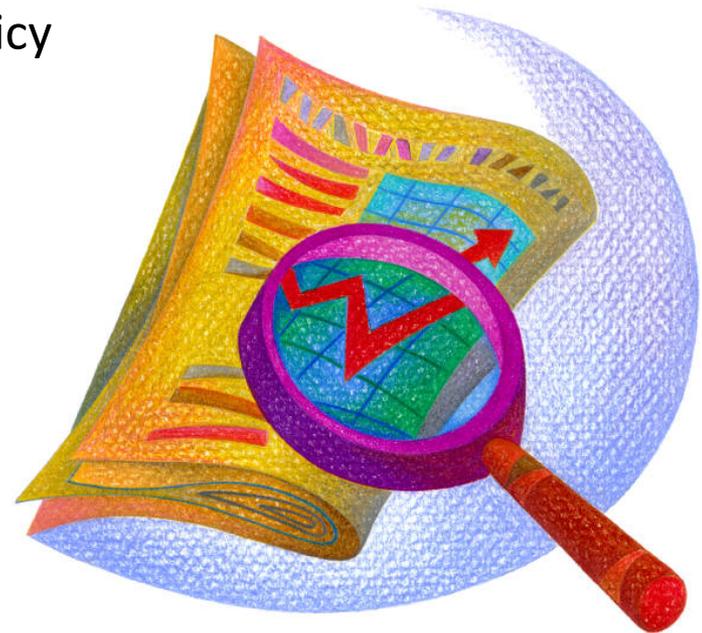
# Provides Decent, Safe and Affordable Housing

- AHTF requires that least 20% of the units produced are affordable to households at or below 50% of the area median income.
- CPED is involved through construction to ensure high quality work is performed
- CPED ensures the completed project is not mismanaged through ongoing monitoring.



# Project Underwriting

- Core financial underwriting criteria are the same as other local public funders
- 17 project scoring criteria, including:
  - Financial Soundness and Management of Developer and Project
  - Economic Integration
  - Compatibility with current City policy
  - Proximity to jobs and transit





# Thank You

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