Framing up a New Era of Housing

Learning from What We Know

CURA Housing Forum
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Presenting Speakers:
Eric Muschler, The McKnight Foundation
Carrie Rocha, HousingLink
Elissa Schloesser, HousingLink
Today’s Presentation

- The McKnight Housing Evaluation Framework
- HousingLink’s role
- Housing Baseline Measures Report
- Discussion
Renewing McKnight’s Affordable Housing Commitment

- In 2007, after 25 years and more than $200 million in grants and investments, and 36,000 units produced, the McKnight board reviewed and renewed its commitment to the affordable housing program.

- In doing so, McKnight spent nearly two years reviewing funding, listening to key partners, learning best practices, exploring design, planning, barriers to development to set up the next generation of our commitment.

- This resulted in the McKnight board’s endorsement of three key goals that focus and guide our work in affordable housing.
Program Goals & Objectives

- **Public Will:** We will strive to increase public acceptance of and support for affordable housing as a community asset rather than a liability.

- **Innovation & Design:** We will promote innovation and quality design that is good for people, places and the environment. Housing that look great, is located wisely, and green.

- **Increased Preservation & Production:** We will strive to accelerate the pace of affordable housing preservation, production and permanency.

- See Objectives outlined in brochure
Evaluation Framework

- The evaluation framework *was developed to foster mutual accountability for results* between McKnight and its partners for the goals of the affordable housing program.
- The baselines and outcome measures were *developed over a six month iterative process* of sharing and learning.
- **Key partners and data experts were consulted** to review and improve the framework and tell us what would best capture progress toward our goals as well as provide useful information for the affordable housing field.
Evaluation Framework

- This is the first time McKnight has developed an evaluation framework to systematically share what we learn about our investments.
- It provides increased clarity for our grants and investments and for the organizations that work with us in affordable housing.
Evaluation Framework

- The framework is not meant to evaluate individual programs but track changes in the field of affordable housing that either benefit or create obstacles to progress.

- Our intent is to use this as a tool to learn with partners and communicate critical lessons learned with diverse housing stakeholders and the broader community.
How will we use it?

- Housing program applicants will identify the McKnight goal/s and objective/s they will work on and the measures they will use to document their progress toward goal/objective achievement.

- Reporting will include key indicator, outputs and outcomes identified during the application and review process.
How will we use it?

- All grantees will be asked to provide lessons learned in working toward goal achievement either (1) confidentially or (2) in a public forum to benefit the field.
- McKnight will create appropriate vehicles to share learning, communicate progress/barriers, and translate learning into advancing a stronger affordable housing field.
HousingLink’s Role

- HousingLink was commissioned to establish **quantitative baseline measures** in 7 areas.
- Plan is to **trend information over time** to track progress towards short- and long-term outcomes.
HousingLink

- Established in **1997**
- Primarily **web-based** service delivery
  - www.housinglink.org

**Other work includes:**
- Housing Counts
- hSum: Summary of Unit and Tenant-Based Assistance
- Quarterly foreclosure rates and counts
- hList
- Housing Authority Waiting List Report
HousingLink’s Approach

- Iterative
- Ethical, balanced, transparent methodology
- Repeatable and sustainable
- Cost effective
Report Overview

- 2007 time period
- Baseline data only
- Focuses on supply rather than demand measures
Report Layout

- Dashboard
- Data Fact Sheets
- Appendix
Dashboard

- **Public Will**
  - Affordable Housing Opportunities
  - Emerging Market Homeownership

- **Innovation & Design**
  - Ending Long-term Homelessness
  - Green Housing

- **Increase Production & Preservation**
  - Dollars Allocated to Housing
  - Gap Financing
  - Foreclosures
Goal 1: Public Will
# Affordable Housing Opportunities

<table>
<thead>
<tr>
<th>Rental</th>
<th>Homeownership</th>
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</thead>
<tbody>
<tr>
<td>New Subsidized Affordable Units: 1,044</td>
<td>New Perpetually Affordable Units: 210</td>
</tr>
<tr>
<td>Preserved Subsidized Affordable Units: 1,070</td>
<td>Downpayent / Affordability Assistance: 1,529</td>
</tr>
<tr>
<td>Allocated Tenant-based Vouchers: 32,871</td>
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Rental

- **New Affordable Units**
  - Newly subsidized affordable units (financing closed)

- **Preserved Affordable Units**
  - Financing closed to maintain affordability of a previously subsidized affordable rental unit

- **Tenant-based Vouchers**
  - Allocated Section 8 & MN Housing vouchers
Homeownership

- **New Perpetually Affordable Units**
  - Affordability stays with the property independent of ownership

- **Downpayment / Affordability Assistance**
  - Grants & deferred loans that make a purchase of a home affordable
Emerging Market Homeownership

4.7 in 10 Households are homeowners in the Emerging Market

7.6 in 10 Households are homeowners in Minnesota

97,736 emerging market households are homeowners

US Census ACS: 2006
Emerging Market Homeownership

- **Key Terms**
  - **Emerging market**: MN minority households
  - **Home ownership rate**: 
    - \[
      \frac{\text{[Total # of homeowner households]}}{\text{[Total # of households]}}
    \]

- **Data source**
  - US Census American Community Survey
Goal 2: Innovation & Design
Ending Long-term Homelessness

42% of the ELTH 2010 Goal was achieved by FY’07.
Ending Long-term Homelessness

- A new ELTH opportunity includes...
  - Units and/or vouchers
- **Data Source:** MN Housing’s *Ending Long-term Homelessness Progress Report*
Green Housing

44% of new subsidized rental units that closed in FY 2007 met green standards.

- **Twin Cities**: 324 units
- **Greater MN**: 139 units

MN Housing’s green policy adopted in Feb. 2007
Green Housing

- **Measure analyzes**
  - 2007 new subsidized affordable rental units

- **Definition**
  - Green communities initiative projects
  - Projects with financing committed after February 2007 by MN Housing
Goal 3: Increase Production & Preservation
Dollars Allocated to Housing

**FY 2007 Public Funding**
Allocated for capitol & operating expenses

- **Federal**: $515M
- **State**: $101M

*Totals exclude 1st Mortgages*

**2006 Foundation Grants**
Reported by MN Council on Foundations

- **to Housing**: $34M (8%)
- **All Other Areas**: 92%
Dollars Allocated to Housing

- Tracks funding by **point of origin**
  - Federal
  - State
  - Philanthropic
- *Not tracking local* or private investment
Gap Financing

Total Development Cost: $188M

Gap Financing: $48M

Public: $32.5M (68%)
Philanthropic: $5.1M (11%)
Private: $10.1M (21%)
Gap Financing

- **Measure Analyzes**
  - 2007 new subsidized affordable rental units

- **Definition**
  
  \[
  \text{[ All funding ]} - \text{[ 1st mortgage + tax credits ]}
  \]

  needed to make a project viable

- **Future Years**
  
  - Amount of gap financing is influenced by other factors
Foreclosures

20,404 foreclosures (2007)

1,323 foreclosures averted (FY’07)
due to foreclosure counseling to homeowners.

- **Minnesota**: 1 in 100 households
- **Twin Cities**: 1 in 85 households
- **Greater MN**: 1 in 126 households
Foreclosures

- Foreclosure counts and rates
- Foreclosures averted
  - Source: Minnesota Home Ownership Center
More Information

www.mcknight.org/region
Discussion

- Which key trends do you think would be most valuable to track over time?
- How could these data points enrich the public discourse about affordable housing?
Thank You!

mcknight.org
housinglink.org