



The Way Home:

Safe, dignified, and affordable housing for Minneapolis residents

2021-2023 Progress Report

Executive Summary



Introduction

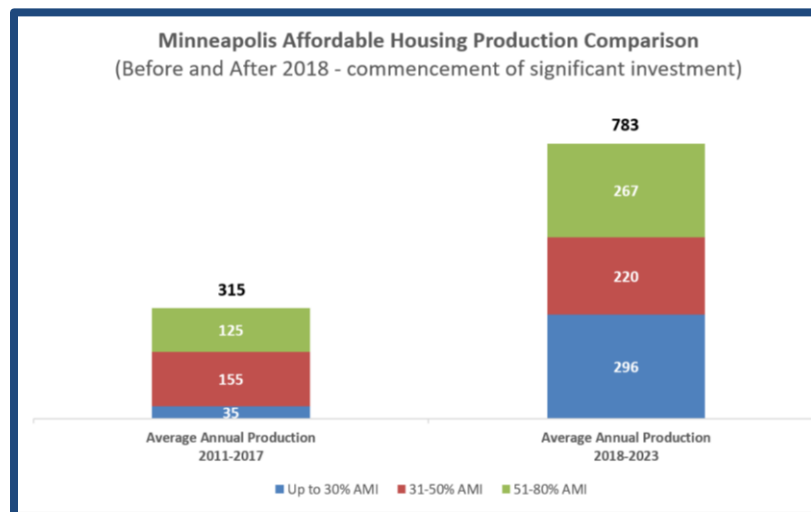
Like most major urban U.S. cities, Minneapolis is experiencing some challenges and opportunities in its housing market—rapid population growth, homelessness, shifting demographics and incomes not keeping pace with rising housing costs. Ongoing recovery from the COVID pandemic has highlighted the need for comprehensive housing solutions that address affordability, accessibility and quality of housing for all residents. *The Way Home: 2021-2023 Progress Report* provides an overview of the seven major strategies that the City employed during this reporting period to address these challenges and opportunities.

Key Strategies

1. Increase housing supply, diversity and affordability in all neighborhoods
2. Produce more affordable rental housing and preserve subsidized affordable rental housing, for 30 years or more
3. Preserve unsubsidized naturally occurring affordable housing (NOAH)
4. Improve and sustain access to homeownership, especially among low-income and Black, Indigenous, People of Color (BIPOC) residents
5. Support renters
6. Prevent and end homelessness
7. Maximize potential of publicly-owned land to meet City housing goals

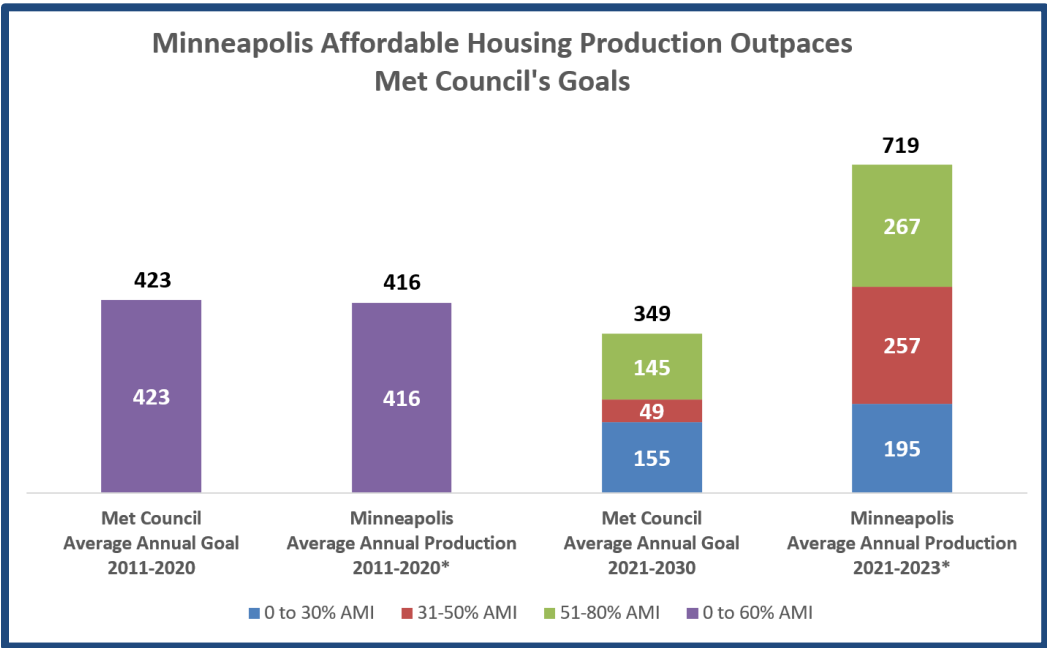
Key Highlights

- To be effective in implementing these strategies, it takes intentionality in program and policy design. In addition to policy and programmatic changes, the City recognizes local investment is necessary to leverage other public (County, State and Federal), private, and philanthropic sources. Since 2018, the City has significantly increased investment in housing and homelessness, resulting in:
 - **Nearly \$365M has been invested in housing and homelessness**—including an annual \$5M Levy to MPHA to maintain existing and develop new public housing units.
 - Average annual affordable housing production (ownership and rental) is 783 units (see chart).
 - **That's 2.5 times the average annual number between 2011 and 2017**
 - We have prioritized deeply affordable housing production (30% AMI). Of the 783 units closed annually, 296 were deeply affordable—**that's nearly eight and one-half times the average annual number of 30% units closed (35) between 2011-2017.**



- The Minneapolis 2040 Plan provides an avenue to increase housing supply and diversity throughout the city—e.g. elimination of single-family zoning and elimination of parking minimums. As a result, the MPHA Family Housing Expansion Project was feasible. The project comprised of 16 small apartment buildings totaling 84 units on lots previously zoned for one and two-unit dwellings **(Strategy 1)**.
- There has been a prioritization of affordable housing production (ownership and rental), with emphasis on the deeply affordable housing unit production **(Strategies 2 and 4)**. Between 2021 to 2023,
 - the City approved the development of 76 affordable homeownership units annually.
 - the City closed on the development of 612 affordable rental units annually.
 - the City permitted 31 affordable inclusionary zoning units annually.

NOTE: Since the adoption of the Inclusionary Zoning Policy in 2019, 248 affordable on-site units and 278 affordable student bedrooms have been permitted and another 95 proposed off-site units have been approved throughout the city. It has generated nearly \$7 million in in-lieu fee payments that will support the development of affordable housing in the city.



*Significant increase in investment in affordable housing since 2018 has resulted in the City outpacing the Met Council's average annual production goals.

NOTE: There are 25 affordable rental projects [2,038 units and 124 shelter beds—713 (35%) of the units are designated for households at 30% AMI, including 374 designated as homeless units] that have been funded, but not yet closed—closings will begin in 2024 and beyond. These are not included in the chart above, as the chart above is representative of closed projects only.

- Between the City’s NOAH Preservation Fund, the Small and Medium Multifamily Loan Program, and the 4d Affordable Housing Incentive Program, the City has preserved 2,818 NOAH units since 2018—including 1,348 units from 2021 to 2023 **(Strategy 3)**
- The City invests in the award-winning Minneapolis Homes program to support access to homeownership, create new homeownership units and sustain homeownership through home improvement loans and grants. **This program consistently serves BIPOC households at a rate of 70% or more.** Black households, who experience the highest disparity in homeownership rates in the Twin Cities region, are the primary demographic served through the program **(Strategy 4)**.

- In 2023, **6,127 renter households including 12,148 Minneapolis residents received legal advice and representation to solve their housing problems.** These cases included evictions, health and safety hazards, security deposit disputes, housing discrimination, and other housing issues. Renters in all 13 wards benefited from these legal services. **(Strategy 5)**
- Hennepin County, supported by the City of Minneapolis, has **reduced unsheltered homelessness by 27%** (from 642 in 2020 to 469 in 2023). **(Strategy 6)**
- In 2023, the City invested \$1 million in [Helix Health & Housing Services](#). While the pilot is still new, overtime the outcomes will need to be verified and success evaluated, **we are excited about the program’s success in housing 98 individuals out of encampments and into housing (Strategy 6).**
- Since the inception of the Stable Homes, Stable Schools program (April 2019 through December 2023), **1,627 families with 4,580 children** in 24 MPS elementary schools, with the highest numbers of students experiencing homelessness, have received assistance and/or supportive services **(Strategy 6).**
- Transfer two City-owned parcels to Red Lake Band of Chippewa Indians for a community healing garden that will also be a venue for sacred ceremonial services **(Strategy 7).**

The report concludes with highlighting several projects and programs:

- An example of the City’s Home Improvement Program
- Stable Homes, Stable Schools Program
- The first Minneapolis Homes Passive-certified single family housing project
- Northstar East—historic office to residential conversion
- The Belfry—an adaptive reuse project of the historic Calvary school and church into housing

By implementing these key strategies, Minneapolis can make significant strides in addressing its housing challenges and creating a more equitable, inclusive, and sustainable housing market for all residents. Continued collaboration among government agencies, nonprofit organizations, community stakeholders, and private sector partners will be essential to the success of these initiatives. Together, we can build a brighter future where every resident has access to safe, stable, and sustained affordable housing in Minneapolis.