



Naturally Occurring Affordable Housing (NOAH)

Tools & Strategies – Work Session May 21, 2018



Work Session Plan

1. What's happened since last October
2. Goals
3. What we've done
4. What we could do
5. Prioritize

What's Happened

November – Landlord focus group

November – March – BPH renter focus groups on housing and health impacts

January 2018 – Landlord RAMA meetings on ordinances

February – Building Permit fee reduction adopted

March – Apartment Remodeling Program guidelines adopted

April - VEAP/CAP-HC listening sessions with renters

Renter Feedback

- Bloomington Public Health – seven focus groups on housing and health
 - 45 renters participated
- 6 themes:
 - Poor living conditions, housing insecurity and mobility, and rent burden negatively impact the health of adults, children, and the community.
 - Insecurity and mobility of low-income renters is often caused by factors out of their control.
 - Despite budgeting, working multiple jobs or overtime, and making other sacrifices, renters continue to be rent burdened and struggle to pay rent on time. Paying rent often means forgoing other basic necessities.
 - Renters are stuck living in poor and inadequate living conditions even after making reports to management and requesting repairs. Management has become less responsive over the years.
 - Child development and school success is negatively affected by housing insecurity and mobility.
 - In addition to the issues and concerns other renters experience, Latino renters also face unique problems. Latino renters feel they are taken advantage of by management due to language barriers and discrimination.

Renter Feedback

- VEAP/CAP-HC – 3 tenant listening sessions – 29 renters participated
- Themes:
 - Lack of available rental housing
 - Need to be connected to community and resources
 - Lack of affordable housing
 - Need for dignity in affordable housing
 - Discrimination & retaliation
 - Need for secure & safe housing
 - Need for stable housing

Renter Feedback

Additional Themes:

- It's especially difficult to find a place to rent appropriate for children
- Application fees are expensive (non-refundable)
- It's difficult to rent if you have a “past”

Property Owner Feedback

- 1 focus group with 8 owners/managers; 2 meetings with 31 owners/managers; 13 survey responses
- Themes:
 - Offer incentives, not mandates
 - Need for tenant education re: caring for property, basics
 - Section 8 is a voluntary program; regulations especially burdensome on small owners
 - Non-renewal is an effective tool for dealing with difficult tenants; decision to not renew someone is not made lightly; you lose good tenants when you don't deal with problem tenants
 - Charges from City (taxes, rental license fees, utility costs) drive up rents
 - The proposed ordinances would take away property owners' contractual rights

Strengthening Apartment Communities

GOALS:

1. Preserve & Improve
2. Diversify Housing Choices
3. Strengthen Tenant Protections
4. Support Renters & Apartment Communities

What we've done:

- Increased budget for Kids@Home Program
- Advanced notice of sale and non-Section 8 discrimination for HRA-funded housing developments
- Acquisition assistance and 4d status for Seasons Park
- Chamberlain: New affordable units + rehab of existing units
- Down payment assistance program for renters
- Building permit fee reduction for new construction and rehab of affordable units
- Richfield Apartment Remodeling Program

What we could do

- Identify at-risk buildings and meet with owners
- Identify buildings in need of improvement; strategize responses

Costs/Hurdles/Questions

- Staff time
- Positive results not guaranteed

What we could do

- Promote voluntary “Legacy” Program

Costs/Hurdles/Questions

- St. Louis Park is doing the “heavy lifting” on this one, should we spend our resources on it?
- How much of an impact would it have?

What we could do

- Promote 4d Program

Costs/Hurdles/Questions

- 60% AMI threshold is high for Richfield market
- Do we actively promote it as an incentive?
- Shifts the tax burden to single-family residential
- Establish a formal policy? Only in cases of major rehab?

What we could do

- Inclusionary housing policy/ordinance
 - Adopt a formal policy, or
 - Adopt an ordinance

Costs/Hurdles/Questions

- Which one?
- Do we need an ordinance? Would it discourage development?

What we could do

- Enact limit on mass non-renewals
- Enact cold weather rule in cases of mass non-renewals

Costs/Hurdles/Questions

- Untested
- The public policy purpose must outweigh owners' contractual rights
- Enforcement?

What we could do

- Enact tenant protection ordinance: 90-day period without non-renewals or rent increases

Costs/Hurdles/Questions

- Untested
- Only in cases of a sale
- Doesn't stop conversion

What we could do

- Develop Tiered rental licensing - Licensing fee based on “behavior”
 1. No license fee for a Section 8 unit
 2. Tiered fee based on code violations, police calls, etc.
 3. Tiered fee based on adoption of preservation-oriented policies

Costs/Hurdles/Questions

- Resources
- Would it change behaviors?
- Would it benefit NOAH properties?

What we could do

- Enact Fair Housing Ordinance
 - ❑ Require non-Section 8 discrimination

Costs/Hurdles/Questions

- Waiting for results of Minneapolis court case
- Need to adopt local Fair Housing ordinance in order to spend any Met Council grants
- Resources needed for training/implementing

What we could do

- Incentives for participation in the Section 8 Program
- Tenant education programs
- Develop strategies for recognizing renters as valued members of the Richfield community.

Costs/Hurdles/Questions

- Money/staff resources

Update on Other Cities/Organizations

- **Minneapolis:** Adopted anti-Section 8 discrimination (4/23 court hearing; 90 days to decision); pilot 4d Program (463 applications; 10 awarded)
- **St. Louis Park:** Adopted tenant protection ordinance; studying voluntary Legacy Program
- **Brooklyn Park:** Eviction study with U of Mn; developing Apartment Action Plan; meeting with individual owners
- **St. Paul:** Small rental property rehab program; reviewing tools & strategies
- **Golden Valley:** Adopted inclusionary housing policy; considering HRA levy and tenant protection ordinance
- **Brooklyn Center, Bloomington, Hopkins, Minnetonka, Edina:** Reviewing tools & strategies
- **Hennepin County:** Considering using CDBG for small rental property rehab
- **Minnesota Housing:** Considering expanding Greater MN rental rehab program to suburban communities; convening Governor's Task Force on Housing; \$2 million match for local housing trust funds - legislation proposed
- **Family Housing Fund:** Working on Rental Rehab options: 1. MHFA program expansion 2. Set up a public model program (funding?) 3. Work with private organizations to provide low-interest loans

Prioritize

- Identify at-risk buildings and meet with owners
- Identify buildings in need of improvement; strategize
- Adopt inclusionary housing policy/ordinance
- Promote 4d Program [B]
- Enact tenant protection ordinance: 90-day period without non-renewals or rent increases
- Develop tiered rental licensing [B]
- Enact limit on mass non-renewals
- Enact cold weather rule in cases of mass non-renewals
- Adopt Fair Housing Ordinance
- Provide financial incentives for participation in the Section 8 Program [B]
- Provide tenant education programs [B]