

Supportive Housing Program Guidelines and Criteria

Housing is a major challenge facing Hennepin County and communities like us across our region, state, and the country. Housing costs in our community are simply rising faster than income and earnings.

Lack of affordable housing in Hennepin County is most acute for households earning less than 30 percent of area median income (AMI). For these households, housing costs often exceed 50 percent of their income. Many Hennepin County Health and Human Service clients fall within these cost-burdened income ranges and struggle with housing. This is due to the severe lack of affordable housing and also to the lack of appropriate housing—housing with specialized supportive services. Projects that provide housing specialized for county clients often require capital funding commitments in excess of what the county’s existing affordable housing gap financing programs can provide. As a result, housing unit production takes longer and fewer supportive units are produced. This reduces housing choices for county clients and places ongoing strains on clients and their families, service providers, and the county network.

Funding Available

The Hennepin County Housing and Redevelopment Authority’s budget authorizes up to \$2,000,000 annually for capital assistance to supportive housing projects that preserve units at risk of loss and/or expand the supportive housing system. Award amounts will be based on the criteria detailed below to ensure that the requested funding amount is appropriate for the number and type of housing units created, and that the project outcomes are commensurate with the level of public investment.

Eligible Projects

Eligible projects will preserve or create housing opportunities for the county’s priority population of residents, which are those for whom housing instability leads to the worst health and safety concerns. This population has the following characteristics:

- Extremely low incomes (under 30 percent of AMI)
- Need significant assistance to live independently
- A disability increasing health and safety risks if unhoused
- Limited access to existing supports

The priority population identified in February 2018 (and defined Attachment A) includes these residents:

- People with high detox use
- People with developmental disabilities
- Youth in and leaving extended foster care
- Unaccompanied minors
- People with disabilities who are level 3 predatory offenders
- People experiencing chronic homelessness
- Youth experiencing sexual exploitation
- People with complex medical conditions and currently homeless
- Youth with neuro-diverse brain disorders
- People with serious and persistent mental illness and leaving treatment
- Families involved or at risk of involvement with Child Protection

Funding agreements will include an obligation to work with county department(s) to develop an outreach and referral process to ensure housing for priority residents.

Examples of supportive housing projects that are eligible for funding include but are not limited to scattered site developments through conversion of existing housing structures or new construction. Site size and number of units should be varied to allow for meeting the variety of unique and often specialized needs of the priority populations.

Eligible Uses of Funds

Eligible uses of funds include capital expenses related to the development of affordable, supportive housing.

Application Process and Evaluation Criteria

Proposals may be considered throughout the year, subject to availability of funding. All funding awards will require board approval after joint review and recommendation by Health and Human Services, Community Works, and other impacted departments.

Priority will be given to projects that demonstrate:

- Integration with the broader community, geographic distribution, and least restrictive settings
- Tenant selection criteria without disparate impact on people of color or people with extremely low incomes
- Low-barrier tenancy requirements (using Housing First and Harm Reduction approaches)
- Culturally responsive practices for underserved cultural groups

Selection criteria include:

- A. Alignment with county-identified population need:
 - Project creates supportive housing units that address an identified housing gap for the county's priority population of residents, which would not be addressed without this program
 - Agreement by the developer to serve residents meeting county priority population criteria
- B. Project feasibility and cost reasonableness:
 - Proposal demonstrates a realistic schedule for implementation and ability to deliver the project in a timely manner
 - Extent to which projects leverage non-county funding, as demonstrated by financing commitments
 - Extent to which projects demonstrate leverage of all possible operation and services funding and has long-term commitments for such funding necessary to sustain the project
 - Extent to which project's capital and operating costs for the project are reasonable and demonstrate value to the county
- C. Commitment to long-term affordability in a leased-based housing setting:
 - Agreement by the developer to implement income and rent restrictions for a period of 30 years or more
 - Agreement by the developer to provide a written lease that provides a minimum 30-day period of notification for termination of tenancy
- D. Anticipated impact on service outcomes:
 - Extent to which the project will increase opportunities for the county's priority population of residents to access and benefit from services
 - Extent to which the new housing units will support greater stability and well-being for tenants

