



# The Family Housing Fund Annual Report to the Community 2013



## LETTER FROM MAUREEN WARREN, BOARD CHAIR

Dear Friends and Colleagues,

We know both instinctively and through proven research that having access to safe, healthy, affordable homes that are well connected to jobs, transportation, education, and community supports is a critical component for individual, family, and community success.

Unfortunately, affordable rental housing remains in short supply in the Twin Cities metro area, with vacancy rates near two percent (well under a healthy five percent). Homelessness among families with children continues to be a critical issue, with family shelters at or over capacity. One-third (3,546) of the homeless counted in the Wilder Research Center's 2012 one-night homeless survey were children with their parents. We know that children pay much too high a price for homelessness; studies document the significant negative effects on their mental and physical health, development, behavior, and school performance.

While many things have changed since the Family Housing Fund's inception in 1980, the Fund's original call to assist low and moderate-income families obtain affordable housing holds true and remains the core of our work. In our 2011–2014 strategic plan, we established a strong vision statement for the organization: All families in the Minneapolis–Saint Paul metropolitan area will have a home they can afford and a place from which they can prosper and contribute to the larger community. This new vision recognizes that while affordable housing provides a solid foundation, the definition of home in its fullest sense has evolved to include: healthy and sustainable housing; access to transit, employment, and good schools; connections to services, cultural opportunities, and social networks; and safe, walkable neighborhoods with a strong sense of community.

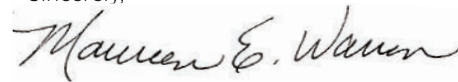
As you will see throughout this 2013 Annual Report, in implementing our vision, we focus on aligning our efforts with our key partners to:

- Revitalize core neighborhoods;
- Produce and preserve well-designed housing along transit and transportation corridors;
- Incorporate green building criteria for health and energy efficiency;
- Support human services for families vulnerable to homelessness;
- Provide greater equity and wealth-building opportunities for communities of color; and,
- Increase public will and support for affordable housing.

We recently launched a new project titled Affordable Housing Collaboration in Minnesota that highlights several significant collaborative achievements that contribute to making the affordable housing system in Minnesota one of the best in the country. I encourage you to learn more at [www.affordablehousingcollaboration.org](http://www.affordablehousingcollaboration.org).

I am very proud to be a part of this organization. I especially thank the Fund Board, past and present, and staff members for their dedication. We would not be able to achieve any of our listed accomplishments without the support and vision of our funders and the collaborative efforts of our public, private, and community partners helping to pave the way.

Sincerely,

A handwritten signature in dark ink that reads "Maureen E. Warren". The signature is fluid and cursive, with the first name being the most prominent.

Maureen Warren  
Family Housing Fund Board Chair

## ABOUT THE FAMILY HOUSING FUND

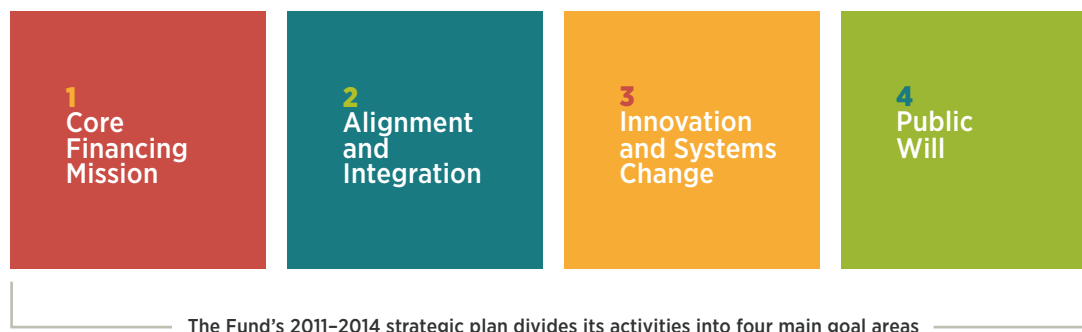
Established in 1980, the Family Housing Fund supports the cities of Minneapolis and Saint Paul, the Metropolitan Council, and Minnesota Housing in their efforts to meet the seven-county Twin Cities metropolitan area's affordable housing needs.

As a housing intermediary, the Fund brings together people, money, and expertise to support the delivery of affordable housing as a key component of a healthy community and an equitable, economically competitive region. As a funder, the Fund raises grant dollars and program related investments from foundations and corporations and uses those funds to make targeted grants and loans for the creation and preservation of quality, sustainable affordable housing. As a convener and facilitator, the Fund brings together individuals and organizations from the private, public, and nonprofit sectors to develop ways to meet the growing demand for affordable housing and to identify and tackle strategic housing and community development issues. And as an educator, the Fund provides information to community leaders and the general public about housing needs and opportunities. Learn more about the Family Housing Fund and its programs and initiatives at [www.fhfund.org](http://www.fhfund.org).

## 2013 ACCOMPLISHMENTS

In 2013, the Family Housing Fund provided financial assistance to non-profit organizations, government agencies, and private developers to assist in the production or preservation of 216 affordable housing units in the Twin Cities and to provide homeownership counseling and foreclosure prevention to 3,900 individuals and families. Since 1980, the Fund has invested more than \$230 million to help finance 35,810 affordable homeownership, rental, and supportive housing units and leveraged more than \$3 billion from government entities, private lenders, investors, and others for affordable housing.

The Fund's 2011–2014 strategic plan divides its activities into four main goal areas: Core Financing Mission; Alignment and Integration; Innovation and Systems Change; and Public Will. Major accomplishments in each of these programs from 2013 follow.



The Family Housing Fund's mission is to provide safe, affordable homes to all families in the Twin Cities metropolitan area through ongoing partnerships with the public and private sector.

The Fund will provide financing to help preserve and produce affordable housing opportunities for both lower income renters and homeowners.

66%

Of our program funding goes to this area

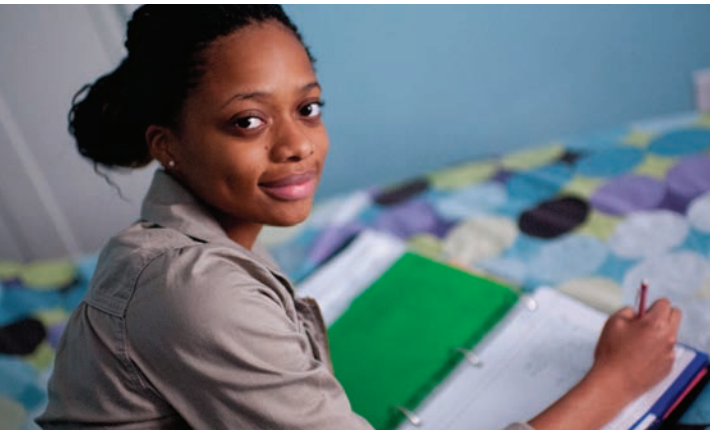
### Consolidated Request for Proposals (Consolidated RFP)

The Family Housing Fund has committed \$1 million per year (as outlined in our strategic plan goals) to support the Minnesota Housing Consolidated RFP. In the 2013 Multifamily RFP, the Fund supported the following projects with deferred loan commitments scheduled to close in 2014: Commons on Penn, Minneapolis (see sidebar on page 5); DECC Recapitalization, Minneapolis; Hamline Station, St. Paul; and Lyndale Gardens, Richfield. These projects contain a total of 182 units of new and/or preserved affordable rental housing.

From 2010 to 2013, the Fund invested nearly \$4 million in 21 specific developments, containing a total of 2,509 affordable units. The Fund measures the affordability of a home as the housing cost plus transportation costs. As such, eight (8) of these developments are located within existing or proposed light rail corridors and nearly all projects are located near a mode of regional transit. In addition to prioritizing our resources, the Fund continues to use its position to encourage partners to give special consideration to projects located along transit corridors in order to ensure that lower income families have access to the cost savings and regional opportunities provided by transit.



The Fund prioritizes development near transit corridors to connect residents with access to jobs and education. Photo courtesy of Metro Transit



The HOME Program assists families living in public housing into stable homeownership, and at the same time makes an opportunity available for a family on the waiting list for public housing assistance.  
Photo by Scott Streble

### HECAT and HOME Programs

The Fund, jointly with the Greater Minnesota Housing Fund (GMHF) and Minnesota Housing, continues to provide support to the Minnesota Homeownership Center for a statewide network of pre-purchase education and counseling for lower income homebuyers through the HECAT program. In 2013, the Fund contributed a \$175,000 grant to a funding pool that supported counseling for 3,255 households through this critical program.

In partnership with the Saint Paul Public Housing Agency, the Fund also supported the Home Ownership Made Easy (HOME) Program, an innovative combination of education, counseling, and financial assistance that supports families living in public housing or receiving Section 8 assistance in becoming homeowners. In 2013, five (5) loans were made to HOME Program families. During HOME's 23-year history (1990 to 2013), 509 families from the Saint Paul Public Housing Agency, Minneapolis Public Housing Authority, and the Metropolitan Housing and Redevelopment Authority purchased homes throughout the Twin Cities metropolitan area.





### Homes for All—New State Resources for Affordable Housing

The Family Housing Fund supports the Homes For All Coalition, which in 2013 built bipartisan support at the legislature to increase funding for housing and homelessness services. The \$33 million budget increase will fund essential programs administered by Minnesota Housing and the Department of Human Services, including rental assistance, affordable housing development, family homelessness prevention, long term and transitional homeless services, and housing and services for youth through the Homeless Youth Act. The Fund will continue to join our partners in advocating for important policy changes and the necessary financial resources from the State of Minnesota to create homes for all.

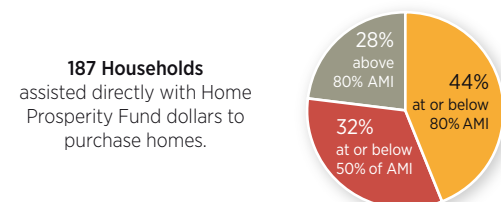
### Home Prosperity Fund

The Family Housing Fund launched the Home Prosperity Fund in 2008 as a new financing tool to respond to the mortgage foreclosure crisis by revitalizing neighborhoods and increasing housing opportunities throughout the metro area. Minnesota Housing, The McKnight Foundation, Wells Fargo, U.S. Bank, TCF Bank, Thrivent Financial for Lutherans, and the Pohlad Foundation all made significant contributions to the Home Prosperity Fund, currently totaling \$32 million.

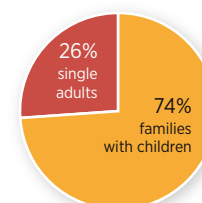
This program has been very successful and nearly all of the money is reserved or deployed to nine different development partners. The ten-year repayment period allows money to be recycled so that loan money will become available to be re-lent to achieve additional community development goals.

As of the end of 2013, unrestricted Home Prosperity Fund dollars have been used to assist in the acquisition of 524 properties (of which 146 are in low income census tracts) throughout the seven-county metropolitan area. Home Prosperity Fund resources have also assisted 187 households to purchase homes through our development partners. Seventy-six (76) percent of these households are at or below 80 percent of area median income (AMI), including 32 percent at or below 50 percent of area median income. Additionally, 74 percent of buyers are families with children and 64 percent are households of color. From 2008–2013, Family Housing Fund Home Prosperity Fund investments (restricted and unrestricted) have created 1,558 units.

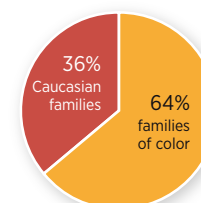
### Home Prosperity Fund Statistics | 2008–2013



HPF Homebuyer Income



HPF Homebuyer Family Status



HPF Homebuyer Family Ethnicity



**524 Total Properties**  
were acquired, containing 1,558 units.



Photo by Dianna Watters

## Minnesota Preservation Plus Initiative

The Fund continued to work with its strategic partners Minnesota Housing and Greater Minnesota Housing Fund to implement the Minnesota Preservation Plus Initiative (MPPI), an innovative partnership (funded initially by the MacArthur Foundation) committing leadership and funding to permanently change the way affordable rental housing preservation is approached, addressed, and financed in Minnesota. In 2013, MPPI partners began a statewide inventory (using mappable data) of all affordable housing that will provide a tool to help set preservation priorities based on location and community impact.

Improvement to existing data management systems is also underway through the development of the Loan Portfolio Performance Tool (LPPT), a risk predictive model to analyze Minnesota Housing's deferred loan portfolio. In 2013, this tool was incorporated into the agency's Property Online Reporting Tool (PORT), a web-based compliance system, and 50 property owners pilot tested the LPPT. The LPPT risk-assessment system will launch to the Agency's full portfolio in 2014. Once fully implemented, the data from the tool will be valuable to all MPPI partners in identifying priority properties and preservation needs across the system.

Intensive research was completed to help understand the nature of the existing unsubsidized affordable housing market, and explore feasible ways to support the continued affordability of these units in a way that does not significantly divert resources away from subsidized units. The report, titled "The Space Between: Realities and Possibilities in Preserving Unsubsidized Affordable Rental Housing", was generated by MPPI's strategic partners and a project team including One Roof Global Consulting, Housing Preservation Project, and ULI Minnesota. Published in June 2013, the executive summary and full report is available online at [www.fhfund.org](http://www.fhfund.org).

In addition to the substantial policy and research efforts, the Fund used PRI funding from the MacArthur Foundation in 2013 to approve a loan to Twin Cities Housing Development Corporation (TCHDC) to support the acquisition and long-term preservation of Hickory Ridge, a 32-unit Section 8 development in Maple Grove (see sidebar next page). Since launching in 2009, MPPI partners have preserved 264 multifamily properties statewide, totaling nearly 13,000 units of affordable housing.



Preserving affordable housing units is a priority for the Fund, especially in strong real estate markets. Photo courtesy of Twin Cities Housing Development Corporation

### New Production: Commons at Penn, North Minneapolis



Rendering courtesy of  
Building Blocks

Building Blocks, a nonprofit founded in 2011 by Devean George, a former Augsburg College basketball star and NBA player from North Minneapolis, is developing a four-story mixed-use building in the heart of George's old neighborhood at the corner of Golden Valley Road and Penn Avenue. The project site is located in a designated high-need foreclosure area, and also in an area heavily affected by the devastating May 2011 tornado. The site is connected to commercial centers and major employers by multiple bus routes. The development will include one, two, and three bedroom units and features underground parking. In addition, the building includes approximately 4,500 square feet of non-residential space that will provide office space for nonprofit organizations and a community room, exercise room, and common lobby for the residents. In the 2013 Consolidated RFP, the Family Housing Fund contributed \$350,000 to support this critical development along transit corridors for North Minneapolis, and was thrilled to support the work of a new affordable housing developer based in a community of color in the Twin Cities.

*"I believe that every member of this community, no matter how young or old, deserves the same opportunities that I was blessed to receive and that is why I started Building Blocks to help rebuild this neighborhood from the inside out. Commons at Penn, a miniature self-sustaining economy, will feature businesses and services owned and operated by members of the community on the ground level and provide a home and a source of pride for 45 low-income families on the floors above."*

—Devean George, founder, Building Blocks

### Preservation: Hickory Ridge, Maple Grove

At Hickory Ridge in Maple Grove all 32 of the townhomes accept Section 8 rental assistance. Located south of Highway 694 near Bass Lake Road, the property has 21 two-bedroom units and 11 three-bedroom units, along with 32 detached garages. The site, built in 1982 by a private developer, is approximately four acres and contains many mature trees. While some improvements have been made over the years, the property needs substantial renovation. The Interagency Stabilization Group (ISG) identified this project as a high priority for preservation for several reasons. Most importantly, it is the only Section 8 project in the suburb of Maple Grove, a high growth suburb with rapid commercial/retail development, but little affordable housing. Hickory Ridge provides an opportunity for low-income families to live near these emerging job centers.

The owner agreed to sell the property to the preservation-minded nonprofit Twin Cities Housing Development Corporation (TCHDC). There was concern that if TCHDC did not purchase the property, the owner would sell it to another private owner who might opt out of the Section 8 contract, convert it to market rate, or operate it as a "problem property." The transaction needed to be completed on a tight timeline. Therefore, TCHDC requested that the Family Housing Fund provide an interim loan—to blend with bank financing and their own equity—to pay the acquisition and predevelopment costs to purchase the property before the owner sold it to another potential buyer. In order to help preserve this critical suburban affordable housing resource for families with children, the Fund provided a \$500,000 loan from the Home Prosperity Fund and a \$320,000 loan from the MacArthur Foundation PRI, a component of the Minnesota Preservation Plus Initiative.

The Fund will align its efforts to preserve and produce affordable housing with other efforts to serve lower income families and improve the quality of life in neighborhoods, communities, and the metropolitan region.

**25%**

Of our program funding goes to this area

## Twin Cities Corridors of Opportunities Initiative

The Family Housing Fund played a key role on the Policy Board and as facilitator of the Affordable Housing and Transit Oriented Development (TOD) Implementation Team in the three-year Twin Cities Corridors of Opportunity Initiative that brought together public, private, and nonprofit partners and came to a close in 2013. Through an RFP process, the partners deployed \$9.5 million from a loan pool to finance projects that promote equity and future development along the transit corridors.

These investments are expected to produce 631 multifamily housing units (75 percent of which are affordable); rehabilitate 40 single family properties; create 18,000 square feet of commercial space; leverage \$150 million in public and private investment; and achieve a diversity goal of hiring 25 percent people of color to work on these projects.

The Twin Cities Corridors of Opportunity Initiative helped to establish important ongoing connections between transit, housing, jobs, business development, community health, resident success, and economic and regional development. While the Initiative officially ended in December 2013, the Fund will continue as an active participant in the Partnership for Regional Opportunity, the name given to the transition year that has the purpose of institutionalizing the values and practices outlined above.

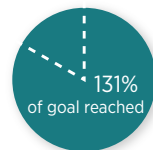


The Fund's participation in Corridors of Opportunity has helped ensure that the benefits of the build-out of the transit system are shared by all. Photo courtesy of Metro Transit

## MFPC: 2007–2012

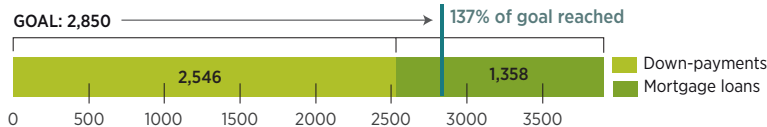
### Goal 1: Prevent Foreclosures

Goal Exceeded: 35,928 foreclosures prevented.



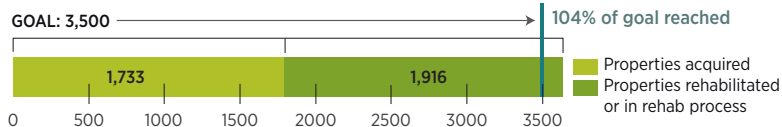
### Goal 2: Expand and Deliver Access to Mortgages

Goal Exceeded: 3,904 families assisted.



### Goal 3: Acquire, Hold, or Rehabilitate Foreclosed or Abandoned Properties

Goal Exceeded: 3,649 properties affected.



## Minnesota Foreclosure Partners Council

The statewide Minnesota Foreclosure Partners Council (MFPC) and its members exceeded all three of the recovery goals established in the “Coordinated Plan to Address Foreclosures”. These accomplishments included preventing 35,928 foreclosures, assisting 3,904 families through down-payment or mortgage loan assistance, and impacting 3,649 properties through acquisition and/or rehabilitation resources. Since 2008, the project has also assisted over 7,000 tenant households whose landlords were in foreclosure.

In 2013, the Council published a fact sheet: “Considering Buying a Home Using a Contract for Deed?—Know your Rights, Responsibilities, and Resources” to help individuals avoid abuse of the contract for deed model by unscrupulous individuals. While the Partners Council ended as an official entity in May 2014, many of the programs and partnerships that formed through the work of the Council will continue.





Houses being renovated in the Frogtown and Rondo neighborhoods of Saint Paul. Photo by Andy Barnett

## Twin Cities Community Land Bank

The Twin Cities Community Land Bank LLC (Land Bank) is a nonprofit limited liability company founded by the Family Housing Fund in 2009 during the peak of the mortgage foreclosure crisis. The Land Bank works with a broad set of constituents to advance affordable housing and community development goals. It was formed as an innovative tool to help spur land acquisition and site control to meet the changing housing needs in Twin Cities' neighborhoods and communities—now and in the future.

In less than five years, the Land Bank, an official CDFI lender, has delivered significant outcomes. As of the end of 2013, the Land Bank has purchased 1,087 homes for resale to developers through First Look and other programs in which developers agree to rehabilitate the homes to green standards, employ a substantial proportion of minority labor, and sell the homes to low- and moderate-income homebuyers. The Land Bank loan programs have made \$46 million in loans to development partners to assist their efforts to improve over 350 properties. The Land Bank strategic acquisition programs have enabled \$90 million of property purchases, while saving the community \$11 million in purchase price discounts to the market value. Additionally, the Land Bank has raised \$3.9 million of grant funds and deployed \$28 million in debt and loan capacity to fund a variety of strategic acquisition, lending, and community development activities.



In 2013, the Land Bank received its second \$600,000 national CDFI award to support its critical operations and programming. The Land Bank is also providing construction financing to developers for the City of Minneapolis' Green Homes North program. **Learn more at [www.tcclandbank.org](http://www.tcclandbank.org).**

A home in the EcoVillage, North Minneapolis. Photo courtesy of Coen+Partners

## Frogtown Rondo Home Fund

In March 2013, the Family Housing Fund engaged Andy Barnett as the coordinator of the new Frogtown Rondo Home Fund (FRHF). Family Housing Fund President Tom Fulton serves as the chair of the FRHF advisory group. FRHF is a collaboration that brings together resident organizations, community development corporations, intermediaries, local government, community institutions, foundations, and other leaders to coordinate and significantly improve housing conditions in the Frogtown and Rondo neighborhoods, with a special focus on preserving and producing affordable housing. The activities of the FRHF are also intended to improve alignment of housing goals with the objectives of the Saint Paul Promise Neighborhood and the Green Line Light Rail Transit project. In 2013, the Frogtown Rondo Home Fund secured \$100,000 from the Central Corridor Funders Collaborative to offer a Strategic Opportunity Fund to provide small local grants that foster innovative solutions and community input. Learn more at [www.frogtownrondohomefund.org](http://www.frogtownrondohomefund.org).

## Northside Home Fund

The Northside Home Fund continued its comprehensive efforts to stabilize the housing market in North Minneapolis. The Family Housing Fund provides funding for a coordinating consultant and Fund President Tom Fulton continued to serve as chair of the Northside Home Fund advisory group. Consultant Jean Bain is working closely with city staff to promote Green Homes North—a special initiative designed to help revitalize North Minneapolis by building 100 green homes on vacant lots in the area. The Fund has awarded \$280,000 to support the Green Homes initiative to date. In 2013, the Northside Home Fund worked with the City to create a positive video promoting both the Green Homes North properties and northside neighborhoods to counter negative media perceptions. Additionally, the Northside Home Fund is working closely with the neighborhoods, regulatory services, and the police to respond to large investment groups acquiring properties in the neighborhoods to ensure that investors provide safe housing and comply with city ordinances. Learn more at [www.northsidehomefund.org](http://www.northsidehomefund.org).



Crystal Lodge II in Crystal, Minnesota, was funded by the Minnesota Green Communities Initiative to create healthy affordable homes with access to transit for people with a history of substance abuse.

## Minnesota Green Communities

The Family Housing Fund continued to partner with Greater Minnesota Housing Fund and Enterprise Community Partners to offer Minnesota Green Communities, an initiative designed to foster the creation of affordable, healthier, and more energy-efficient housing throughout Minnesota. On an annual basis, Program Coordinator Janne Flisrand works closely with the partners to update the Minnesota Overlay to the Green Communities Criteria, which Minnesota Housing requires all affordable housing projects applying to the Consolidated RFP meet. In 2013, its eighth successful year, the initiative focused on the issue of how best to accurately certify that standards have been met and buildings are performing as expected through the EnergyScoreCards Minnesota project and policy change. Learn more at [www.mnngreencommunities.org](http://www.mnngreencommunities.org).

Minnesota Green Communities and the Family Housing Fund are both represented on the Alliance for Healthy Homes and Communities (AHC) Steering Committee, which awarded ten mini-grants in 2013 to organizations throughout the state for innovative healthy homes and communities. A statewide convening, attracting nearly 175 attendees, was held in October 2013. The event featured a keynote address by eco-entrepreneur Majora Carter and highlighted local successful healthy homes and communities programs. Learn more at [www.alliancehhc.org](http://www.alliancehhc.org).

## Heading Home—Preventing and Ending Homelessness

In 2013, the Family Housing Fund provided general, communications, and administrative support to *Heading Home Minnesota*, *Hennepin*, and *Ramsey*—state and county programs aimed at ending homelessness by creating supportive housing and innovative prevention and outreach protocols through coordinated partnerships. The Fund also administers the *Heading Home Metro Partners Fund* that provides a pool of flexible private dollars (\$3.2 million to date) to fill critical service funding gaps and support new solutions to prevent homelessness. Additionally, the Fund served on the *Heading Home Minnesota Community Leaders Council*.

In 2013, the Fund successfully completed the administration of a three-year youth homelessness grant from The McKnight Foundation that supported outreach and services to homeless youth by 15 housing and supportive service agencies throughout the Twin Cities. Additionally, the grant provided support to the *Metro Youth Systems Redesign Council* that is creating a set of common outcomes and goals to establish a more coordinated system for homeless youth in the Twin Cities.

In 2013, the Fund provided support for the development of a new statewide plan to address homelessness. *Heading Home: Minnesota's Plan to Prevent and End Homelessness* reflects both broad public input and strong interagency collaboration among eleven state agencies that make up the Minnesota Interagency Council on Homelessness. The two-year plan was released in December 2013. View the new plan and learn more at [www.headinghomeminnesota.org](http://www.headinghomeminnesota.org).



The Family Housing Fund's "Home Sweet Home" art exhibit contains many powerful pieces, including reflections on issues of homelessness. Laura Crosby | #202 (detail) | 1993

## Visible Child Initiative

The Family Housing Fund's Visible Child Initiative seeks to prevent and end the often generational cycle of homelessness by investing in the healthy development and academic success of our community's most vulnerable children. To this end, the Initiative works to ensure that shelter and supportive housing staff members have the best evidence-based research, knowledge, and tools available to support the social and emotional needs of children and to influence positive parenting practices. In 2013, the Visible Child Initiative continued to provide high-quality monthly trainings, parenting education, and child screening tools; launched a children's mental health pilot project with three supportive housing providers (see sidebar below); and finalized a new pre-financial literacy training called "Making Ends Meet" for families who have experienced homelessness (set to launch in 2014). Learn more at [www.visiblechild.org](http://www.visiblechild.org).



### Visible Child: Children's Mental Health Pilot Program

We expect the life of a four-year-old girl to be filled with wonder and smiles. You might picture her as energetic, sometimes silly, and with a growing sense of independence and self-confidence.

That's not how Danielle's story begins. Danielle\* has experienced the trauma of homelessness. She is the youngest of three children, whose single-parent mother is chemically dependent. Danielle appears to be unusually fearful and she is very attached to her mother, Sheila\*. Her overall development seems to have regressed, as she can no longer control her bowel movements.

If you were to project Danielle's life trajectory based on this information alone, the future would not be very optimistic. Fortunately, Danielle's story does not end here.

In 2013, Danielle and her family were residents at one of the three nonprofit supportive housing organizations in the Twin Cities that were participating in the Children's Mental Health Pilot Program created by the Family Housing Fund's Visible Child Initiative, with generous funding from the Medica Foundation. Through the Children's Mental Health Pilot Program, licensed clinical mental health practitioners were available on-site to work with staff and families with children facing mental health issues. The family's case manager became concerned about Danielle's situation and recommended that she be a high priority participant in this pilot program.

The mental health practitioner was able to work with Danielle over a four-month period, covering the time in which she transitioned into kindergarten. Gradually, Danielle became less fearful of others around her, began to exhibit signs of trust, and became fully potty trained again in time for kindergarten. Her entrance to the school setting was much more positive than it otherwise would have been, and we hope sets her on a trajectory for future success.

Last year, 25 families were referred for mental health services through this pilot, with children ranging from ages six months to four years old. Supportive housing staff members report significant outcomes in families participating in the Children's Mental Health Project. They have seen positive changes in parenting practices and children's social-emotional well-being; additionally, they have seen parents recognize current and past trauma in their own lives, and begin to work to achieve their own personal goals. By beginning to work with a mental health professional, both the parents and the children are thriving.

In 2014, the Visible Child Initiative plans to expand the Children's Mental Health Program to six additional supportive housing organizations, thanks to funding from the Otto Bremer Foundation, The Saint Paul Foundation, and the F.R. Bigelow Foundation.

*\*Names have been changed to protect privacy*

The Fund will join with its key partners to thoroughly review all aspects of the system for preserving and producing affordable housing with the goal of identifying and implementing the kinds of systems changes necessary to increase the efficiency, effectiveness, and sustainability of the affordable housing and community development industry.

6%

Of our program funding goes to this area

### Rethinking Housing



Launched in February 2009, the Rethinking Housing initiative engaged leaders in conversations to identify and develop innovation in buildings, places, and systems throughout the Twin Cities region. Rethinking Housing participants included a cross-section of private and nonprofit developers, funders and lenders, local officials and staff, architects, designers, and University and community representatives. Action steps were identified and many were accomplished. The sponsoring partners are the Family Housing Fund, Metropolitan Council, Minnesota Housing, The McKnight Foundation, Twin Cities LISC, and Urban Land Institute Minnesota/Regional Council of Mayors. In March 2013, the Metropolitan Consortium of Community Developers joined the Rethinking Housing partnership.

The initiative has moved to a primarily online platform and the Rethinking Housing website continues to be a valuable resource for sharing reports of national and local significance, several of which were commissioned by the Fund and its partners. The website hosts a blog and a resource section where visitors can find information on best practices in the field, trends, tools, policy updates, demographic research, land use, case studies, and updates in design, financing, and transit oriented development. The goal is to create a one-stop shop for the most recent updates and information on what is happening in the community development and affordable housing fields. Engage and learn more at [www.rethinkinghousingmn.org](http://www.rethinkinghousingmn.org).

### Predevelopment Funders Roundtable



The Fund, in its role as facilitator of the Affordable Housing and TOD Implementation Team that is part of the Corridors of Opportunity Initiative (mentioned on page 6), worked with predevelopment funders—LISC, GMHC, the Twin Cities Community Land Bank, and the Nonprofit Assistance Fund—to create a new process for collaborative review of proposed projects along transit corridors. Public funders have joined this process as well. The partners believe the greater the coordination of predevelopment funding and the greater the coordination between predevelopment funders and end funders, the greater the likelihood that we will achieve our ultimate equitable development goals.

To this end, the Predevelopment Funders Roundtable is a forum to align and coordinate predevelopment funders' participation early in TOD. These sessions have been beneficial to developers because of the active engagement of predevelopment funders, city and county representatives, and Minnesota Housing. To date, nine of these sessions have been held. In 2014, the Family Housing Fund will facilitate the expansion of these alignment and systems change activities by hosting Level II Funders Roundtables for projects that meet equitable TOD goals, and have a financial gap between predevelopment and construction/lease-up.

Frogtown Square offers senior housing and ground-level commercial space. Photo courtesy LISC Twin Cities



## Prospect North Partnership



In 2013, the Fund joined partners seeking to demonstrate a new model of district development in the Prospect North Innovation District on the Green Line. Substantial tracts of underdeveloped property in this area present opportunities for equitable TOD, redevelopment, and the potential to increase employment and the property tax base. The Prospect North Partnership was formed to pursue this opportunity through a memorandum of understanding (MOU) with public, private, and nonprofit partners. Partners include representation from the strong, long-standing residential neighborhood through the citizen's group known as "Prospect Park 2020," and the Minneapolis Public Housing Authority, as the manager of the Glendale Townhomes. The partners recognized the need to organize a public-private effort to quickly sequence priorities and to invest strategically. The Twin Cities Community Land Bank has provided substantial leadership in working to assemble land for the district vision. The partners will seek to incorporate the best practices in sustainability into their neighborhood development work, including district energy, district storm water management systems, efficient use of material resources, and coordinated waste management (see sidebar below).

### Prospect North Partnership—Urban Growth and Healthy Living Along the Green Line



The Prospect Park neighborhood of Minneapolis, bordering Saint Paul and the Mississippi River, has been active in community planning since the early 1900s. The establishment of a Green Line light rail transit stop in the neighborhood is the latest opportunity to enrich the area. In 2013, the Family Housing Fund joined Prospect Park 2020 (the neighborhood group founded to advance transit oriented development), as a founding member of the Prospect North Partnership (PNP), which has grown to include 15 private, nonprofit, and public agencies working to demonstrate a new, district model of innovation, urban growth, and healthy living. Housing is always a critical part of community development and with the support of the Family Housing Fund, PNP is pioneering a district plan for community development in a strong market that, for the first time, is led by the early and intentional incorporation of affordable housing and equitable business development.

PNP has identified strategic acquisition of property as a key priority to fulfilling its goals. In order to facilitate the timely acquisition of critical properties, the Family Housing Fund supported the Smitten Group to conduct an environmental analysis. This analysis will enable district-wide planning, including the redevelopment of the neighborhood's current

largest affordable housing asset, the Glendale Townhomes, owned and operated by the Minneapolis Public Housing Authority (MPHA). The analysis also leveraged funds from Hennepin County that will be used to implement a work plan that includes conducting a Phase II environmental analysis and related surveys, and to develop a Response Action Plan as needed. These steps will ensure that parcels are ready for redevelopment in 2015 by MPHA and other private and nonprofit developers.

With the support of the Family Housing Fund, the Smitten Group has also been able to build upon previous research, commissioned by the Fund, to identify funding mechanisms to support the Partnership's efforts to build district-wide systems (energy, storm water, waste) and ensure healthy living, in addition to the housing and business development goals. This work has helped the partners pinpoint which of their own organization's funding mechanisms can be used to support the work, identified foundation resources, and determined opportunities to explore. The Family Housing Fund was one of the first partners to join PNP; its early leadership and timely, flexible financial investment has positioned PNP to act quickly to lay the foundation for a district development model of national significance.

The Fund will continue to work with its partners to expand public understanding of the value of affordable housing and public will to preserve and produce affordable housing in the context of a comprehensive regional development approach that serves all citizens and communities.

3%

Of our program funding goes to this area

## Public Education Initiatives

In order to inform policymakers and the general public on the great need for affordable housing, the Family Housing Fund continues to research, design, and publish fact sheets and reports; convene and support conferences and events; support lobbying efforts in partnership with Greater Minnesota Housing Fund; and maintain several websites critical to its own programs and other statewide collaborations. The Fund also supports other organizations with small grant awards and sponsorships that are tied to specific public education efforts.

**Affordable Housing Collaboration** The Family Housing Fund, together with Greater Minnesota Housing Fund, recently launched a special project titled the Affordable Housing Collaboration in Minnesota: Outcomes and Lessons Learned Series (aka “Stories Project”). The project is an organized effort to tell comprehensive, contextualized stories about the important collaborative achievements that contribute to a high-performing affordable housing system in Minnesota. In 2013, three narratives were completed: the HOME Program, the Minnesota Homeownership Center, and Minnesota Green Communities. A new website has been launched at [www.affordablehousingcollaboration.org](http://www.affordablehousingcollaboration.org) to share these reports and additional information about collaboration, increasing the sector’s capacity to create vibrant communities (see sidebar next page).

**Home Sweet Home and Home Sweet Home Again** The Fund also continued to travel its Home Sweet Home and Home Sweet Home Again art and poetry exhibits to raise awareness of the great need for affordable housing. In 2013, the exhibit was “reopened” at Intermedia Arts in coordination with the community arts organization’s 40th anniversary year and a companion film festival highlighting housing and community development efforts throughout the country. In the fall of 2013 through January 2014, The McKnight Foundation displayed the exhibit in its gallery space and hosted a special reception for artists, poets, and community leaders. View the collection at [www.fhfund.org/homesweethomeagain](http://www.fhfund.org/homesweethomeagain).



The Fund’s “Home Sweet Home Again” exhibit was seen by more than 2,500 people in 2013. Clea Felien | **Yellow House** (detail) | 2008

### Affordable Housing Collaboration Project

As a supporting organization of the Cities of Minneapolis and Saint Paul, the Metropolitan Council, and Minnesota Housing, the Family Housing Fund has taken a collaborative approach to its work as a housing intermediary out of necessity and because of a firm belief that collaboration amplifies outcomes. Since 1980, the Family Housing Fund has been working in partnership with public, private, and nonprofit partners on a range of activities from the Home Ownership Made Easy Program, with the Cities of Saint Paul and Minneapolis and the Metropolitan Housing and Redevelopment Authority; to the establishment of the Minnesota Homeownership Center with Minnesota Housing and private mortgage lenders; to the Minnesota Green Communities Initiative in partnership with Greater Minnesota Housing Fund and Enterprise Community Partners. In 2013, the Family Housing Fund told these stories through the Affordable Housing Collaboration: Outcomes and Lessons Learned Series.

As an intermediary organization, the Family Housing Fund is uniquely positioned to share the accomplishments of the affordable housing sector in Minnesota, of which we are proud to be a part. The Fund is telling in-depth, comprehensive stories that include a contextualized history of the collaboration, profiles of families and individuals that took advantage of the opportunities that these programs create, and qualitative and quantitative data. The Fund's partners are diverse; as such, the project strives to make information available that is relevant to our various stakeholders. Through the gathering of information, reflection, and analysis the Fund seeks to continue to expand our community's ability to produce and preserve affordable housing and improve the livability of neighborhoods.



The Affordable Housing Collaboration project is itself a collaborative effort among all of the partners that have been involved in these programs over the past 30+ years. The Fund is extremely grateful to our partners for making themselves available to provide information and review the stories before they are published. With their support, these stories are accurate and inspiring. In order to share broadly what the Fund has learned about creating opportunities for affordable housing and collaboration, a website ([www.affordablehousingcollaboration.org](http://www.affordablehousingcollaboration.org)) has been developed to house these stories, making them accessible to our partners to use as they continue to address ongoing housing issues. The website will be updated regularly with new stories, including Western U Plaza, the Hollman Settlement, the Minnesota Foreclosure Partners Council, and Northside Home Fund in 2014.



### Urban Land Institute Minnesota and Regional Council of Mayors

The Fund's partnership with the Urban Land Institute Minnesota/Regional Council of Mayors (ULI MN/RCM) creates a comprehensive, centralized, sustainable learning community that provides support and resources to local municipal officials who seek to provide a full range of housing choices in their communities.

The ULI Minnesota Housing Initiative fosters a platform for regional collaboration through the Regional Council of Mayors and its advisory committees. The Initiative's goals include: deepening regional collaboration and action, demonstrating the economic importance of a full range of housing choices and responding to the new normal—removing barriers and seizing opportunities, and engaging and convening partners.

Navigating the New Normal (NNN), a workshop offered by ULI MN to cities, was one of the major accomplishments in 2013, along with the Housing Policy Toolbox ([www.housingpolicy.org/toolbox/index.htm](http://www.housingpolicy.org/toolbox/index.htm)), Reinvesting in the Region initiative, and the Housing + Transportation Calculator ([www.locationaffordability.info/tcc.aspx](http://www.locationaffordability.info/tcc.aspx)). NNN focuses on the city—or a cluster of cities—in a way that strengthens their understanding of today's realities of development and redevelopment. It is designed to foster a dialogue about the opportunities and challenges inherent in a new economy based upon shifts in the market and changing demographics. As of the end of 2013, 28 communities have participated in this integrated workshop.

Together we can achieve the Fund's ultimate goal of providing affordable homes in healthy, vibrant communities to all families in the Twin Cities metro area.

### 2013 ANNUAL REPORT CONCLUSION

The Family Housing Fund is proud of its 2013 accomplishments, but recognizes that none of this work would be possible without the critical support of our funders, the strong relationships with our private and public partners, and the pioneering work of community members on the ground.

We are thankful for the ongoing support, guidance, and leadership of our 24-member board of directors, The McKnight Foundation, and our public partners—the cities of Minneapolis and Saint Paul, Minnesota Housing, and the Metropolitan Council. Additionally, we thank our many foundation and private funders, individual supporters, community partners, and the individuals, families, and children that we have the privilege to serve through our efforts. Please read on to view our funder acknowledgements, support for other organizations, 2013 financial statements, and our staff and board lists. Together we can achieve the Fund's ultimate goal of providing affordable homes in healthy, vibrant communities to all families in the Twin Cities metro area.



## ACKNOWLEDGEMENTS: GRANTS and CONTRIBUTIONS

### Grants and contributions were received from the following private organizations—2013

#### Operations

Bridgewater Bank  
Butler Family Foundation  
The McKnight Foundation  
Securian Foundation  
Target Foundation  
TCF Foundation  
Wells Fargo Foundation Minnesota  
U.S. Bank

#### Programs

The McKnight Foundation  
Medica Foundation  
The Minneapolis Foundation  
The Saint Paul Foundation  
Sheltering Arms Foundation  
Thrivent Financial  
Walker Foundation

#### Public/Private Initiatives

Frey Foundation  
Minneapolis Downtown Improvement District  
Minnesota Housing Finance Agency  
Phillips Family Foundation  
The Saint Paul Foundation  
Sundance Foundation

### Organizations that have received assistance from the Family Housing Fund—2013

#### Nonprofit Organizations

Ain Duh Yung Center  
Avenues for the Homeless  
Children's Defense Fund Minnesota  
Corporation for Supportive Housing (CSH)  
Family Promise of Anoka County  
Greater Metropolitan Housing Corporation (GMHC)  
HOME Line  
HousingLink  
Housing Preservation Project (HPP)  
KCQ, Inc.  
Legal Aid Society of Minneapolis  
Local Initiatives Support Corporation (LISC)  
Mid-Minnesota Legal Assistance  
Minnesota Coalition for the Homeless

Minnesota Home Ownership Center  
Model Cities, Inc.  
Neighborhood Development Corporation  
Neighborhood House  
Prospect Park 2020, Inc.  
Our Saviour's Housing  
Simpson Housing Services  
Southern Minnesota Regional Legal Services  
St. Stephen's Human Services  
Teens Alone  
The Family Place  
Twin Cities Community Land Bank, LLC  
Twin Cities Habitat for Humanity  
Urban Land Institute Minnesota  
Youth Link

#### Public Entities

Carver County Community Development Agency  
City of Minneapolis—Community Planning &  
Economic Development (CPED)  
University of Minnesota Foundation Real Estate Advisors



Contributions to the Family Housing Fund are greatly appreciated. We sincerely apologize for any errors or omissions in our list of acknowledgements. Please contact the Family Housing Fund at [www.fhfund.org](http://www.fhfund.org) or 612-375-9644 with any corrections.

Artwork: Jodi Reeb Myers | **Treasure House** (detail) | 2008

## 2013 CONSOLIDATED FINANCIAL STATEMENTS

### Statement of Financial Position .....

<b>Assets</b>	<b>2013</b>	<b>2012</b>
Cash and Cash Equivalents	\$ 2,391,248	\$ 3,249,247
Investments	8,243,179	11,448,523
Funds Held in Trust	142,779	202,648
Properties Held for Sale	994,607	1,814,002
Accounts Receivable	128,260	126,972
Contributions Receivable (Net)	4,572,500	2,769,525
Loans Receivable	96,312,665	95,271,843
Less: Allowance for Loan Losses	(42,138,721)	(41,868,263)
Other Assets	62,657	96,293
Furniture and Equipment	440,934	413,705
Less: Accumulated Depreciation	(375,726)	(320,190)
<b>Total Assets</b>	<b>\$ 70,724,382</b>	<b>\$ 73,204,305</b>

### Liabilities

Accounts Payable	\$ 261,695	\$ 304,604
Accrued Payroll and Vacation	68,454	59,346
Accrued Interest	187,613	13,649
Other Liabilities	1,081,618	950,156
Loan Guaranty	350,000	350,000
Grants Payable	348,250	1,106,000
Loans Payable—The MacArthur Foundation	758,799	736,930
Loans Payable—Minneapolis/Saint Paul	109,670	2,342,041
Loans Payable—Home Prosperity Fund and Foreclosure Remediation	30,557,585	32,575,690
<b>Total Liabilities</b>	<b>\$ 33,723,684</b>	<b>\$ 38,438,416</b>

### Net Assets

Unrestricted	\$ 15,112,981	\$ 11,519,075
Temporarily Restricted	21,887,717	23,246,814
<b>Total Net Assets</b>	<b>\$ 37,000,698</b>	<b>\$ 34,765,889</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 70,724,382</b>	<b>\$ 73,204,305</b>

### Statement of Activity .....

	<b>2013</b>	<b>2012</b>
	<u>Total</u>	<u>Total</u>
<b>Support and Revenue</b>		
Contributions	\$ 5,962,199	\$ 3,883,606
Investment Income	1,438,964	1,222,270
Program Income	1,885,060	1,365,486
In-Kind Contributions	105,034	226,169
Loan Forgiveness	2,232,371	—
Miscellaneous	57,876	116,923
<b>Total Support and Revenue</b>	<b>\$ 11,681,504</b>	<b>\$ 6,814,454</b>
<b>Net Assets Released from Restrictions</b>	<b>\$ —</b>	<b>\$ —</b>
<b>Expenses</b>		
Program Services	\$ 8,257,406	\$ 9,560,082
Support Services:		
Management & General	995,200	918,324
Fundraising	194,089	144,241
Total Expenses	\$ 9,446,695	\$ 10,622,647
<b>Change in Net Assets</b>	<b>\$ 2,234,809</b>	<b>\$ (3,808,193)</b>
<b>Net Assets—</b>		
Beginning of Year	<b>\$ 34,765,889</b>	<b>\$ 38,574,082</b>
<b>Net Assets—</b>		
End of Year	<b>\$ 37,000,698</b>	<b>\$ 34,765,889</b>

Financial Position\* December 31, 2013

Please Note: The full audited financial statements are available by calling the Family Housing Fund at 612-375-9644 or online at fhfund.org.

## BOARD and STAFF

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Finance Director

Sharon Henry-Blythe  
Director, Visible Child Initiative

Emily Seddon  
Lead Analyst



The Family Housing Fund's vision is that all families in the Minneapolis Saint Paul metropolitan area will have a home they can afford and a place from which they can prosper and contribute to the larger community.



801 Nicollet Mall • Suite 1825  
Minneapolis • Minnesota 55402

Tel 612-375-9644  
Fax 612-375-9648

[www.fhfund.org](http://www.fhfund.org)

Front cover: Lori Greene | **Untitled** (detail) | 2004 | Photo of EcoVillage by Scott Streble

Back cover left: Linda Frichtel | **Living in Community** (detail) | 2007 | Right: Lori Greene | **Untitled** (detail) | 2004

JUNE 2014