


JANUARY
2022

Strategy Refresh Framework



FAMILY HOUSING
FUND

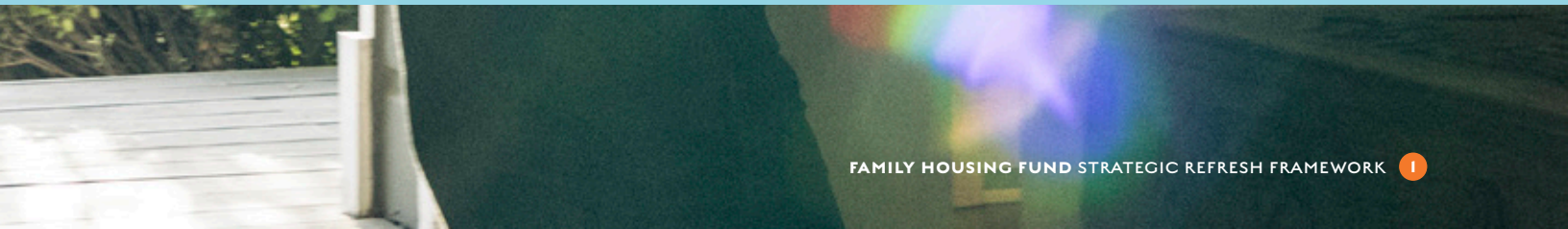
Illuminating solutions. Sparking change.
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Together, we can build a strong, equitable and resilient housing system that enables people, communities, and the region to prosper.



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Our Manifesto

We Can Build a Better Housing System that Works for Everyone

At the Family Housing Fund, we believe every person deserves a place to call home. Although much has changed over the past three years, this simple statement remains the heartbeat of our organization.

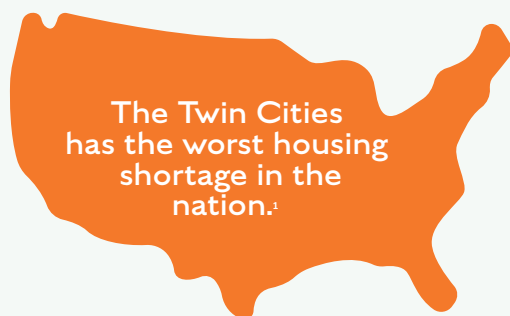
A safe, decent home is the bedrock for families. We know that when more people have access to decent, affordable housing, everyone in our region benefits from increased health, safety, prosperity, and community. And quality, well managed housing is a magnet for additional investments that build stronger communities. As we said in our 2018 strategic plan, housing is the foundation that builds success stories.

We also know that not everyone in our region has had access to a decent, affordable home. In fact, many Black, Indigenous, and families of color have been intentionally excluded from the stability and opportunity that affordable housing can provide. The Family Housing Fund's strategic framework is focused on disrupting the harmful policies and practices that make affordable housing inaccessible, replacing them with those that shape a strong, equitable and resilient regional housing system.

We are calling this document a "refresh" of our 2018 strategic framework because the conditions

THE CHALLENGE BEFORE US

We have a complicated and highly segmented housing system that doesn't function well for families who need it. Historically, our region's communities became racially segregated through intentionally racist housing policies. This led to lasting patterns of segregation and disinvestment that must be addressed through a regional and race-conscious approach to housing policy. Over the years, various affordable housing programs have been developed to match new funding sources, and these programs often have layers of regulation and process, creating a complicated system. At the same time, a growing housing shortage and high construction prices are causing rapidly rising housing costs while incomes remain stagnant for many working families. This affordability crisis has a disparate impact on families who are BIPOC.

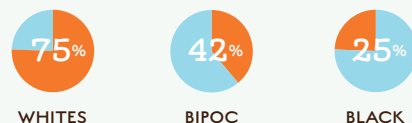


HOMEOWNERSHIP INCREASINGLY OUT OF REACH

Home prices are growing at historic rates while incomes remain stagnant. The Twin Cities region has one of the nation's highest racial homeownership gaps.



The Twin Cities' median home price increased by 11% in the year between October 2020 and October 2021.²



Just 42% of BIPOC households own their homes compared to 75% of white households. Only 25% of Black households own their homes.³

of the past several years challenged our work in unimaginable ways. The pandemic, the murder of George Floyd, and the uprisings required us to pivot and reflect. We see more clearly than ever before that when crisis hits, Black, Indigenous and People of Color (BIPOC) suffer most, compounding the racial disparities that already exist in our region. For the Family Housing Fund, this means that we cannot be content with interventions focused broadly on the greater good—instead, we must intentionally name racial housing disparities, strive to dismantle systemic racism within the housing system, and work in deep partnership with BIPOC-led community development organizations that best understand these problems and how we can collectively solve them.

With all that we have lived and learned these past years, we are emerging with a strategic framework that offers greater clarity about the solutions we bring. We know that the Family Housing Fund is unique in the breadth of our partnerships and our ability to leverage resources to improve access, affordability, and resilience across the regional housing system.

We know it will take many partners and a diversity of perspectives to advance the transformative change we envision. And we know it will also take an organization like the Family Housing Fund that understands the complexity of the system and has its collective eye on the horizon to prepare for what comes next. Finally, we know that it will take humility and persistence within our organization as we deepen our commitment to racial equity and build the relationships necessary to do so with intention and authenticity.

These are the ideas that you will find woven into this refreshed strategic framework. Pathfinding. Systems-level interventions. Transformative impact. Rich partnerships. Regional interconnections. And, across all the work, we must find creative ways to ensure we're advancing proactive solutions that contribute to a racially equitable housing system in the Twin Cities region.

This is how we will build a housing system that works for everyone.

MARKET FORCES DECREASING AFFORDABILITY

Unlike food, medical care, and education, housing is a basic need with no entitlement and insufficient federal and state funding sources. As a result, most households that qualify for housing assistance do not receive any help.

3,500 UNIT SHORTFALL

Housing production is 3,500 units short of the need annually, causing the shortage to grow worse each year.⁴



In this tight market, existing homes are losing affordability—especially after property sale.



\$1,365 MEDIAN RENT

The median rent for an apartment in the Twin Cities region is \$1,365.



25% COST BURDENED

One in four Twin Cities households are cost burdened, paying more than 30% of their income on housing.⁵



AMERICAN INDIAN HOUSEHOLDS ARE COST BURDENED



BLACK HOUSEHOLDS ARE COST BURDENED

BIPOC households are struggling to afford their homes at even higher rates.⁶

12,300 EVICTIONS FILED IN 2019

BIPOC families and women disproportionately experience eviction.⁷



LASTING IMPACTS OF THE COVID-19 PANDEMIC

Thousands of households are currently at risk of eviction or foreclosure due to COVID-related income loss, which is likely to limit their future housing options for years to come. At the same time, an influx of federal pandemic relief funding offers a historic opportunity to stabilize families and transform our system long into the future.

ROUGHLY 60K



47% are BIPOC

MINNESOTANS ARE BEHIND ON RENT⁸

APPROX.

48,500

MINNESOTANS HAVE FALLEN BEHIND ON MORTGAGE PAYMENTS⁹



Who We Are

At the Family Housing Fund, we believe every family deserves a place to call home. Working together, we can build a strong, equitable and resilient housing system that supports access to decent, affordable housing for everyone in the region.

The Family Housing Fund is a supporting organization of government. Because of our unique cross-jurisdictional accountability structure, we have a full view of the many factors that impact housing access, affordability and equity.

We employ a proven innovation cycle that provides structure and replicability, but also allows for strategic flexibility. Within this innovation cycle, we identify and explore emerging issues, pilot systems interventions, and embed the interventions that show transformative promise. Across projects and partnerships, we identify, fund, test, and embed new ideas, innovations, and solutions.

OUR MISSION

To help the affordable housing network adapt to the needs of families in complex and constantly changing conditions.

OUR VISION FOR FAMILIES

When families have a decent, affordable place to call home, they have opportunities to build their own success stories, put down roots in their communities, and thrive in networks of social and familial support.

OUR VISION FOR THE HOUSING SYSTEM

A housing system that works for everyone in our region will be fair and predictable, produce a breadth of real housing choices, address the entrenched impacts of systemic racism, and offer solutions at a scale that meets the regional demand for affordable housing.

OUR UNIQUE POSITION

We work in a field with many peers, allies, and collaborative partners. The Family Housing Fund is different in three specific ways:

BIG PICTURE

Our breadth in perspective and relationships throughout the Twin Cities region give us an unmatched view of the housing system.

BALANCED PERSPECTIVE

We support all types of affordable housing and value everyone working on housing solutions. Our knowledge of housing-related markets and public policies lead to authentic and practical relationships.

BOLD INFLUENCE

We use flexible organizational resources to convert new ideas into solutions that benefit families through a process that involves:

- Identifying & exploring emerging issues
- Piloting interventions
- Embedding interventions for systems change



We're a pathfinder that bridges a variety of important perspectives to catalyze bold action toward a housing system that works for everyone.



Our Approach to Innovation

In developing our 2018 Strategic Framework, the Family Housing Fund articulated a three-step Innovation Cycle that fueled durable housing system changes. We have learned that it works. When we implement our Innovation Cycle with intention and purpose, we yield results. In stepping back to look at our successes, we can more clearly state what makes this model work and what changes we need to implement to expand our impact.

STEP ONE

IDENTIFY AND EXPLORE
EMERGING ISSUES

We identify promising opportunities by listening to diverse perspectives and keeping a broad view of the entire housing system throughout the Twin Cities region.

STEP TWO

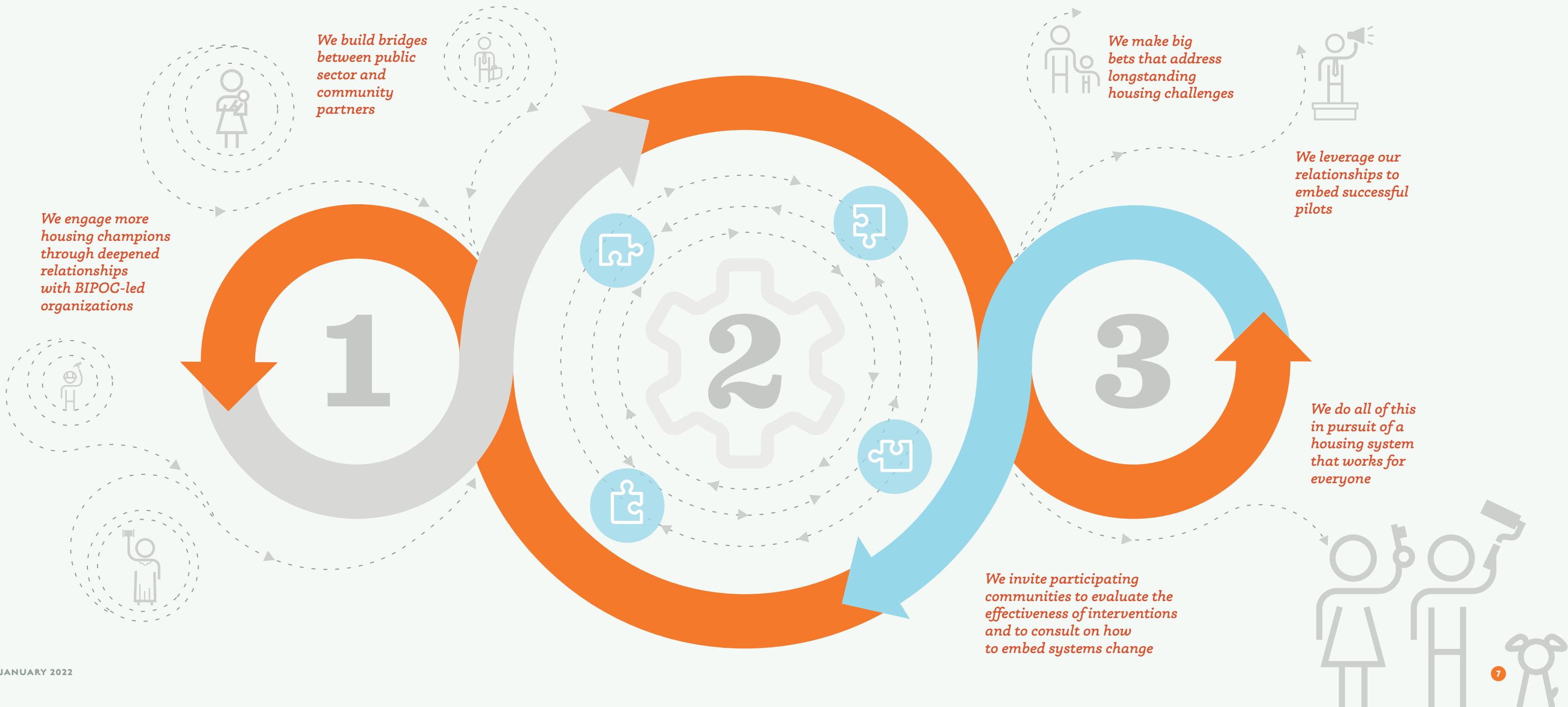
PILOT
INTERVENTIONS

We champion and support new ideas, catalyze efforts of diverse partners, and elevate and amplify solutions.

STEP THREE

EMBED INTERVENTIONS
FOR SYSTEMS CHANGE

We apply a focused systems analysis to discern when interventions are ready for broader adoption.





STEP 1 Identify and Explore Emerging Issues

We leverage our unique position in the field to hear the perspectives of everyone working on housing solutions and keep a broad view of the entire housing system in the Twin Cities region. This must include the voices and perspectives of those who have been historically and intentionally marginalized within the housing system if we are going to truly disrupt entrenched racial disparities.

ACTIONS WE'LL TAKE

- Expand and deepen relationships with BIPOC-led organizations and BIPOC communities, while maintaining respect for our longstanding relationships with current partners
- Build bridges between the ideas, perspectives and work of public sector and community-based partners
- Inspire public sector partners to act boldly to meet the regional need for affordable housing
- Share power with partners, being careful to work alongside—not on behalf of—disinvested communities
- Build new networks and organize new partners that honor the intersections between housing and other key issues that affect people's lives
- Activate partners by bringing fresh energy and resources where there is potential for high-impact housing interventions
- Compensate BIPOC-led organizations and people who bring their unique lived experiences to our work to shape housing solutions when they share their valuable time, experience, and knowledge with us
- Communicate the Family Housing Fund's grantmaking process clearly
- Drive action, while knowing when to lead and when to support the efforts of community partners

STEP 2 Pilot Interventions

To date, the Family Housing Fund has taken on a variety of roles in piloting housing interventions, from funding efforts already underway in the community, championing new ideas and supporting partner capacity to pursue them, and amplifying and elevating successful efforts. The Family Housing Fund is adept at navigating a variety of contexts and considering which role it can play to best leverage its unique position as well as the skills and experience of partner organizations. We have learned that this flexibility enables us to stay creative and responsive to what is needed in communities.

ACTIONS WE'LL TAKE

- Connect the lived experience of BIPOC and low/moderate-income communities to the systems changes we advance
- Make big bets on opportunities that address longstanding housing challenges
- Invite communities that participate in pilot programs to evaluate their effectiveness and to consult on how to embed the intervention for systems change
- Use an iterative process to test interventions until it's clear whether a path to meaningful scale and systems change is feasible

STEP 3 Embed Interventions for Systems Change

Moving ideas from pilot projects toward embedded systems change is where the Family Housing Fund makes a sustained impact. The Family Housing Fund understands these systems and how they affect housing access and affordability for cost-burdened households. We must apply a sharp and focused systems analysis to discern when interventions are ready for broader adoption and how we can strategically advance our priorities within a complex housing market.

ACTIONS WE'LL TAKE

- Elevate and prioritize the most effective interventions developed in Step 2, with a preference for those that intentionally and directly address racial equity within the regional housing system
- Leverage our relationships with government agencies and policymakers to embed pilots that have demonstrated success in expanding housing access, affordability, and racial equity
- Sunset or transfer pilots that cannot be effectively embedded for large-scale systems change
- Activate champions and build public support for proven interventions
- Advance learnings throughout the region and support local partners in adapting solutions to their unique geographies





Our Goals and Strategies

Together, we can:

Ensure a fair and predictable marketplace.

Preserve and produce more units.

Inspire the public to take action toward housing solutions.

GOAL ONE

Expand Opportunities

The marketplace is fair and predictable, and low- and moderate-income families have equitable access to opportunities to build wealth and live in healthy, affordable homes throughout the region.

STRATEGIES TO SPARK AND CATALYZE CHANGE

- Improve housing stability by reducing involuntary moves and displacement.
- Ensure homes in the region are decent and affordable.
- Replace exclusive rental screening practices and mortgage credit application standards with criteria that more accurately predict indicators of success.
- Expand affordability through rental subsidies and income supports to ensure families have true choice in housing throughout the region.
- Leverage housing investments to build wealth for low- and moderate-income people—particularly BIPOC households—and the communities they call home.
- Increase homeownership opportunities for BIPOC households, including owner-occupant landlords of small, multi-family properties.

GOAL TWO

Increase Supply

More units are preserved and produced, using practices that are efficient and cost effective. New solutions and partners disrupt entrenched practices, resulting in housing that is decent, affordable and equitable for families living in the Twin Cities.

STRATEGIES TO SPARK AND CATALYZE CHANGE

- Increase housing choices by expanding new approaches to development and preservation in the region.
- Inform local policy throughout the region to preserve and produce housing, advance racial equity, and connect cities' actions for regional impact.
- Preserve government-assisted affordable homes.
- Champion development strategies that value gentle density and add vital entry-level homeownership options, accessory dwelling units and small, multi-family properties.



GOAL THREE

Activate More Housing Champions

A broader set of champions take coordinated actions that advance housing solutions for the Twin Cities region.

STRATEGIES TO SPARK AND CATALYZE CHANGE

- Elevate housing to be broadly viewed as critical infrastructure that is vital to the region's prosperity and a vehicle to end racial disparities.
- Lead our region toward embracing a mindset of opportunity, grounded in the belief that we can work together to solve the housing problems we face.
- Draw attention to emerging and unattended housing problems that require new solutions and investments.
- Position the housing community to take full advantage of new public will and resolve.
- Build more power within the housing system by providing deeper support to BIPOC housing partners and developers.



Our Strategic Framework

VISION FOR FAMILIES

**Affordable
Homes** / **Prospering
Families**

VISION FOR HOUSING SYSTEM

**Breadth
of housing
choices** / **Fair,
predictable
and racially
equitable** / **Solutions
at scale**

EXPAND OPPORTUNITIES

The marketplace
is fair and predictable.

Low- and moderate-
income and BIPOC
families have greater
access to opportunities
to live in decent,
affordable homes.

INCREASE SUPPLY

More units are
preserved and
produced more
efficiently and cost
effectively.

New solutions disrupt
entrenched practices,
resulting in housing
that is affordable for
more families living in
the Twin Cities region.

ACTIVATE MORE HOUSING CHAMPIONS

A broader
set of housing
champions
are engaged.

New housing
champions take
coordinated actions
toward housing
solutions.



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¹ T. Butcha, J. (2021, September 18) No wonder it's hard to find a new home: The Twin Cities has the worst housing shortage in the nation. Star Tribune. Found at: www.startribune.com/no-wonder-its-hard-to-find-a-new-home-the-twin-cities-has-the-worst-housing-shortage-in-the-nation/600098521/.

² Minnesota Realtors. "Local Market Update for October 2021."

³ U.S. Census Bureau, 2019 American Community Survey analyzed by Minnesota Compass

⁴ Family Housing Fund and Lisa Sturtevant and Associates. "Housing and Economic Growth in the Twin Cities: Quantifying the Critical Link Between Housing Supply and the Region's Economic Prosperity." 2019.

⁵ U.S. Census Bureau, Decennial Census, and 2019 American Community Survey analyzed by Minnesota Compass

⁶ Integrated Public Use Microdata Series from the U.S. Census Bureau, 2019 American Community Survey analyzed by Minnesota Compass

⁷ Minnesota Judicial Branch (mncourts.gov/Help-Topics/Data-Requests/Dashboards.aspx)

⁸ Census Household Pulse Survey, 2019 American Community Survey analyzed by PolicyLink and National Equity Atlas (www.policylink.org/node/63161)

⁹ Census Household Pulse Survey



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