EDEN PRAIRIE HOUSING TASK FORCE
MINUTES
WEDNESDAY, JULY 10, 2019

HTF MEMBERS: Chair Joan Howe-Pullis; Vice Chair Lyndon Moquist; Carol Bomben, Pedro Curry, Terry Farley, Marlene Fischer, Mohamed Nur, Joan Palmquist, Anne Peacock, Ken Robinson, Emily Seiple

STAFF: Community Development Director Janet Jeremiah, Housing and Community Services Manager Jonathan Stanley, City Manager Rick Getschow, Councilmember Mark Freiberg, Deputy City Clerk Kyle Salage

GUESTS: PROP Food Shelf Program Director/Employment Counselor Jenny Buckland, PROP Board Member Julie Siegert, Alex Rank

I. WELCOME & INTRODUCTIONS

Chair Howe-Pullis called the meeting to order at 5:35 p.m. Absent were Housing Task Force members Bomben, Curry, Fischer, and Nur.

Task Force members, staff, and guests in attendance gave introductions. Howe-Pullis noted electronic copies of all the documents presented at the meeting can be sent out to the Task Force if desired. She outlined the meeting agenda and noted a PROP handout was distributed to the Task Force.

II. PRESENTATION BY JENNY BUCKLAND, PROGRAM DIRECTOR OF PROP

Buckland provided an overview of PROP efforts in the areas of housing and financial assistance. Their housing programs serve approximately 3,100 individuals. The Homelessness Prevention Emergency program in particular serves approximately 77 households, most of which are seniors living alone.

The collective budget for PROP housing programs is approximately $84,400. This funding comes primary from generous private donors and faith community members, as well as the CDBG program. Buckland noted a racial gap in program participation in Eden Prairie, with 58% of those needing financial emergency assistance being of one or more minority groups. However, the reasons for seeking assistance varies, with job loss being the most common. Additionally, the percent of income being spent on housing has increased among those served by the organization. Approximately 61% spend between 51 and 80% of their income on housing.

Buckland then moved the discussion to barriers facing families and individuals in the area. She noted private landlords pose a higher risk of eviction and generally charge higher rent. The costs of a security deposit makes it difficult for families to move, and an eviction history makes it nearly impossible to get approved for a rental. As such, people are forced to turn to extended stay hotels. Moreover, she noted those participating in the Housing Choice

Voucher / Section 8 program and minority families – particularly those with children – have reported not always feeling welcome in their respective neighborhoods. Howe-Pullis asked how families report to PROP when not feeling welcome. Buckland indicated accounts such as these are generally shared with staff who have relationships with the clients.

Additionally, Buckland noted Hennepin County is denying rental assistance in the area as their funding has been redirected to Rapid Rehousing and Shelter services as opposed to homelessness prevention. Transportation also continues to be a challenge, especially for young families. Siegert indicated the PROP organization will be meeting soon to discuss the issue of housing, welcoming Task Force input to pass along at this meeting and recognizing the work of the Task Force may affect PROP clients.

Howe-Pullis inquired about specifics regarding the financials of the PROP Food Shelf and Housing Program clients, in terms of AMI and similar statistics. Buckland stated approximately 97% of clients are self-declared as being as 50% of AMI or lower, noting there is a minimum percentage of clients who must fall within these guidelines in order for them to distribute food.

Freiberg inquired as to whether rents can fluctuate, even when signed to a lease, and whether this is a way to take advantage of tenants who don't speak English well. Moquist indicated rent can generally be raised after a lease rolls over into another year, but that should be the only way to legally do so. However, Robinson noted private landlords do not always have lease language to fall back on. Buckland added rents are more volatile now, particularly if lease agreements with landlords are informal. Jeremiah pointed out new developments often tack on amenity and access fees, on top of the regular rent. She added while the common requirement of renter's insurance can be a financial burden, this does protect the renter's belongings and shield the landlord from potential lawsuits. However, she noted those with a lower credit rating will pay a higher rate for renter's insurance.

Moving on to the subject of drug addiction, Buckland stated PROP wants landlords to be proactive in referring their tenants to them if addiction assistance is needed. Private landlords have generally been more hesitant to work with PROP in this respect, but progress is being made.

Howe-Pullis asked what action PROP would like to see from Hennepin County in terms of funding. Buckland stated funding from the county was lost to the needs of the urban core. However, she expects county funding will eventually return to prevention. Moquist asked for clarification as to what the public and private funding breakdown is for the organization. Buckland indicated while no funding was received from the county, approximately 72% comes from grants and the faith community, and the remaining 28% comes from the federal CDGB program (through the City). The remainder comes from other federal sources. Moquist stated this source breakdown should be made known in grant applications.

On the subject of the Emergency Assistance Program, Buckland indicated it has in fact been a service for twelve (12) years. Howe-Pullis asked how the program has changed since its inception. Buckland indicated clients are generally staying in the program longer. Approximately 25% of clients are lost every year, but this loss is made up for with 25% of new clients to balance things out. During the recession, people moved in and out of the program more quickly.

Freiberg added landlords do not always like or accept Section 8 vouchers, and inquired as to whether there is a way around such policies. Stanley stated acceptance of Section 8 vouchers is each landlord's individual choice, so the City cannot force them to do so. The choice to refuse them is in part driven by the perception the Section 8 process is more difficult, that there may be more damage to the units, and they will receive significantly less in rent than the market rate would dictate. In Eden Prairie, Section 8 vouchers pay out more than most cities, but landlords may still receive less than market rate. Rank commented Minneapolis is struggling with this because there is intense screening during the rental application process.

Howe-Pullis noted she received an email from Beacon Interfaith Collaborative Coalition, inviting the Housing Task Force to an event on July 17th with Commissioner Debbie Goettel.

III. INTRODUCTION TO EXISTING TO EDEN PRAIRIE SINGLE FAMILY/OWNER-OCCUPIED PROGRAMS

Stanley provided an overview of the First Time Homebuyer program. Robinson expressed concern that requiring a purchase agreement to be in place before applying is a barrier. Moquist inquired as to whether anyone can work through a purchasing agreement. Stanley anyone who is certified can do so. Jeremiah indicated perhaps the purchasing agreement requirement could be streamlined. Stanley noted funds from the City program can be combined with funds from the state program. Freiberg inquired as to whether the program has a finite amount of funding. Stanley indicated it does. Freiberg followed up by asking whether this funding is adequate, or if it is likely to run out. Jeremiah noted CDBG funding, which the program relies on, has been depleted over the years. Freiberg asked whether the City Council could help with recovering these lost funds. Jeremiah indicated the Council could allocate General Funds towards the program, or increase the budget for social services. Stanley added more pooled TIF money could also be used. Moquist noted warranties could be a cheap solution for getting appliances and such replaced. Stanley indicated those with a lower percent of Annual Median Income are more likely to be in the rental community.

Stanley summarized the Senior Emergency Program, along with the program statistics. Jeremiah noted senior project development permits are on the uptick since the recession. Farley asked how these programs are communicated and advertised to groups like seniors. Jeremiah stated they are generally promoted through utility bills, school districts, and churches.

Stanley summarized the Community Land Trust program operated by the West Hennepin Affordable Housing Land Trust, or WHAHLT, and indicated there are not enough affordable homes in Eden Prairie. However, Jeremiah noted it is difficult to stay within the price limit. Howe-Pullis asked for an explanation as to how the payment works. Palmquist noted Habitat for Humanity gets all of its funding from Bremer Bank now. Stanley stated the City had looked at working with Habitat for Humanity, but the organization failed to get its needed funding for the project through Hennepin County.

The Task Force agreed to move the Group Discussion item to the beginning of the next meeting. Stanley then summarized the other elements program.

IV. INTRODUCTION TO EXISTING MULTIFAMILY PROGRAMMING AND POLICY

Jeremiah summarized the TIF program, noting the maximum lifespan for a TIF district is twenty-six (26) years. Palmquist asked for clarification on the definition of "in perpetuity". Jeremiah noted the issue of perpetuity does get complicated. Rank commented building codes are changing nationwide, not just regionally. Sieple asked for clarification as to whether it has to be shown TIF funding is necessary to afford something in order to get it. Jeremiah indicated this is indeed a requirement, because the program is not intended to subsidize luxury. She added developers can agree to have their property assessed at an agreed minimum value. Jeremiah then summarized the Livable Communities Program. Stanley noted inclusionary housing has been a City practice for at least 2-3 years. Eden Prairie is the only city in the metro requires affordability in perpetuity. Jeremiah indicated developers have come around on this program, because they have realized the City isn't asking for very much.

Stanley pointed out while a Fair Housing Policy is required, it is also beneficial. Additionally, he noted there can sometimes be relocation benefits, protections against radical rent increases, or prohibitions on rescreening under tenant protection ordinances.

Palmquist inquired as to the status of Aspire 2040. Jeremiah indicated it was approved by City Council, and is now under review by the Metropolitan Council. Palmquist expressed interest in establishing a charter for the Task Force, in order to outline its goals. Freiberg noted the goals of the Task Force were intentionally left broad because of the diversity of the members on it. However, the issue of housing affordability can be a starting point to look into other related issues. Moquist stated the Task Force needs to be holistic in its approach, and not focus exclusively on affordability. Siepel noted there is an affordable unit requirement in Aspire2040. Peacock expressed doubt the City will ever be a truly affordable place to live.

V. GROUP DISCUSSION

This item was moved to the next meeting of the Task Force.

VI. ADJOURN

Howe-Pullis adjourned the meeting at 7:32 p.m.