



Reimagining Affordable Rental Housing

Transforming Affordable Housing from Subsidy to Stability: A Five-Year Research Demonstration Project





About Us

Hope Community creates connections that **strengthen the power of community members and communities**, pursuing equity and diversity in all we do. Our mixed-income rental homes are long-term quality housing. As leading providers of affordable housing in Minneapolis, we have come to realize the **limitations of the current affording housing model**.

With the Center for Urban and Regional Affairs (CURA) at the University of Minnesota, we have begun to work on a pilot program that could drastically **alter the affordable housing status quo** and **create a more holistic model of housing**.

Our partnership with CURA presents an unprecedented research opportunity: **a true pre/post study with a control group—the gold standard in research design**. This allows us to rigorously evaluate not just whether our approach works, but precisely how it impacts residents, buildings, and organizations simultaneously.



Our Ask

In a system that is so deeply entrenched in its ways, we need compelling research and data to **bring about systemic change and alter the status quo.**

The current funding model for affordable housing, typified by the Low Income Housing Tax Credit program, while valuable, has **documented inefficiencies** in how public dollars translate to resident benefits. Our model directly **challenges this dominant funding mechanism with an approach that could deliver more value per dollar invested.**

The pilot will demonstrate to **fundors, elected officials, and other stakeholders** the benefits

and opportunities of this new funding model.

We require **\$9M** to carry out our demonstration project successfully.



Cost Breakdown

Resident subsidy fund We plan to use the Chicago Low-Income Housing Trust Fund Self-Certification program to administer these funds in a way that is practical, efficient and minimally burdensome on residents.	\$3,750,000
Hope Direct Expenses 5 years of existing staff costs and additional capacity to track data and outcomes as part of research collaboration.	\$375,000
Research and Evaluation At least 5 years collaboration with CURA	\$375,000
Property Capital Needs	\$4,500,000
TOTAL	\$9,000,000





Why HOPE?

Hope is uniquely positioned to undertake this project within its own portfolio. Since our affordable housing portfolio is already divided into two types of properties in the Twin Cities, we will be able to view the impact of our pilot on a treatment group.

This project represents more than refinancing—it's **an opportunity to fundamentally reimagine affordable housing finance**. While LIHTC has established momentum, our demonstration could **catalyze a shift toward more efficient use of both private and public resources**. Government agencies have expressed interest in our approach, suggesting that **philanthropic leadership now could potentially open doors to public sector partnerships in the future**. Your early investment positions this innovation at the critical proof-of-concept stage needed to attract broader support.

Why philanthropy?

Philanthropic funding can fuel **innovative new solutions that drive change**. Experts agree that partnerships with both philanthropic and government bodies promote lasting social change.

Funding this project allows Hope and CURA to demonstrate **evidence based funding models** that improve tenant and landlord housing outcomes.

How the Pilot Works

**Current Funding Model
(LIHTC)**



Control Group

Philanthropic Funding



Treatment Group

Measures

We will compare outcomes of a control group of tax credit properties with those in the demonstration project, allowing us to see not only the **'before' and 'after'** at a particular property but the **efficacy of this new model against standard tax credit developments, providing rich opportunities for meaningful policy changes.**

Our research will track over **15 distinct measures across three dimensions**, including:



Tenant outcomes

income changes, employment stability, educational attainment, healthcare access, subjective wellbeing, and community participation



Building outcomes

maintenance quality, operating costs, energy efficiency, and sustainability



Organizational outcomes

financial health, service delivery capacity, and long-term viability



Subsidy Fund

funds affordable housing building operations to cover the market-rate rent amount



organizations require less rent from tenants

organizations are able to maintain buildings

Organizations
take less debt, improved organizational health



Residents

not cost-burdened



Buildings

higher quality

Sustainable Implementation

While philanthropic funding launches this demonstration, the model is designed with sustainability in mind. Success metrics will build the case for permanent public funding mechanisms that could institutionalize this approach. Unlike traditional models where funding cliffs threaten stability, **our approach creates a pathway to integrate with existing housing finance systems for long-term implementation.**

Benefits



Resident Stability

Ensures that rent is truly affordable for residents, who only need to pay 30% of their income.



Housing Quality

Improved housing quality as properties have sufficient revenue to cover administrative costs.



Building and Organization Sustainability

Properties have sufficient revenue to cover expenses



Systemic Change

Proof-of-concept for efficient housing dollar use, with potential to scale and inform policy across local, state, and federal levels.





Return on Investment

Your philanthropic investment in this demonstration delivers **multiple returns**:

Direct Impact:

- Immediate **housing stability** for families paying only 30% of their income
- Improved quality of life through **eliminating housing cost burden**
- Better-maintained buildings with **sufficient operating revenue**

Knowledge Impact:

- The **first-of-its-kind research** with rigorous controls and comprehensive measures
- Generates **evidence-based insights** to influence housing policy nationwide
- Potential to fundamentally **transform affordable housing finance**

Leverage Impact:

- Early philanthropic dollars positioned to **attract public sector investment**
- Opportunity to be at the **forefront of housing innovation**
- **The potential to influence** how billions in housing subsidies are deployed nationally