



STEVENS SQUARE RESIDENCE

Hennepin County and Alliance Housing

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PROJECT OVERVIEW

Hennepin County is the largest county in Minnesota, and includes the city of Minneapolis. Like many counties around the country, the county began leasing hotel rooms in March of 2020 to provide non-congregate shelter for individuals who were homeless and at greatest risk of contracting COVID-19. By May of 2020, Hennepin County also sought and received approval from the county board to begin searching for hotels and other appropriate buildings that might be available for purchase.

At the same time, Volunteers of America (VOA) was transitioning a residential treatment center to a new facility. VOA reached out to Hennepin County, Alliance Housing (a non-profit housing provider with a 30-year record of providing low-cost housing, primarily for low-income individuals in Minneapolis), and other partners to assess interest in purchasing the existing facility. The building met the county's acquisition criteria and Alliance Housing's mission.

Located in the Stevens Square neighborhood on the south side of Minneapolis, the Stevens Square Residence is a rectangular 3-story building, with 31 sleeping rooms, a shared bathroom and shower facility on each floor, and one efficiency unit for the on-site manager. It is located across the street from Stevens Square Park in a neighborhood adjacent to downtown Minneapolis. It is well served by public transportation and has good access to services. The property was built in the 1960s and was in reasonably good condition at the time of the offer.



ACQUISITION AND REHABILITATION OF THE PROPERTY

Hennepin County acquired the property in November of 2020 and negotiated a facility lease and management agreement with Alliance Housing to operate the property as a single-room occupancy permanent housing property. Alliance Housing serves as the legal landlord of the property, and is responsible for all leasing, maintenance and management under the agreement.

The total cost of acquisition and rehabilitation of the property was \$1.1 million (\$36,400 per room, for 31 rooms) and was funded with local resources available to the county for housing.

Scope of Rehabilitation Work

Because the property had been operating as a residential treatment facility, the scope of the improvements was modest, consisting of painting, providing locks on all of the rooms, and providing furnishings.

The first residents were able to move into the property on December 30, 2020.

Regulatory matters

It was not necessary to seek a change of use under the zoning code because the property was already being used as a group residential facility.

PROPERTY OPERATIONS AND SERVICES

In this building, Alliance Housing rents rooms to single adults who share bathroom and kitchen facilities. The target population is low-wage working adults and persons on fixed incomes. Rents are \$375 per month, and the property does not use any form of on-going rental assistance. Tenants must be able to live independently, and must agree to house rules restricting after hours guests.

There is a shared bathroom facility on each floor (one designated for women and two designated for men) plus two private bathrooms on the lower level of the building. The lower level also provides a single shared kitchen facility and laundry facilities.

Initially, all tenants were referred to Stevens Square Residence by the county from hotels being used as emergency shelters. As those emergency shelters emptied, the county added referrals from a list of people experiencing chronic homelessness. If referrals are not available for all units, Alliance Housing will fill any remaining units using its existing property wait lists.

While there are no formal services provided to the tenants at the Stevens Square Residence, there is a resident manager at the property, and Alliance Housing has a history of connecting residents of its properties with appropriate services in the community.



KEY SUCCESS FACTORS

- Hennepin County sought and obtained authorization from the County Board in May of 2020 to identify hotels and other suitable properties that could be purchased by the county for immediate use to safely shelter vulnerable people, and for eventual conversion to permanent SRO housing. This early action allowed county staff to move quickly when they became aware that the Stevens Square Residence property was available for purchase.
- Alliance Housing has an established reputation and track record in Minneapolis as a compassionate and successful manager of rental housing for low-wage adults and people on fixed incomes, including for people who had previously experienced homelessness.

Contact Information

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