



Minnesota Housing Agency Overview and Budget

Jennifer Leimaile Ho, Commissioner

February 11, 2025

Our Mission: The Core Purpose

Housing is foundational to a full life and a thriving state, so we equitably collaborate with individuals, communities and partners to create, preserve and finance housing that is affordable.

Our Unique Role



- Established in 1971
- Seven-member board of directors
 - includes State Auditor
- Annual independent financial audit
- No direct appropriations for agency operating costs
- Serve statewide

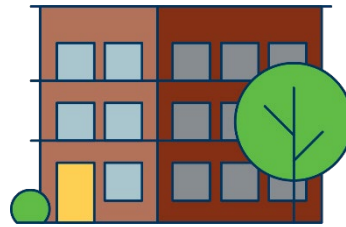
A Mission-Driven Financial Institution

- AA+ Bond ratings from Moody's and Standard & Poor's
- A leading State Housing Finance Agency for homeownership lending
- Sound management of financial resources and Agency earnings create additional resources to serve more Minnesotans
- Our partnership with the Legislature is a model for other states and allows us to serve people with the greatest needs

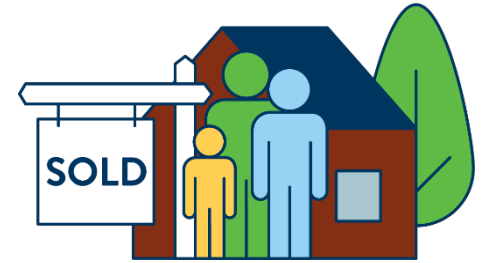
Financing Needs Across the Housing Continuum



**Homelessness
Prevention**



**Rental
Housing**



Homeownership

Minnesota Housing Does Not:

- ✗ Build or develop housing
- ✗ Own properties
- ✗ Regulate housing or development
- ✗ Mediate landlord-tenant disputes, or enforce MS 504B
- ✗ Help people find housing
- ✗ Set or enforce local housing, zoning or land-use policies
- ✗ Administer Section 8 Housing Choice Vouchers

Agency Structure

Single Family (Homeownership)

First Mortgage
Downpayment
Assistance
Home Improvement
Single Family
Construction
Homebuyer
Education
Manufactured
Home Communities

Multifamily (Rental)

Multifamily
Construction,
Rehabilitation, and
Preservation
Housing Tax Credits
Greater Minnesota
Workforce Housing

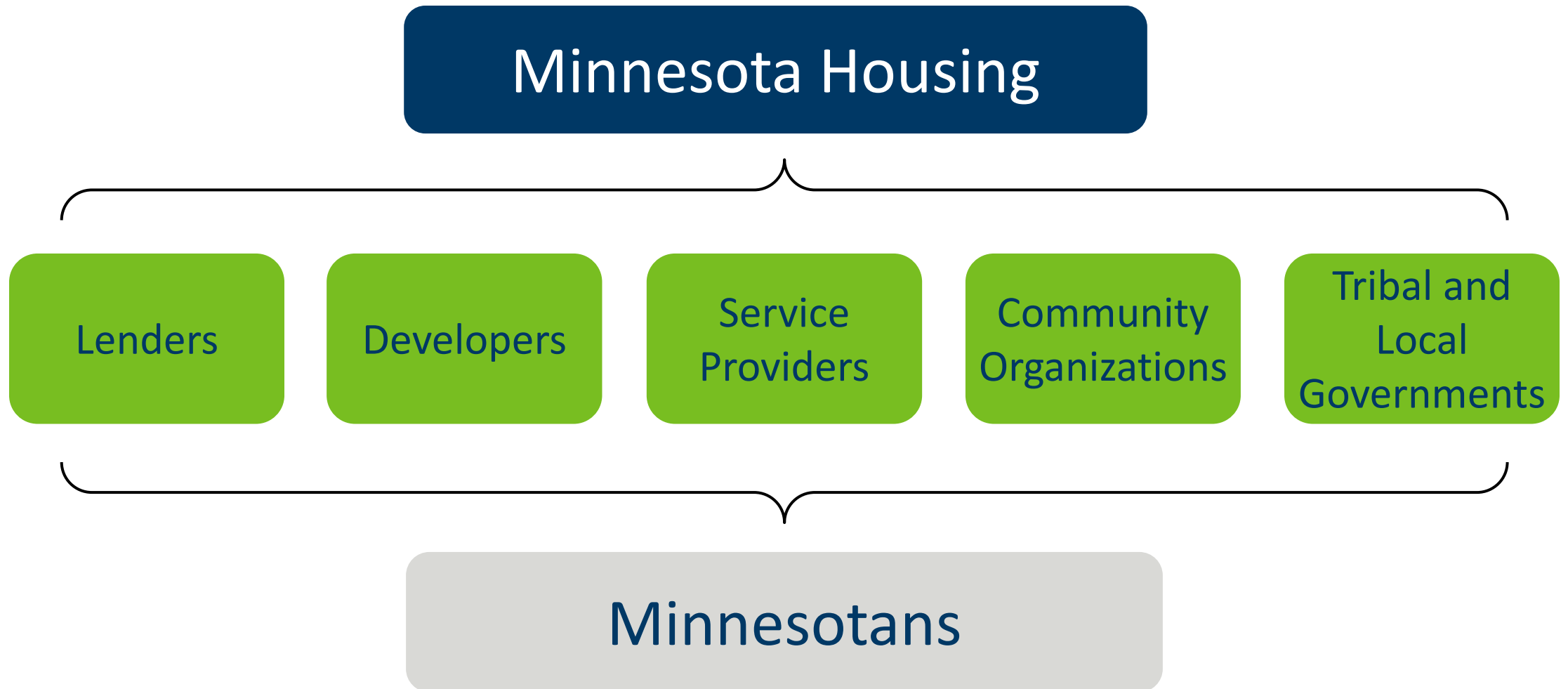
Housing Stability

Homelessness
Prevention
Supportive Housing
Targeted Rent
Assistance

Local Government Housing Programs

Bring It Home
Rental Assistance
Local and
Statewide Aid
Greater
Minnesota
Infrastructure
Local Housing
Trust Funds

Program Delivery via Partnerships

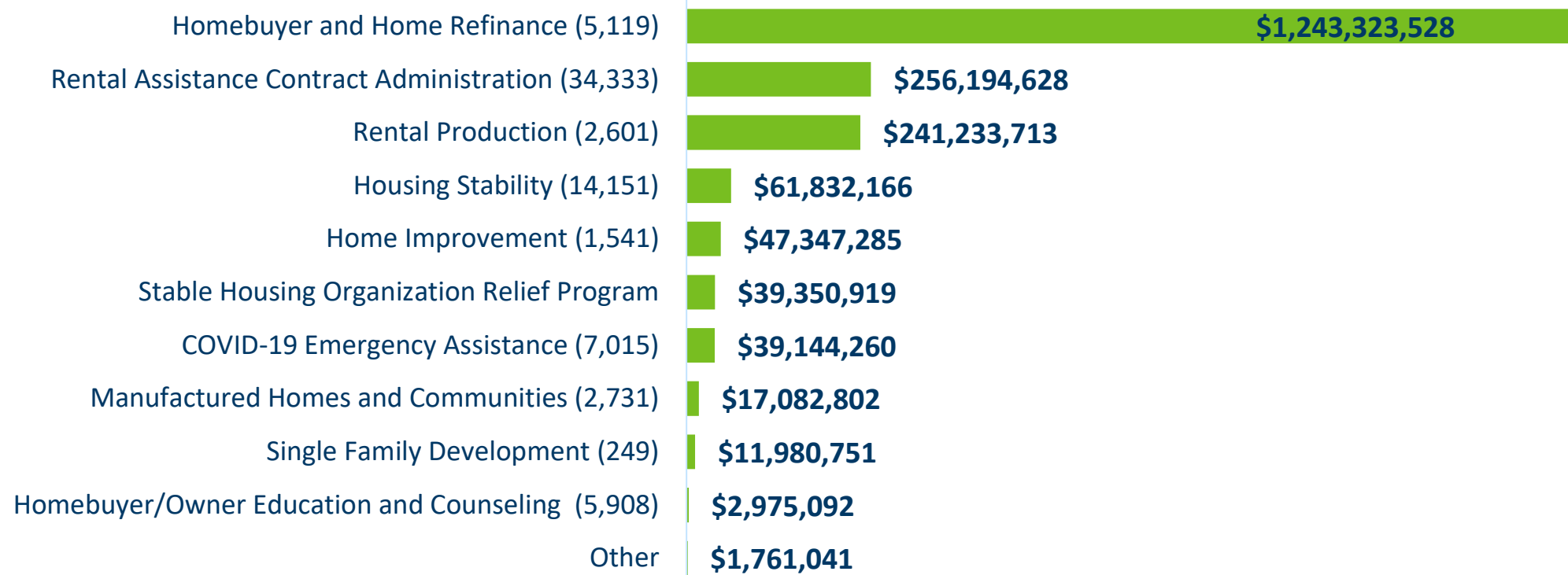


Areas of Impact

\$1.96 billion in program expenditures in FFY 2024

More than 73,600 households served

Total assistance by program (households served)

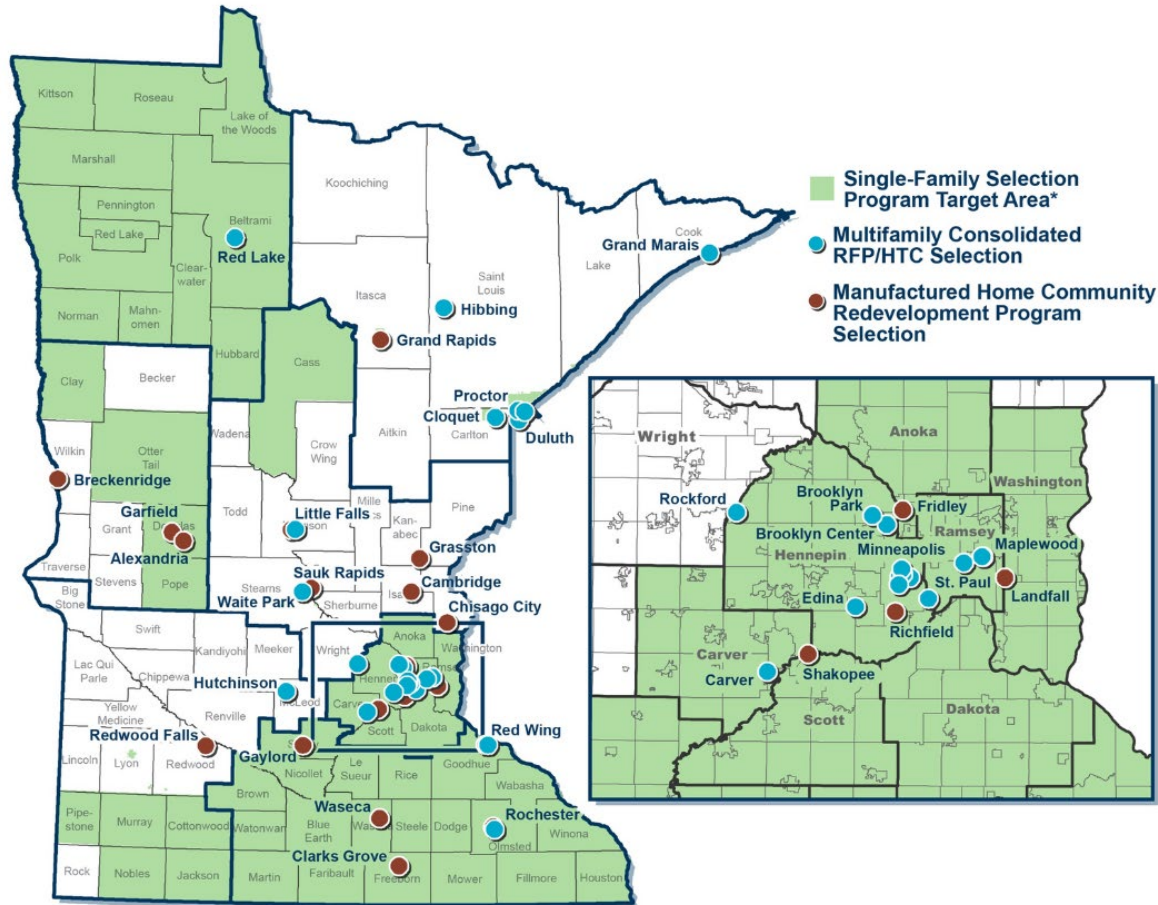


Competitive RFP and Grant Process



- Most funding is awarded through competitive requests for proposals (RFP).
- Our largest funding round each year is the Consolidated RFP.
 - One-stop shop for funding from multiple programs and sources
 - Proposals are matched to the sources that have compatible eligibility, working to maximize efficiency and utilization and leverage resources
 - Scoring criteria are regularly evaluated to adapt to changing conditions and prioritize Minnesotans with the greatest needs

Consolidated RFP Selections 2023



Total: \$348 million

Homeownership:

- Largest-ever (nearly \$110 million) impacting over **1,300 homeownership opportunities**.
- **46%** of projects selected serve Greater Minnesota

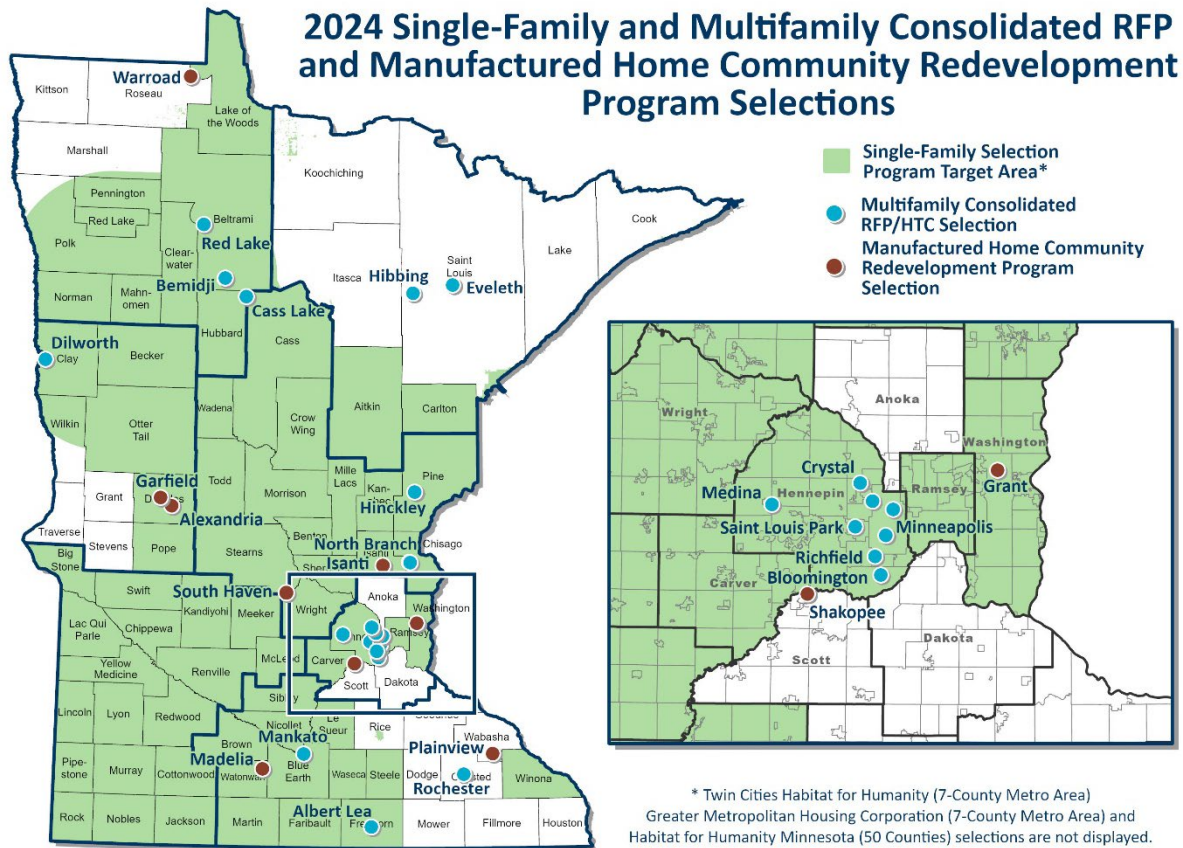
Rental:

- Nearly **\$150 million in state resources** (Housing Infrastructure, Challenge and PARIF)
- **54%** were in Greater Minnesota
- Selected **less than a third of applications** due to high demand and limited resources

Manufactured Housing:

- Largest ever selections with 19 communities and \$21.5 million

Consolidated RFP Selections 2024



Total: \$191 million

Homeownership:

- **587** single family homes impacted (172 new construction).

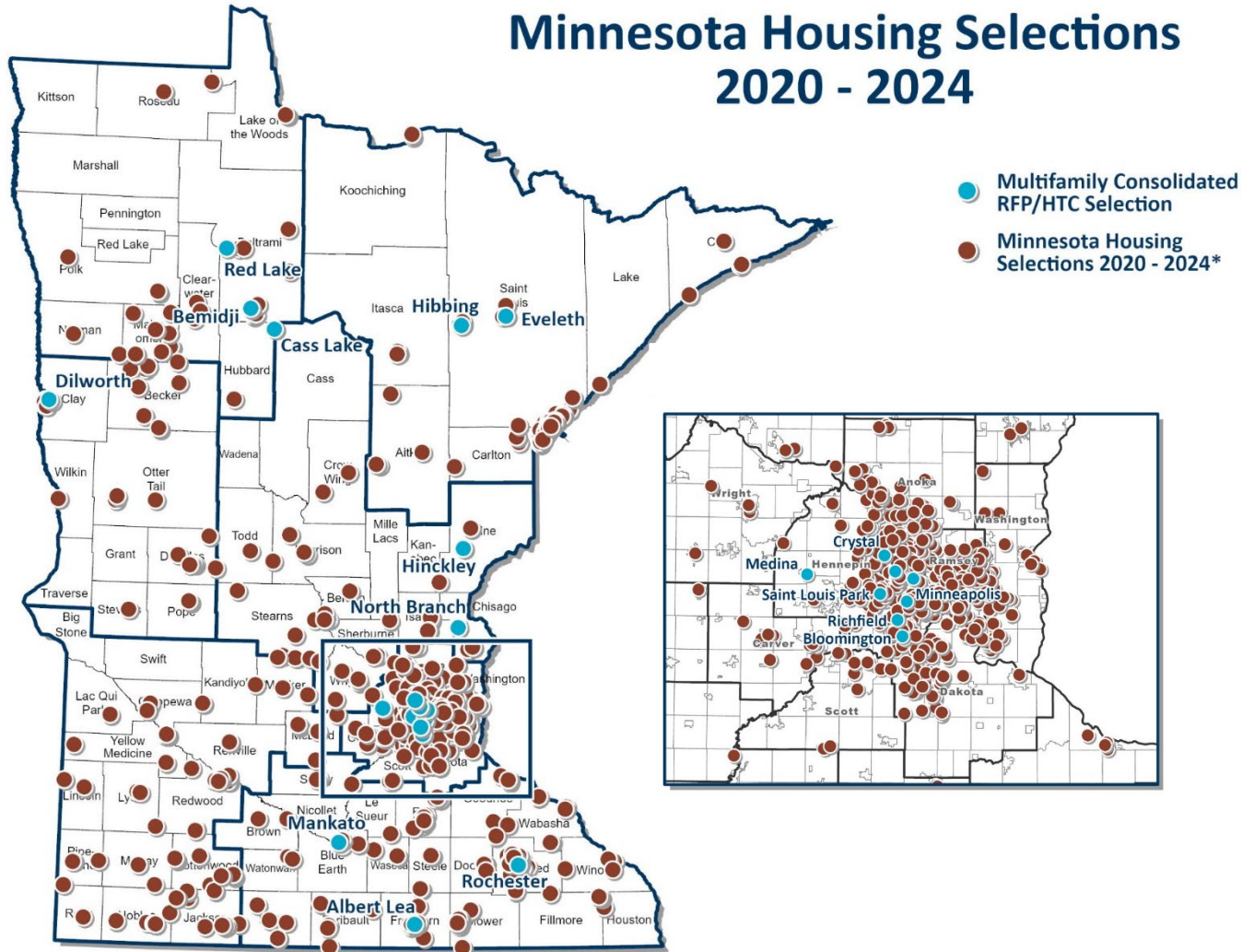
Rental:

- 959 total units impacted (55% new construction, 45% preservation).
- **62%** of projects are in Greater Minnesota.
- 186 units designated for seniors.

Manufactured Homes:

- **\$2.7 million** for infrastructure improvements in 9 communities

Selections and Programs Reach Across the State



FY 2024 Competitive Assistance:

48% Greater Minnesota (\$173 m)

52% Twin Cities (\$188 m)

FY 2022-24 Competitive Assistance:

47% Greater Minnesota (\$455 m)

53% Twin Cities (\$522 m)

Update on Funding from 2023-24 Sessions

Minnesota Housing: All Programs

Prior Existing RFPs

Housing Infrastructure

Challenge

Family Homeless Prevention (FHPAP)

Manufactured

Workforce Housing

Preservation (FHPAP)

Rental Rehab (FHPAP)

Rehab Loan (FHPAP)

Housing Trust

Bridges

Homework Station

Agency Downpayment Assistance

Capacity Building Grants

Public Housing Rehab (POHP)

Homeowner Education

Greater Minnesota

Workforce Housing Development

2023 New Programs

Agency First Generation Homeownership

Community Stabilization (NOAH)

Bring It Home Rental Assistance

High-Rise Sprinkler Grants

Lead-Safe Homes

2024 New Programs

Recapitalization of Distressed Properties

2023 Legislatively Named Grants and Other Programs

Named Grantees in Challenge, Public Housing Rehab, FHPAP and Capacity Building Grants

Aeon – Huntington Place (NOAH)

Work Group on Expediting Rent Assistance

2024 Grants

Wilder Foundation Homeless Study

Wilder Park Senior High-Rise

Other New Programs

Federal HOME-ARP

Homebuying Partnership Program for

The 2023 session doubled the number of programs that Minnesota Housing administers.

Minnesota Housing: All Programs

Prior Existing RFPs

Housing Infrastructure
Challenge
Family Homeless Prevention (FHPAP)
Manufactured Housing Park Infrastructure
Workforce Homeownership
Preservation (PARIF)
Rental Rehab Deferred Loan
Rehab Loan (Homeownership)
Housing Trust Fund
Bridges
Homework Starts with Home
Agency Downpayment Assistance
Capacity Building Grants
Public Housing Rehab (POHP)
Homeowner Education
Greater Minnesota
Workforce Housing Development

2023 New Programs

Agency First Generation Homeownership
Community Stabilization (NOAH)
Bring It Home Rental Assistance
Local Affordable Housing Aid (LAHA)
Statewide Affordable Housing Aid (SAHA)
Greater Minnesota Tier II Cities Grants
Stable Housing Organizational Relief
Homeownership Investment Grants
Strengthen Supportive Housing
Manufactured Home Lending Grants
Greater Minnesota Housing Infrastructure
High-Rise Sprinkler Grants
Lead-Safe Homes

2024 New Programs

Recapitalization of Distressed Properties

2023 Legislatively Named Grants and Other Programs

Named Grantees in Challenge, Public Housing Rehab, FHPAP and Capacity Building Grants
Community-Based First-Generation Homebuyer
Fee-Based Home Purchasing
BuildWealth – 9,000 Equities
Northcountry Cooperative Foundation
Community Stabilization Project
Community Mediation
Northland Foundation
Aeon – Huntington Place (NOAH)
Work Group on Expediting Rent Assistance

2024 Grants

Wilder Foundation Homeless Study
Wilder Park Senior High-Rise

Other New Programs

Federal HOME-ARP
Homebuying Partnership Program for Interest-Averse Borrowers
Local Housing Trust Funds
State Tax Credit Contribution Fund

Recently Completed Funding Opportunities

Selections Approved or Funds Disbursed

- Agency First-Generation Downpayment Assistance - **\$50 million**
- Greater Minnesota Workforce Housing Development - **\$39 million**
- Public Housing Rehab (POHP) - **\$39.5 million**
- Capacity Building Grants - **\$5 million**
- State Housing Tax Credit Program Contributions - **\$9.9 million credits (\$11.6 million contributions)**

RFP Period Closed, Selections Pending

- Family Homeless Prevention and Assistance (FHPAP) - **\$20.5 million**
- Homework Starts With Home- **\$5.5 million**
- High Rise Sprinkler System - **\$6 million**

Upcoming Funding Opportunities

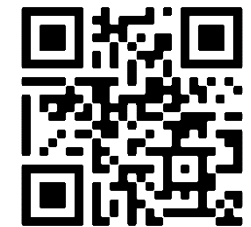
RFPs Opening Soon:

- Local Housing Trust Fund* – February 12
- Publicly Owned Housing II – mid-February
- Bring It Home Rental Assistance* – mid-February
- Greater MN Tier II Cities* – ITA now open; RFP mid-February
- Greater MN Infrastructure* – Est. March
- Community Stabilization/NOAH* – Est. April

RFPs Open Now:

Homeownership Investment Grants*

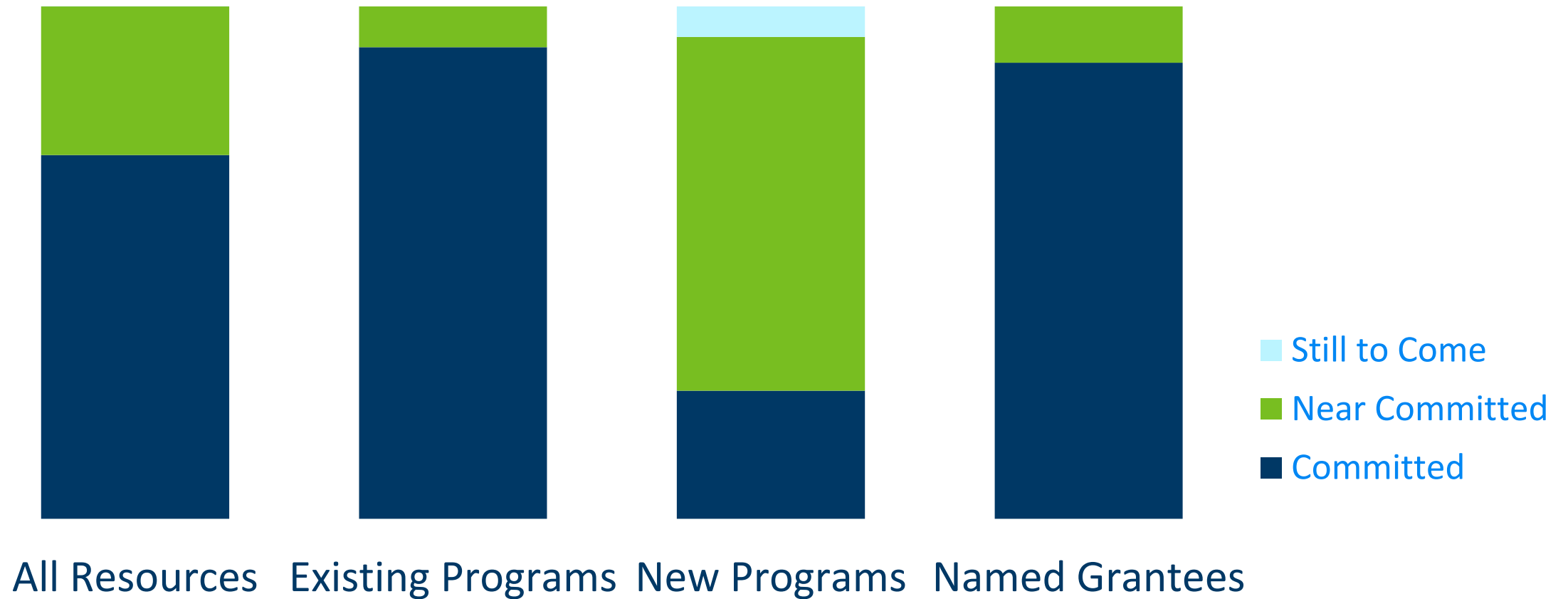
*See open and upcoming
funding opportunities at
mnhousing.gov*



*identifies new program

Over 70% of Biennium Funding is Committed

Percent of Funding Committed



Program Highlights

Highlight: Housing Infrastructure


*"I was so worried
for our friends
here. The only
family we have is
our neighbors."*

*Corinne,
Resident
Bickham Court*



*Scan to hear
Corrine's story*

Highlight - Publicly Owned Housing

A photograph of two women sitting on a floral patterned couch in a living room. The room is decorated with numerous potted plants on a wooden console table and a coffee table. A large window is in the background, and a framed portrait hangs on the wall. The woman on the left is wearing a black top, and the woman on the right is wearing a white top and glasses.

"The affordable rental market is dire for many seniors in rural Minnesota and many of them have nowhere else to go."

-Dana Hiltunen, Virginia HRA

Highlight: Economic Development Housing Challenge



*"We can tackle
this issue together!
Let's make
homeownership
a reality for our
community."*

Ryan Daniel
Managing Partner
Dreamliner Estates

Highlight – First-Generation Downpayment Assistance



- Agency distributed **\$50 million** in downpayment assistance to approximately 1450 households, from spring through late fall of 2025.
- 80% are Black, Indigenous and homebuyers of color.
- The \$100 million community-based program via Midwest Minnesota CDC continues to operate.

Minnesota's Housing Crisis Continues

Housing Shortage & Rising Costs Impacting Minnesotans

Rental Housing

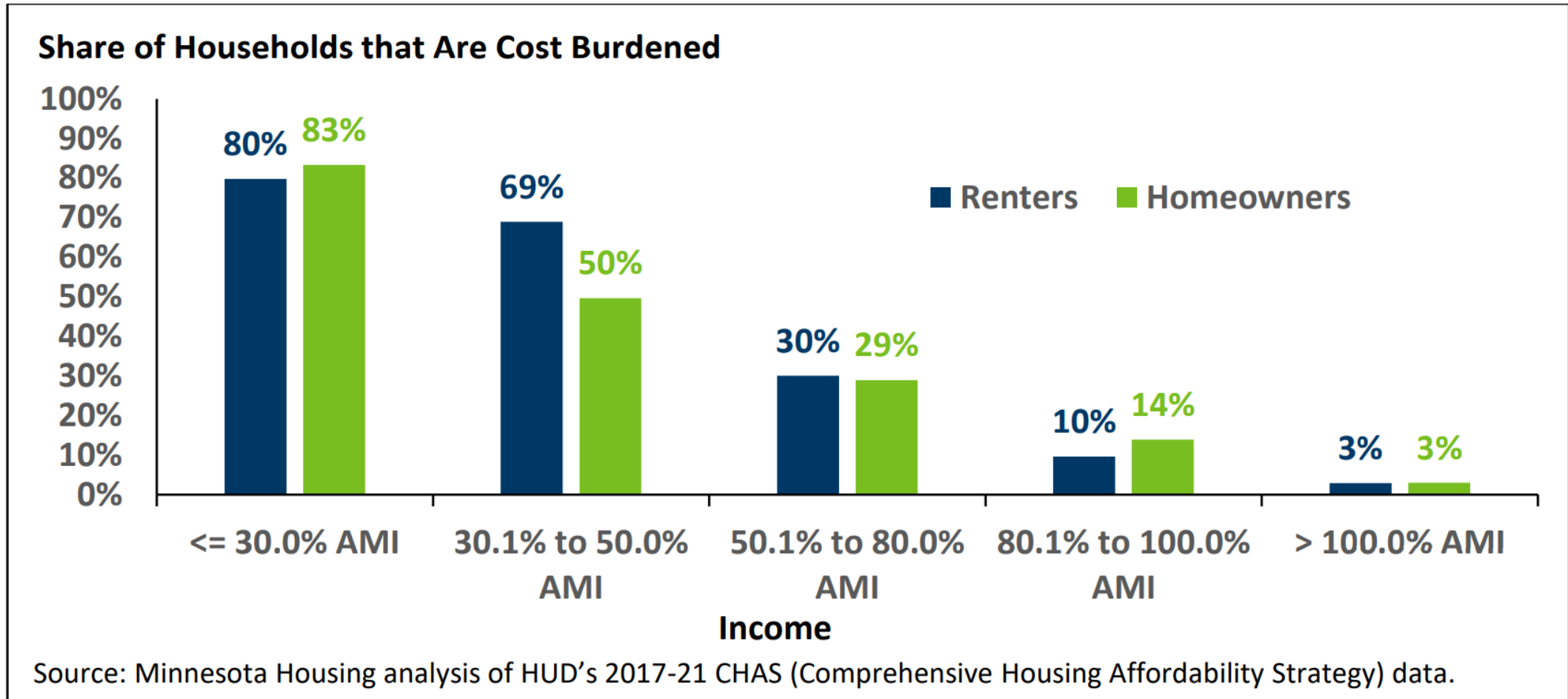
- Harder to build new housing, and **we are not building enough homes**.
- **Evictions remain high**.
- **Rents** have been increasing and **outpacing incomes** for lowest income renters.
- Affordable rental providers face **increasing operating costs** (e.g. insurance) with constrained income.

Single-Family Homeownership

- Homeownership **disparities** between white households and households of color remain **egregious and persistent**.
- Harder to become a first-time homebuyer
- **Supply remains low**, especially for homes under \$300,000

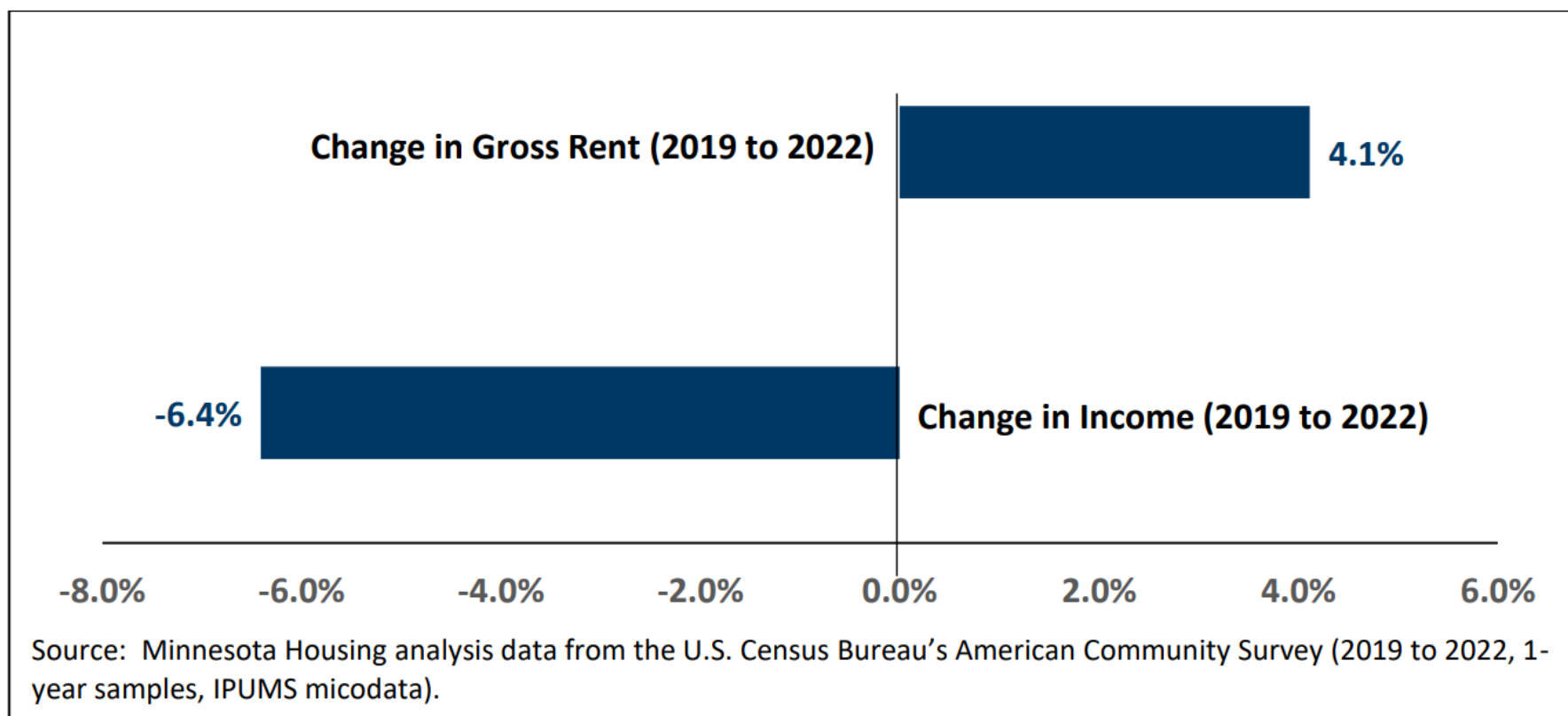
No significant new federal funding for housing development or preservation

Most Minnesotans with the Lowest Incomes Pay Too Much for Their Housing



Lower-income Renters are Squeezed

For renters with the lowest incomes, rents have risen faster than inflation, while incomes have failed to keep up.



Agency Budget

Investment in Housing Through Recent Years

- FY 2022-23 base was \$115.6 million
- 2023 was unprecedented, \$1.3 billion, largely in one-time appropriations.
- Proposed FY 2026-27 is \$165.6 million



Governor's Budget Recommendations

FY 2026-27

Preserve and Create New Homes

53,800,000

Capital for construction and rehabilitation of single family, multifamily, and manufactured housing.

Increase Housing Stability

106,000,000

Support to prevent displacement and/or stabilize the most vulnerable Minnesotans.

Support and Strengthen Homeownership

4,500,000

Resources to help more Minnesotans become homeowners.

Build and Support Organizational Capacity

1,300,000

Grants to organizations for regional coordination

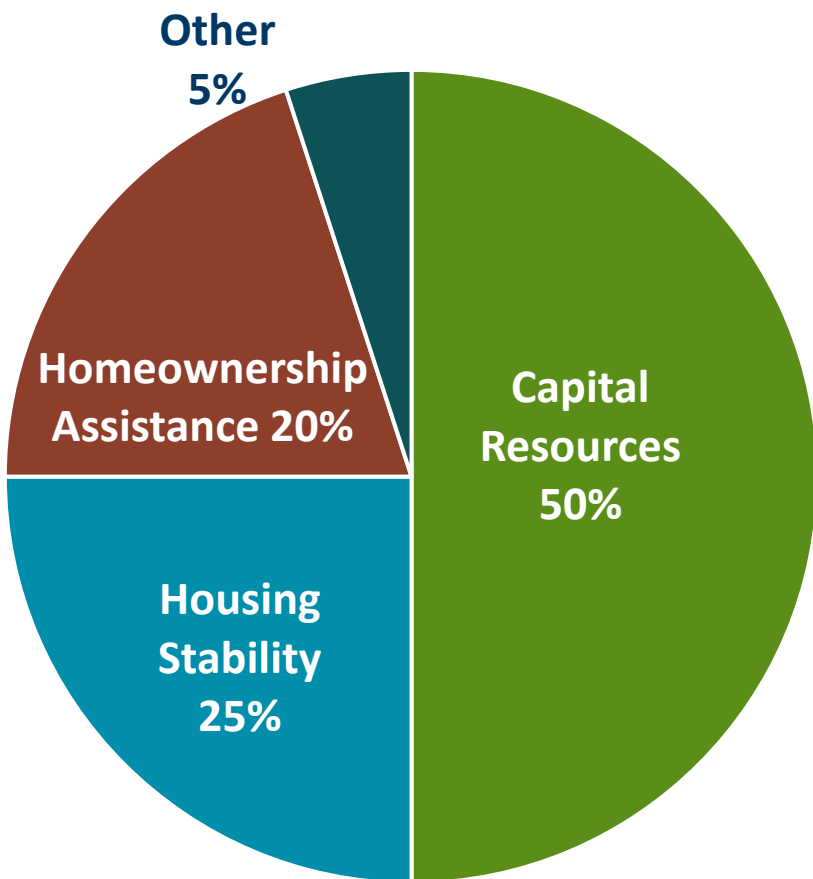
Total Agency Budget

165,600,000

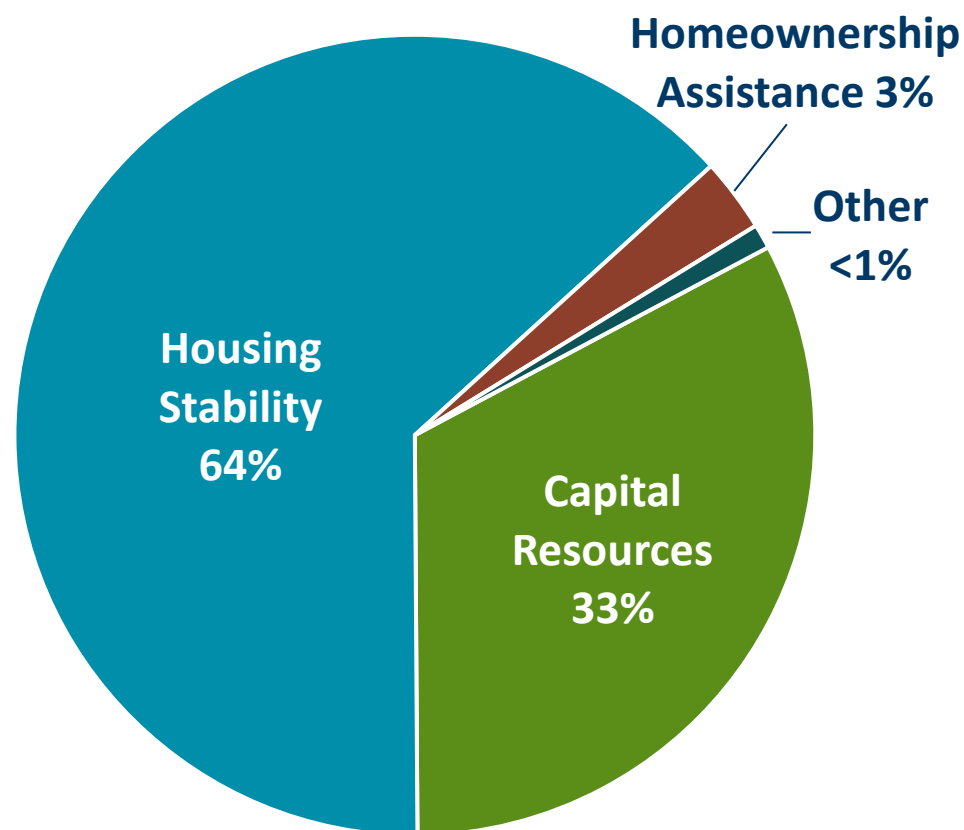


State Appropriations by Housing Use

FY 2024-25



FY 2026-27



FY 2026-27 Base Budget

Build More Homes

Economic Development and Housing Challenge Program (EDHC)	\$25.9 million
Workforce and Affordable Homeownership	\$0.5 million
Greater Minnesota Workforce Development	\$4 million

Preserve the Homes We Have

Manufactured Home Park Infrastructure	\$2 million
Rental Rehab Program	\$7.5 million
Preservation of Federally Assisted Housing (PARIF)	\$8.4 million
Rehabilitation Loans (Single Family)	\$5.5 million

Build and Support Organizational Capacity

Capacity Building	\$1.3 million
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Homeless Prevention/Housing Stability

Bring It Home Rental Assistance	\$46 million
Family Homeless Prevention and Assistance (FHPAP)	\$20.5 million
Housing Trust Fund	\$23.3 million
Homework Starts with Home	\$5.5 million
Bridges	\$10.7 million

Support and Strengthen Homeownership

Homeownership Assistance Fund	\$1.8 million
Homeownership Education, Counseling and Training	\$1.7 million
Build Wealth	\$1 million

TOTAL

165.6 million

Preserve and Create New Homes

Economic Development and Housing Challenge (Challenge)

Workforce Homeownership Program

Greater Minnesota Workforce Housing

Manufactured Home Community Infrastructure Grants

Rental Rehabilitation Loans

Preservation (PARIF)

Rehab Loans (Single Family)



Economic Development and Housing Challenge

Challenge is the No. 1 source of state appropriations to develop new housing.

- No-interest deferred loans or grants to for-profit and non-profit **developers** and **local units of government**.
- Provides **flexibility** by letting communities identify the types of housing that best fit their needs.
- Can be used for new construction or rehabilitation, and funds **both rental housing and homeownership**.
- Awarded through Consolidated RFP; leverages private and federal funds from multiple sources.



\$25.9 million in FY 2026-27

HOUSING PRODUCTION

	Households	Median Income	Households of Color
Rental:	301	\$22,793	72%
Ownership:	230	\$51,025	60%

Note: program data is based on FY 2024 expenditures.

Workforce Homeownership Program

The program funds **homeownership activities** to increase the supply of housing across the state.

- Can be used for development costs, rehabilitation, land development, affordability gap and residential housing by eligible program awardees.
- In 2024, the program funded **36 proposals** to create and preserve **439 units** of housing for a total of **\$41.6 million**.



\$500,000 in FY 2026-27

Median Income

\$50,445

Households of Color

30%

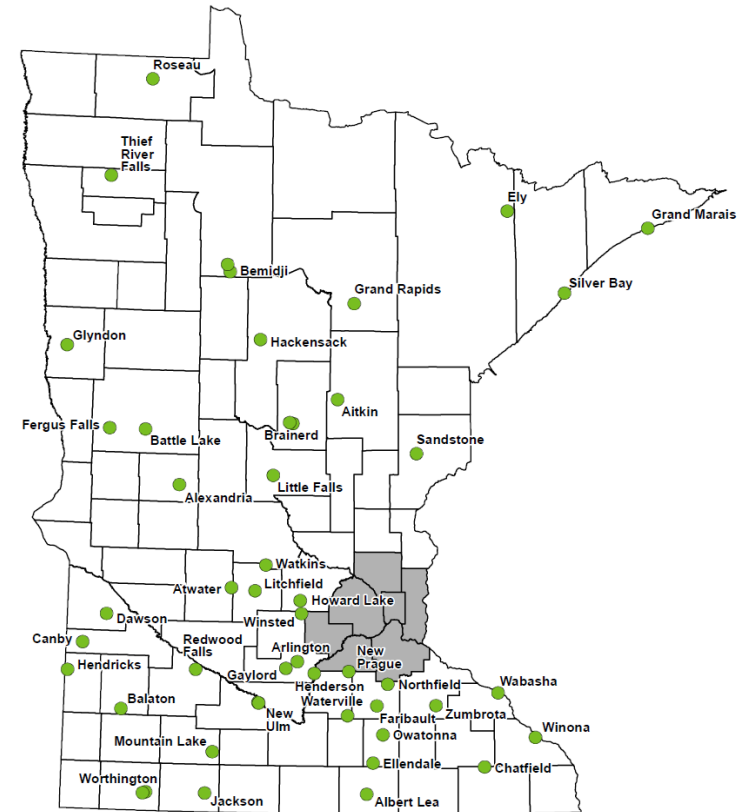
HOUSING PRODUCTION

Greater Minnesota Workforce Housing Program

Deferred loans for projects in small to mid-size communities in Greater Minnesota with **market rate** workforce housing needs.

- Grants made to local units of government for construction of new rental housing.
- Since 2017 the program has awarded more than \$50 million in resources to build more than 1,500 units.
- This program strives to meet the needs of smaller communities by prioritizes cities with fewer than 5,000 people and as building smaller scale developments.

2024-25: \$38.6 million awarded to 27 projects representing 832 units *(48 applications were received, requesting nearly \$99 million.)*



\$4 million in FY 2026-27

HOUSING PRODUCTION

Manufactured Home Community Infrastructure Grants

Eligible uses of funds include:

- **Infrastructure**, including water and sewer installation, installment or repair of storm shelters, electrical work, and road and sidewalk improvements.
- **Acquisition** of manufactured home communities, with priority given to cooperative ownership models.

2023 RFP Selections: 19 proposals selected, for \$21.5 million
(27 requests, totaling \$35 million)

2024 RFP Selections: 9 proposals selected, for \$2.7 million
(17 requests, totaling \$13 million)

Households Impacted

2,614

Assistance per Household

\$4,177



\$2 million in FY 2026-27

HOUSING PRODUCTION

Rental Rehabilitation Loans

Finances loans to make improvements in rental housing in Greater Minnesota.

- A unique program compared to other states.
- Provides 0% deferred loans for the rehabilitation of existing affordable permanent rental housing.
- Designed to serve owners of smaller federally-assisted properties (United State Department of Agriculture Rural Development (USDA RD) or naturally affordable properties not served in other programs.



\$7.5 million in FY 2026-27

HOUSING PRODUCTION

Assistance per Household

\$26,612

Median Income

\$19,825

Households of Color

13%

Preservation (PARIF)

Finances loans to make improvements for the health, safety and quality of federally assisted affordable housing so that federal subsidies are not lost to the State.

- Provides 0% deferred loans to property owners.
- Minnesota has over 34,000 project-based Section 8 units across the state, with significant numbers with a contract that will expire in the next 10 years.
- The federal Section 8 and United States Department of Agriculture Rural Development (USDA RD) portfolios were developed primarily from the 1960s to the 1980s.



\$8.4 million in FY 2026-27

HOUSING PRODUCTION

Assistance per Unit

\$68,407

Median Income

\$15,114

Households of Color

59%

Rehab Loans (Single Family)

Finances 0% loans to up to \$37,500 to make improvements in owner-occupied housing.

- Local units of government and nonprofit organizations, including Community Action Agencies, deliver this program to homeowners.
- Homeowners may use loans for health, safety, accessibility and energy-efficiency improvements.
- Eligible property types include condominium units and manufactured housing taxed as real or personal property.



\$5.5 million in FY 2026-27

HOUSING PRODUCTION

Assistance per Household

\$28,387

Median Income

\$18,444

Households of Color

19%

Increase Housing Stability

Bring It Home Rental Assistance

Family Homeless Prevention and Assistance

Housing Trust Fund

Homework Starts with Home

Bridges



“Bring It Home” Rental Assistance

- Tenant-based or project-based rental assistance for up to 5,000 renters.
- Cost-burdened renters at or below 50% AMI, with priority to lowest income (below 30% AMI) households and those with children.
- Administered by local authorities/agencies and Tribes (or nongovernmental agency if no entity is available for a region.)



\$46 million in FY 2026-27

HOUSING STABILITY

Family Homelessness Prevention (FHPAP)

FHPAP is used for emergency rental assistance to **keep families in their homes**, as well as rapid rehousing to **get families out of homelessness**.

- Grants to counties, regions, nonprofits and other local organizations to provide direct assistance and services.
- Funds are used for homelessness prevention, minimizing episodes of homelessness and eliminating repeat episodes.
- FY 2024-25 included nearly \$125 million for the program.
 - An additional 15,238 households were served by the FHPAP program from June 2023 – November 2024 due to the \$50 million 'fast track' appropriation



\$20.6 million in FY 2026-27

HOUSING STABILITY

Assistance per Household	Median Income	Households of Color
\$3,571	\$11,808	61%

Housing Trust Fund

Rental assistance to low-income families and operating subsidies to property owners.

- Grants to local organizations to provide rental assistance so renters pay 30% of their income towards rent.
- Nearly 75% of people served have experienced long-term homelessness.
- Nearly 50% of the households served were families with children.



\$23.3 million in FY 2026-27

	Households	Median Income	Households of Color
Renter-based	1180	\$10,092	62%
Project-based	607	\$9,282	68%

HOUSING STABILITY

Homework Starts with Home

Housing stability for children and families leads to improved attendance, school success and increases in household income.

- Grants to local governments and nonprofit organizations who collaborate with school and service providers.
- Provides rental assistance and homelessness prevention resources for families of students experiencing or at risk of homelessness.
- Early research on the program showed that household income increased 15 percent during the program and some households went from homeless to homeowners in just over two years.

Assistance per Household	Median Income	Households of Color
\$20,755	\$11,280	74%



\$5.5 million in FY 2026-27

HOUSING STABILITY

Housing support for families where at least one adult member has a serious mental illness.

- Stabilizes households by helping individuals pay for rent and by providing support services.
- This program plays an important role in the state's Olmstead Plan, as it helps people with disabilities live, work and learn in the most integrated setting possible.
- Program prioritizes individuals living in segregated settings.



\$10.7 million in FY 2026-27

HOUSING STABILITY

Assistance per Household

\$9,059

Median Income

\$12,204

Households of Color

34%

Support and Strengthen Homeownership

Downpayment Assistance

**Homeownership Education,
Counseling and Training Fund
(HECAT)**



Downpayment Assistance

Helps households that can afford a mortgage but need assistance with downpayment and closing costs.

- Homeownership is the primary driver for building wealth for low- and moderate-income households.
- Appropriated resources are supplemented with agency resources.
- In 2023, \$200 million overall was appropriated for downpayment programs.



\$1.8 million in FY 2026-27

HOMEOWNERSHIP

Assistance per Household

\$15,970

Median Income

\$69,616

Households of Color

41%

Homeownership Education, Counseling and Training

Provides education and coaching on credit and the homebuying process to prepare people for buying and owning a home.

- Grants to non-profit organizations across the state who deliver both pre-purchase and post-purchase counseling and services.
- The statewide network is overseen by Minnesota Homeownership Center.
- Classes are associated with improved outcomes, including increased financial capacity and lower rates of foreclosure.
- Especially important for households whose families do not have homeownership experience.



\$1.7 million in FY 2026-27

Assistance per Household	Median Income	Households of Color
\$435	\$54,000	62%

HOMEOWNERSHIP

Build and Support Organizational Capacity

Capacity Building grants support community-based and statewide organizations in work that strengthens the housing ecosystem.

Example projects recently funded with one-time \$5 million increase:

- Creation of the first regional community land trust in the Northwest Region
- Post-purchase education to strengthen outcomes for underrepresented homeowner households (Rondo Community Land Trust and Three Rivers Community Action)
- Expanding Minnesota Housing Partnership's Emerging Developer Initiative (EDI) to SW Minnesota, to grow developer capacity in Greater Minnesota.



\$1.3 million in FY 2026-27

BUILD CAPACITY

GO Bonds for Publicly Owned Housing



\$7 million in 2025 Gov Rec

CAPITAL BUDGET

Preservation of existing publicly owned housing, which serves some of the most vulnerable Minnesotans.

- Focus is on critical health and safety needs, including fire suppression, accessibility, heating and cooling systems, and energy efficiency.
- Intent to Apply for upcoming RFP received 58 responses, totaling nearly **\$103 million in needed repairs**.

Assistance per Household	Median Income	Households of Color
\$18,261	\$13,003	47%
Families with Children	Seniors	With a disabled occupant
10%	51%	46%

Thank You

Contact Us

Dan Kitzberger

Legislative Director

dan.kitzberger@state.mn.us

651.216.8933

www.mnhousing.gov