



Agency Update on Implementation; Governor's Recommendations

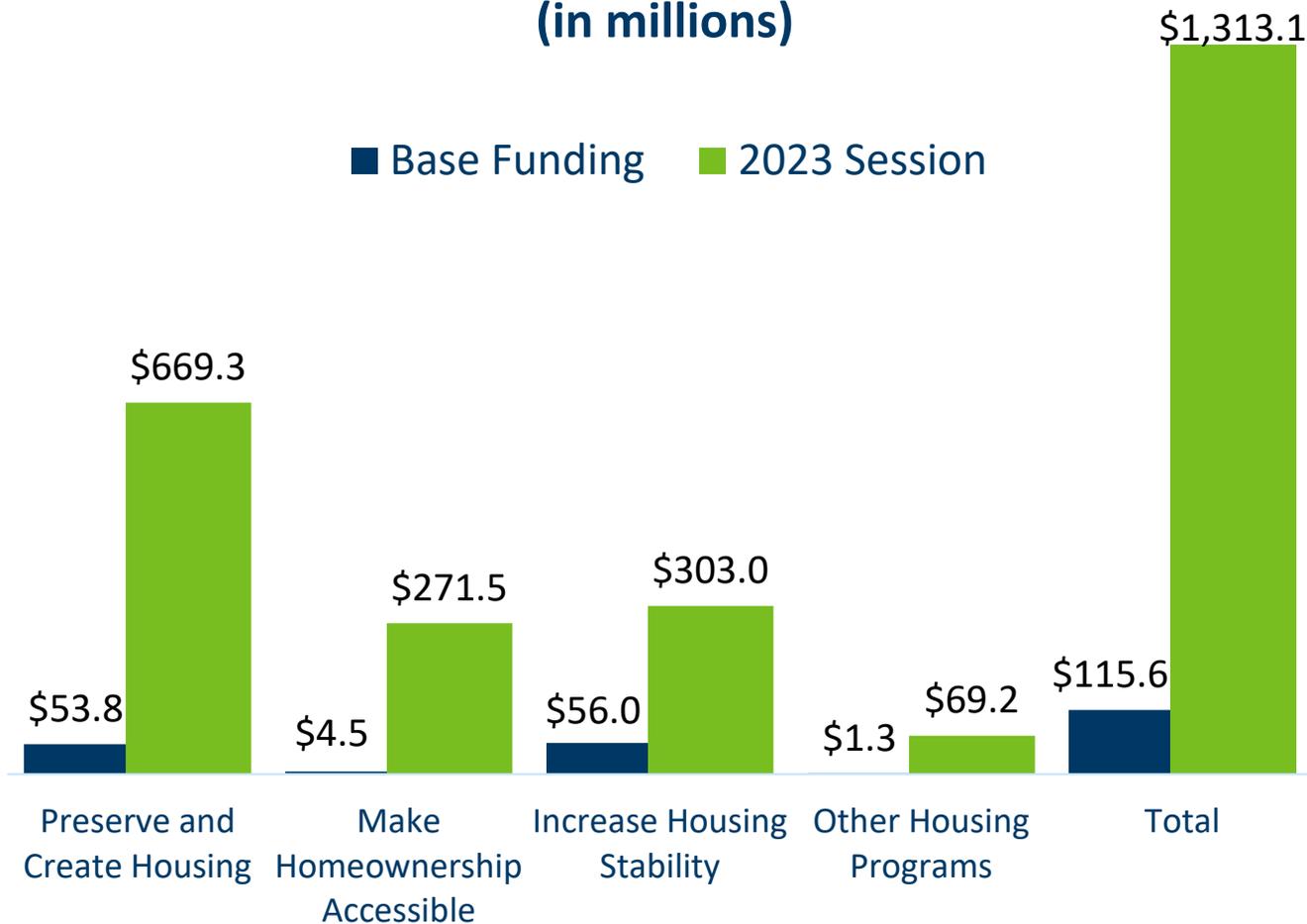
Jennifer Leimaile Ho | Commissioner

February 14, 2024

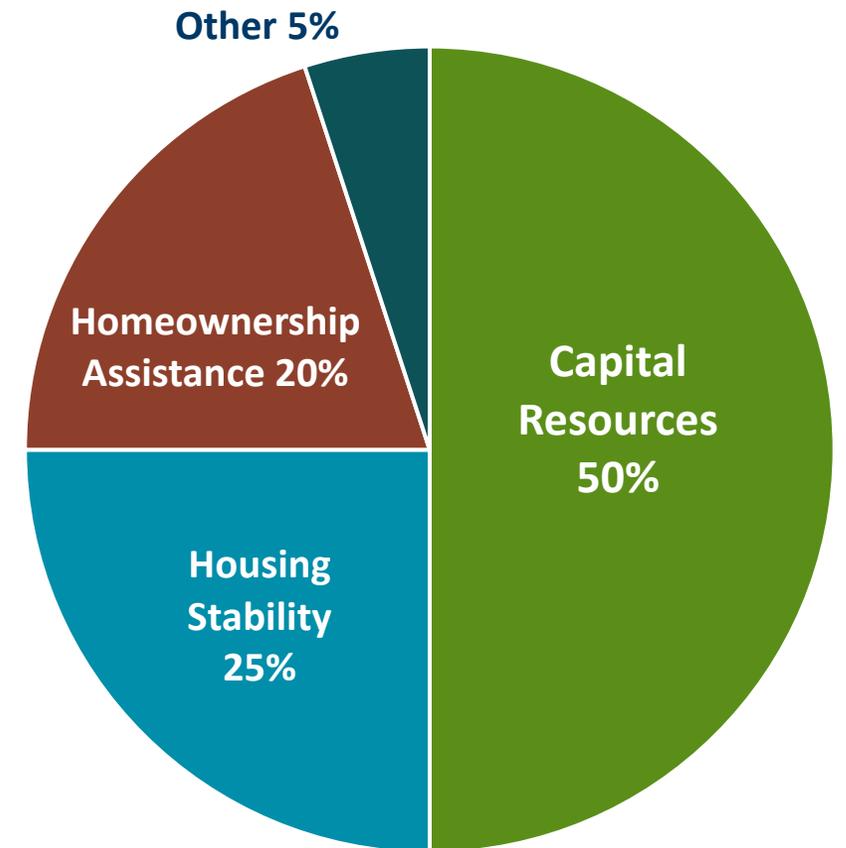
Going BIG: Update on Funding from 2023 Session

2023's Historic Investment in Housing

Base Funding vs. 2023 (in millions)



Summary of Uses



Minnesota Housing: All Programs

Existing RFPs

Housing Infrastructure

Challenge

Family Homeless Prevention (FHPAP)

Manufacture

Workforce Ho

Preservation

Rental Rehab

Rehab Loan (

Housing Trust

Bridges

Homework S

Agency Down

Capacity Building Grants

Public Housing Rehab

Homeowner Education

Greater Minnesota

Workforce Housing Development

Newly Created Programs

Agency First Generation Homeownership

Community Stabilization (NOAH)

Bring It Home Rental Assistance

Lead-Safe Homes

Legislatively Named Grants and Other Programs

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

Recently Added Programs

Federal ERA 2 RentHelpMN – Targeted Assistance

Federal ERA 2 Capital for Rental

The 2023 Omnibus Housing Bill, plus housing policy found in other state agency budgets, doubled the number of programs that Minnesota Housing normally administers.

Minnesota Housing: All Programs

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
Homeowner Education
Greater Minnesota Workforce Housing Development

Newly Created Programs

Agency First Generation Homeownership
Community Stabilization (NOAH)
Bring It Home Rental Assistance
Local Affordable Housing Aid
Statewide Affordable Housing Aid
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

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

Recently Added Programs

Federal ERA 2 RentHelpMN – Targeted Assistance
Federal ERA 2 Capital for Rental Development, Preservation and Operations
Federal HOME-ARP
Homebuying Partnership Program for Interest-Averse Borrowers
Local Housing Trust Funds
Minnesota State Tax Credit Contribution Fund

Nimble Response to Adjust Agency Structure

Single Family

First Mortgage
Down Payment
Home
Improvement
Single Family
Construction
Homebuyer
Education
Manufactured
Homes

Multifamily

Multifamily
Construction
Housing Tax
Credits
Housing Vouchers
Greater
Minnesota
Workforce
Housing

Housing Stability

New Division

FHPAP
Homelessness
Prevention
Supportive
Housing

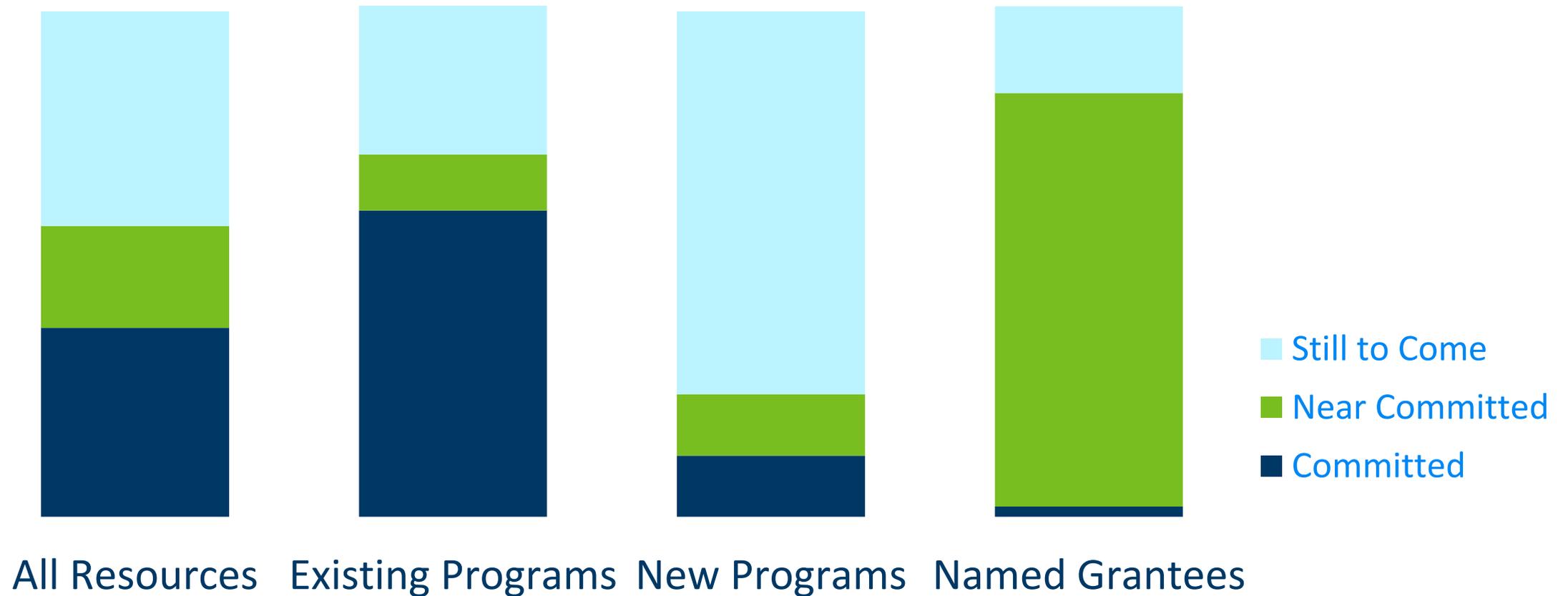
Local Government Housing Programs

New Team

Bring It Home
Local and
Statewide Aid
Lead-Safe Homes
(Dustin Luke
Shields Act)
Greater
Minnesota
Infrastructure
Local Housing
Trust Funds

Over One-Third of Biennium Funding is Committed

Percent of Funding Committed



Existing Programs with Committed Funding

Approved Selections

- Family Homeless Prevention Assistance Program (FHPAP) (and contract amendments for Fast Track FHPAP)
- Bridges Rental Assistance
- Housing Trust Fund Rental Assistance
- Homework Starts with Home
- Homeownership Education and Counseling (HECAT)
- Stable Housing Organization Relief Program (SHORP) (New program)
- Manufactured Housing Redevelopment/Infrastructure*
- Agency Downpayment Assistance
- 2023 Consolidated RFP funds
 - Housing Infrastructure*
 - Workforce Homeownership*
 - Preservation
 - Challenge*

**includes increased funds*

Current and Upcoming Funding Opportunities

Open/Available Now:

- Agency Downpayment Assistance
- Public Housing Rehab (POHP) - **\$41 million**
- Greater Minnesota Workforce Housing Development - **\$39 million**
- Family Homeless Prevention and Assistance (FHPAP) - **\$27.5 million**
- State Housing Tax Credit Program and Contribution Fund

RFPs/Funding in Next Few Months:

- Capacity Building Program - **\$5 million**
- Agency First Generation Downpayment Assistance - **\$50 million**
- Community-Based First Generation Downpayment Assistance - **\$100 million**

See open and upcoming funding opportunities at mnhousing.gov



Housing Stability Highlight – FHPAP

Family Homeless Prevention and Assistance (FHPAP):

- The \$50 million of ‘fast tracked’ resources helped over 6,400 households in 4 months, an estimated 43% of eligible households.
 - In comparison, 4,300 households were served in all of 2022.
- Open RFP through February 22 to allocate the remaining funds (\$27.5 million)
- Tribal Nations Allocation Consultations

Highlight – Stable Housing Organization Relief Program

Stable Housing Organization Relief Program:

- **\$50 million appropriation** for assistance to eligible nonprofit rental property owners and federally designated Indian Tribes in Minnesota
- RFP opened on September 1, 2023, with funding selections October 26, 2023
- This program is supporting 43 grantees and approximately 25,700 units
- Actively distributing the funds to the grantees

Highlight – First-Generation Downpayment Assistance

- \$150 million in downpayment assistance will become available this spring between the Community-Based and Agency programs.
- Agency and community partners are working on ‘Get Ready’ efforts to elevate awareness for the historic funding opportunity and build momentum with media coverage.
- Midwest Minnesota Community Development Corporation is building a network of Community Development Financial Institutions (CDFIs) and the agency is working with existing lenders.
- Now is the time for potential buyers to get ready for spring homebuying season.

Local Government Housing Programs Team

Positions hired:

- Director: Jennifer Bergman (former Brainerd City Administrator) started in mid-November 2023
- Local Programs Manager
- Rental Assistance Manager
- Data Analyst
- Program Guide creation in progress
- RFPs planned for later this year

Programs administered:

- Bring it Home Rental Assistance
- Local Housing Trust Fund Match
- Greater Minnesota Tier II Cities Grant Program
- Greater Minnesota Housing Infrastructure
- Lead-Safe Homes (Dustin Luke Shields Act)
- Local Affordable Housing Aid/Statewide Affordable Housing Aid Reporting

Highlight – Manufactured Home Communities

- Largest-ever RFP selections for manufactured home community infrastructure in December 2023
 - **\$21.5 million for 19 projects supporting over 1,834 lots**
- Working on final details for new \$10 million acquisition fund with Northcountry Cooperative Foundation to assist with the conversion of parks to cooperative ownership



2023



PROJECT SELECTIONS

\$348
MILLION

4,720
HOMES

7,000
JOBS

Consolidated RFP Selections

Homeownership:

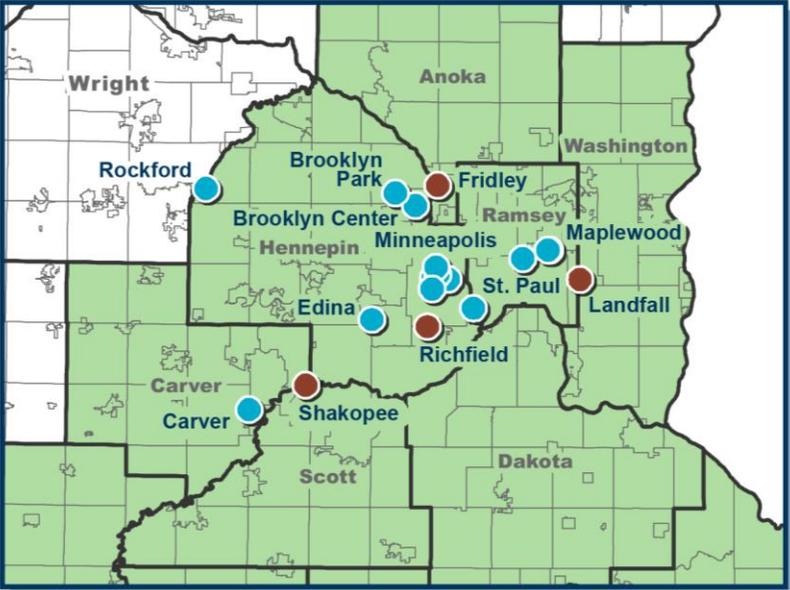
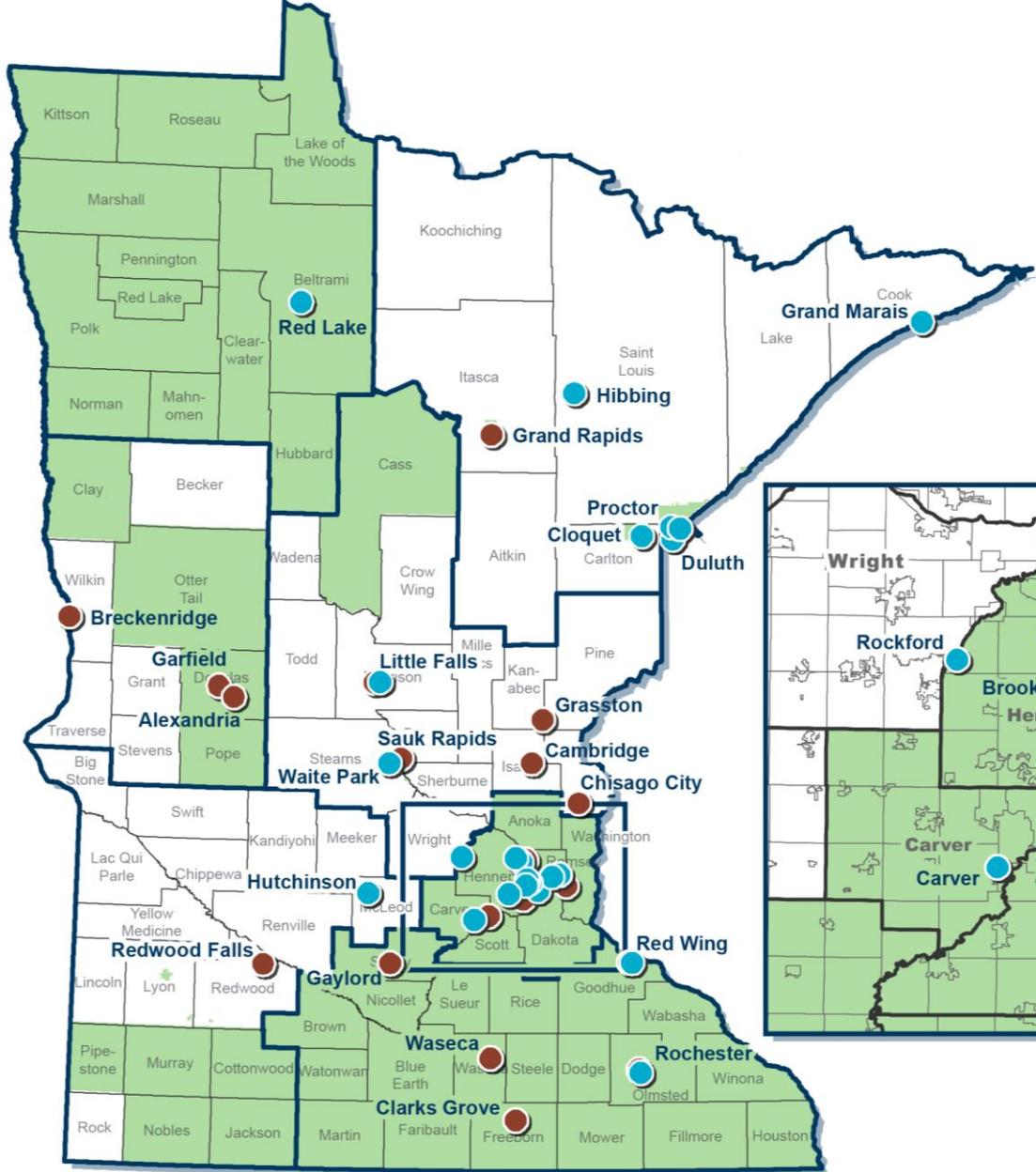
- Largest-ever selections (nearly \$110 million) for homeownership activities impacting over **1,300 homes**.
- **46%** of all projects selected will serve Greater Minnesota
- In 2023, over **60%** of households served were Black, Indigenous or People of Color (BIPOC)

Rental:

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

2023 Selections at a Glance

Single Family and Multifamily Consolidated RFP and Manufactured Home Community Redevelopment Selections



- Single-Family Selection Program Target Area*
- Multifamily Consolidated RFP/HTC Selection
- Manufactured Home Community Redevelopment Program Selection

*Twin Cities Habitat for Humanity (7-County Metro Area), Habitat for Humanity MN (50 Counties) and Rebuilding Together (Statewide) selections are not displayed.



**MINNESOTA
HOUSING**

2024 Governor's Capital Budget Recommendations

Minnesota Still Needs Investments in Housing

- Minnesota needs to build more housing, especially for those who earn the least.
- We need to preserve and support existing housing.
- People facing homelessness remains at high levels.
- Housing instability is impacting more Minnesotans.
- Racial disparities in housing are persistent across the continuum.



Governor's Proposal – Every Dollar Matters



\$50 million in Housing Infrastructure Bonds

- This will create or rehab an estimated 500 homes

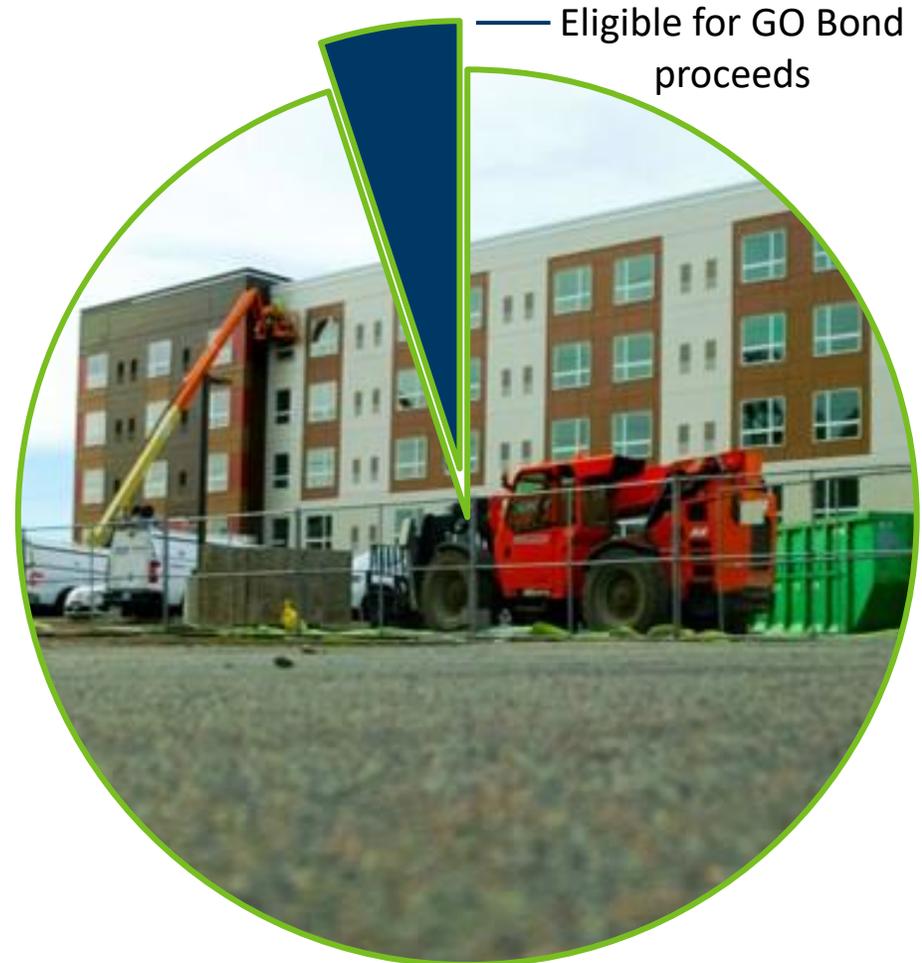
\$7.5 million for Public Housing Rehab

- This will rehab/preserve an estimated 375 homes

Housing Infrastructure Bonds

Why HIB? Housing requires a different financing tool

- **95% of housing in Minnesota is privately owned.** State GO bonds for housing are limited to publicly owned units.
- Created in 2012, Housing Infrastructure Bonds and cash are the **largest state source** of capital for housing development to address the lack of supply, especially for the lowest-income households.
- HIBs are unique to Minnesota.



Housing Infrastructure Supports a Continuum of Uses



Preserve **federally assisted rental** housing



Build and rehab **permanent supportive** housing



Create **affordable housing for seniors** ages 55 and older



Manufactured home **community** acquisition and infrastructure



Develop **single-family homes**, including in community land trusts (*expanded in 2020*)



New construction of more **deeply affordable rental** housing (*expanded in 2023*)

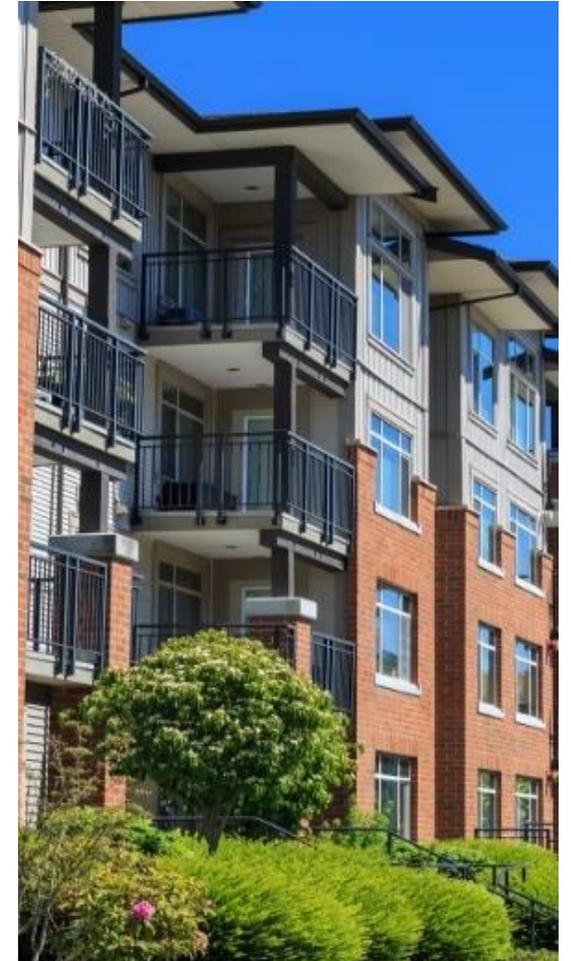
Housing Infrastructure – Summary

Rental Housing

- Over **\$612 million committed** since 2012, **leveraging over \$1.3 billion** in total development costs.
- Nearly **6,000 units created or preserved**, including units in the pipeline.
- In 2023, **55%** of renter households served were Black, Indigenous and people of color and about **56%** of households included a person with a disability.

Newer/Expanded Eligible Uses

- Single Family Development (expanded in 2020) – nearly **\$80 million committed** impacting **over 1,300 homes**.
- Manufactured Home Community Acquisition and Infrastructure (added in 2018) - over **\$20 million committed** impacting over **1,700 lots**.



Public Housing Rehabilitation

Public Housing Funding and Priorities

- Minnesota funds capital improvements through the Publicly Owned Housing Preservation Program (POHP).
- Prioritizes life, safety and energy-efficiency projects, including fire suppression systems.
 - Elevator modernization
 - Plumbing
 - Windows and roofs
 - Fire suppression
 - Accessibility improvements

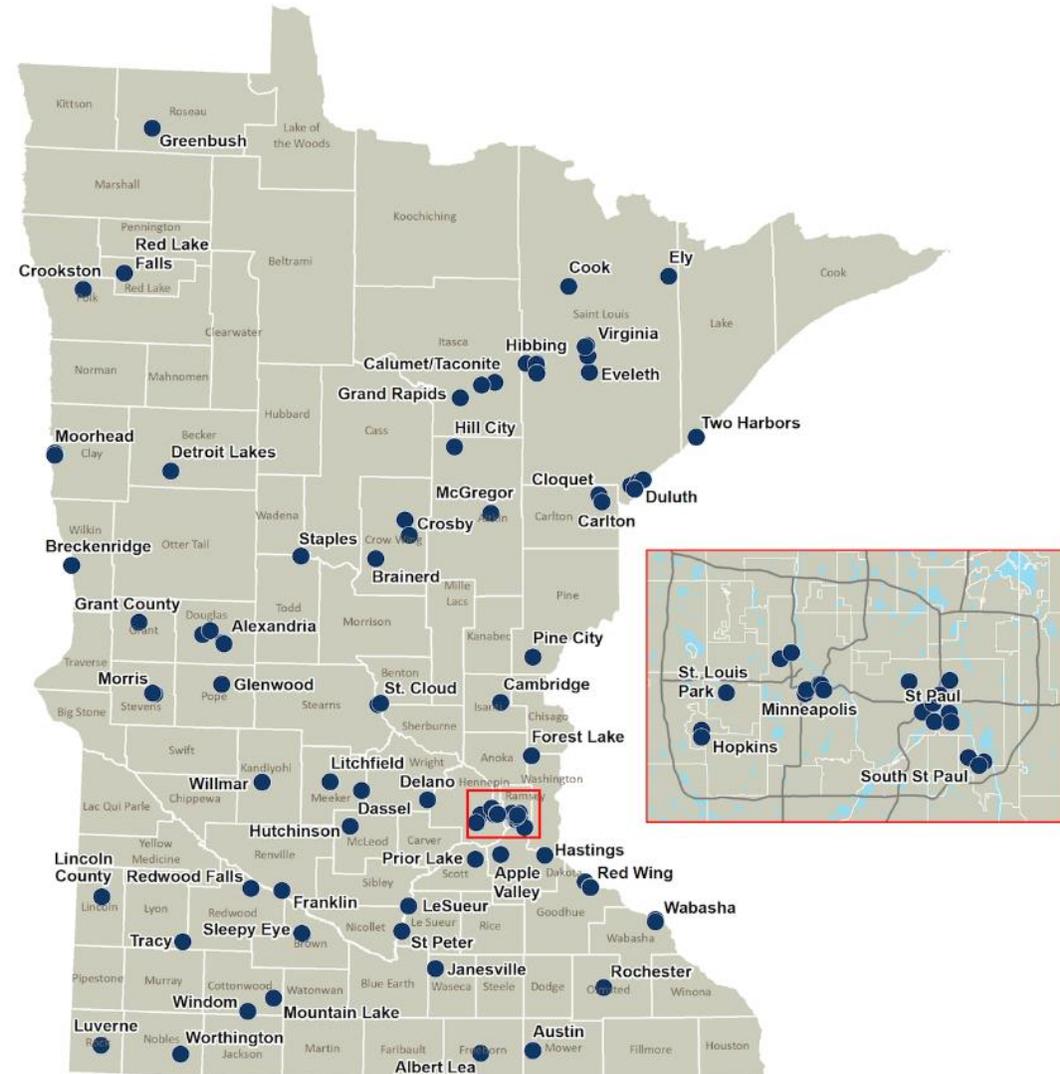
Since 2012: \$63.5 million | 115 projects | 8,548 units



POHP Serves All of Minnesota

Funded projects, 2012-2020

- \$63.5 million to 115 projects impacting over 8,500 homes
- 64% of funds have gone to Greater Minnesota
 - Represents 50% of impacted units



Thank you for GOING BIG for Minnesota!