



Minnesota Housing Agency Overview

January 10, 2023

Why We're Here

- Housing impacts Minnesotans of **all backgrounds** in **all corners** of the state.
- Housing touches **all areas of life** – education, health, jobs and more.



Our Unique Role



Independent agency established
in 1971

Seven-member board

Annual independent financial
audit and rating agency reviews

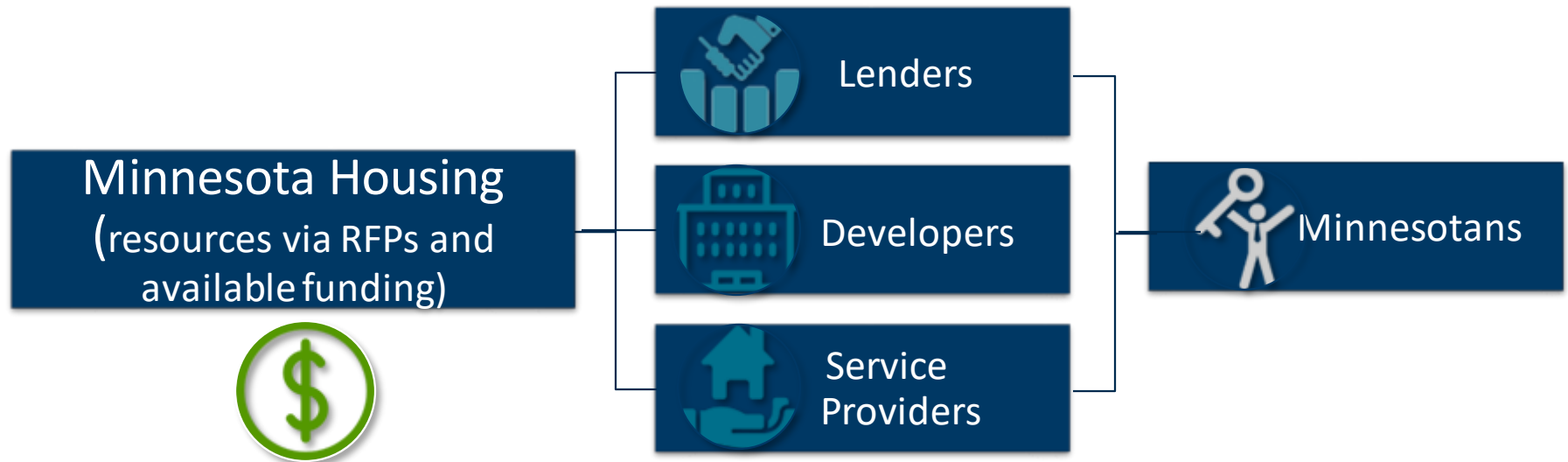
No state appropriations used for
agency operating costs

State appropriations are an
estimated **4% of overall agency
program budget**

Mission-Driven Financial Institution

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

Program Delivery Process



What does Minnesota Housing do?

Homeownership	Rental
Finance mortgages and down-payment/closing cost loans	Finance the creation and preservation of rental housing that's affordable
Finance home improvement and rehabilitation loans	Finance rental assistance and operating subsidies
Finance homeowner counseling, education and training	Finance homelessness prevention and assistance
Finance intensive financial coaching (improving credits scores, savings, etc.)	Administer project-based Section 8 contracts in Minnesota for HUD
Finance development of affordable single-family homes	
Temporarily administer COVID-19 housing assistance for past-due housing payments, including mortgage and rent	
Lead and act on critical housing issues, working with partners to advocate for solutions and leverage private and public resources	

What do we not do?

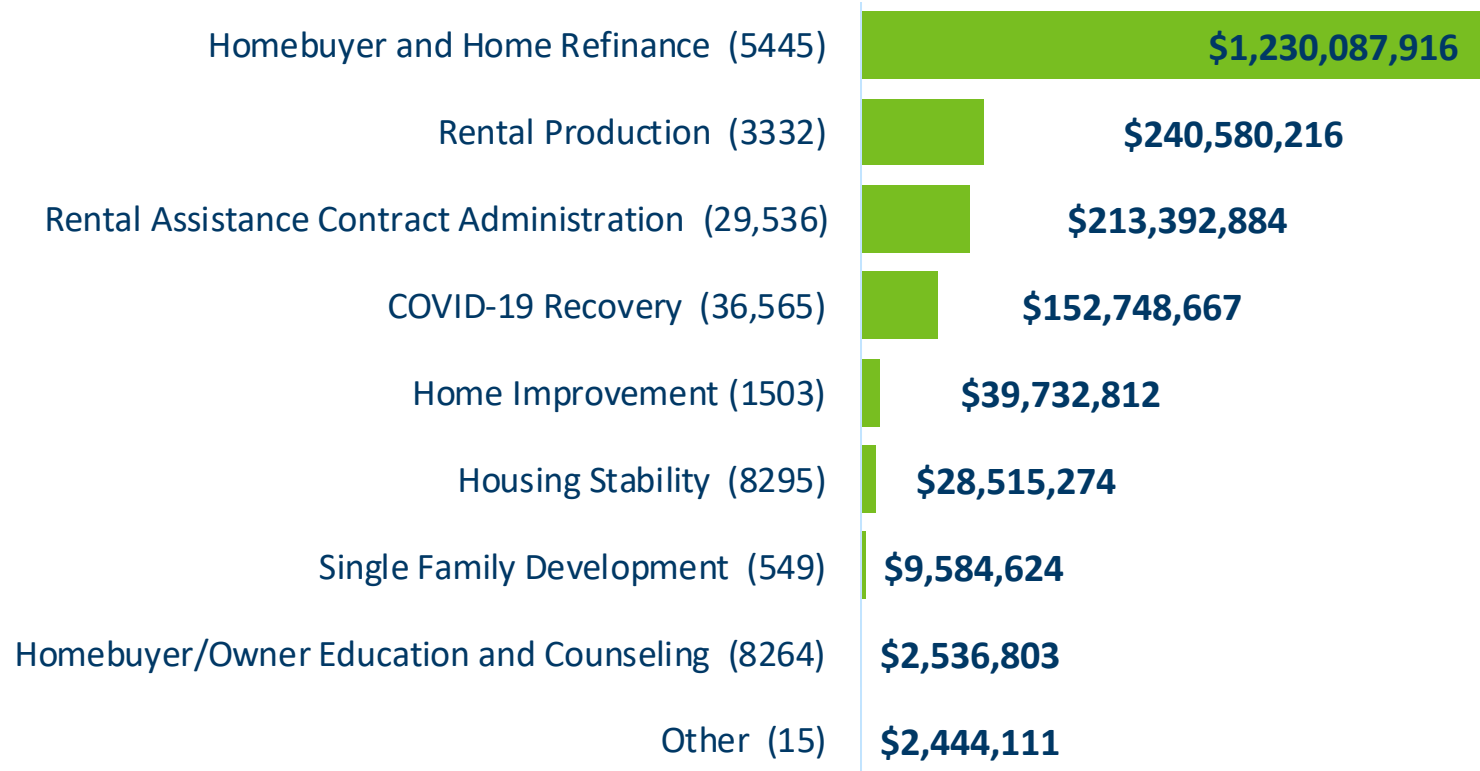
- Build or develop housing
- Own housing
- Regulate housing or development
- Set/control local housing, zoning or land-use policies
- Administer federal Section 8 Housing Choice Vouchers
- Directly help people find housing
- Mediate general landlord/tenant disputes

Minnesota Housing Impact

Areas of Impact

\$1.92 billion in program expenditures in FFY 2021
93,504 households helped

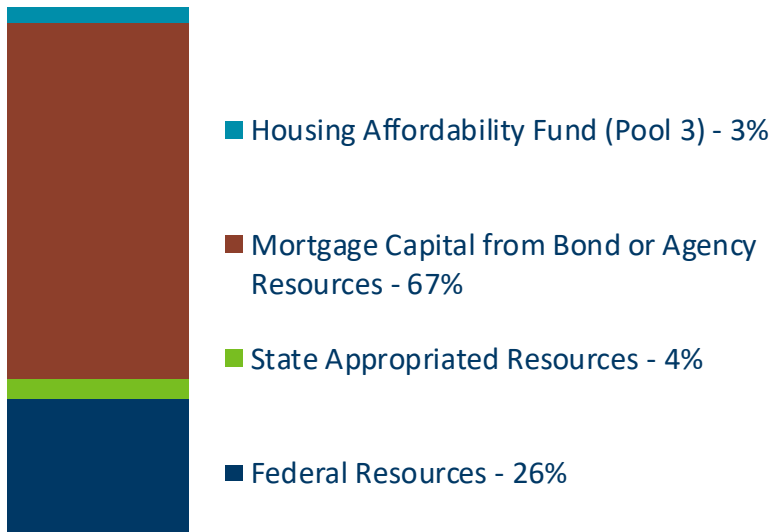
Total assistance by program (households served)



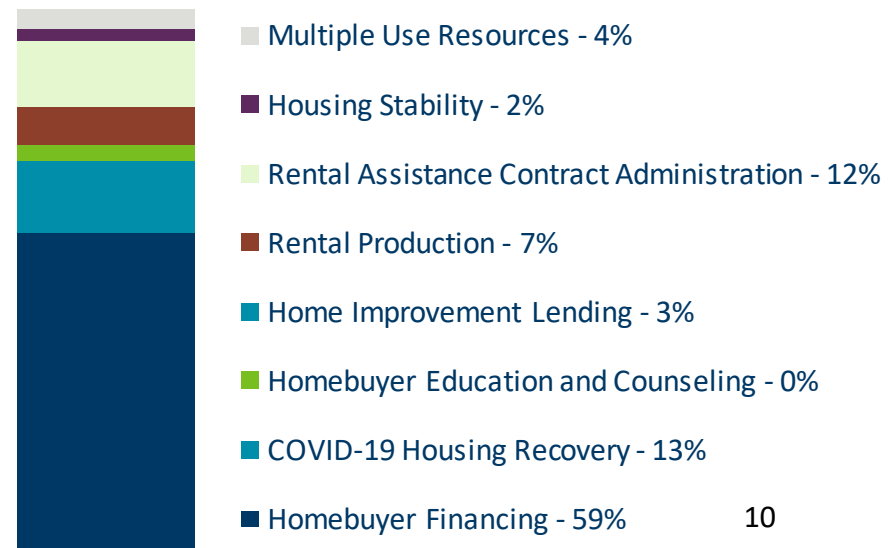
2022-2023 Affordable Housing Plan

- The Agency's Affordable Housing Plan (AHP) incorporates all the Agency's programmatic funding from state, federal and Agency resources.
- The 2022-2023 AHP anticipated \$4 billion in total activities.

Sources



Uses



Investments Throughout Minnesota

From 2018 through 2021, our competitive resources have been allocated **53%** in the Metro Area and **47%** in Greater Minnesota.



Appropriated Programs: Our Partnership with the Legislature

Our Housing Continuum

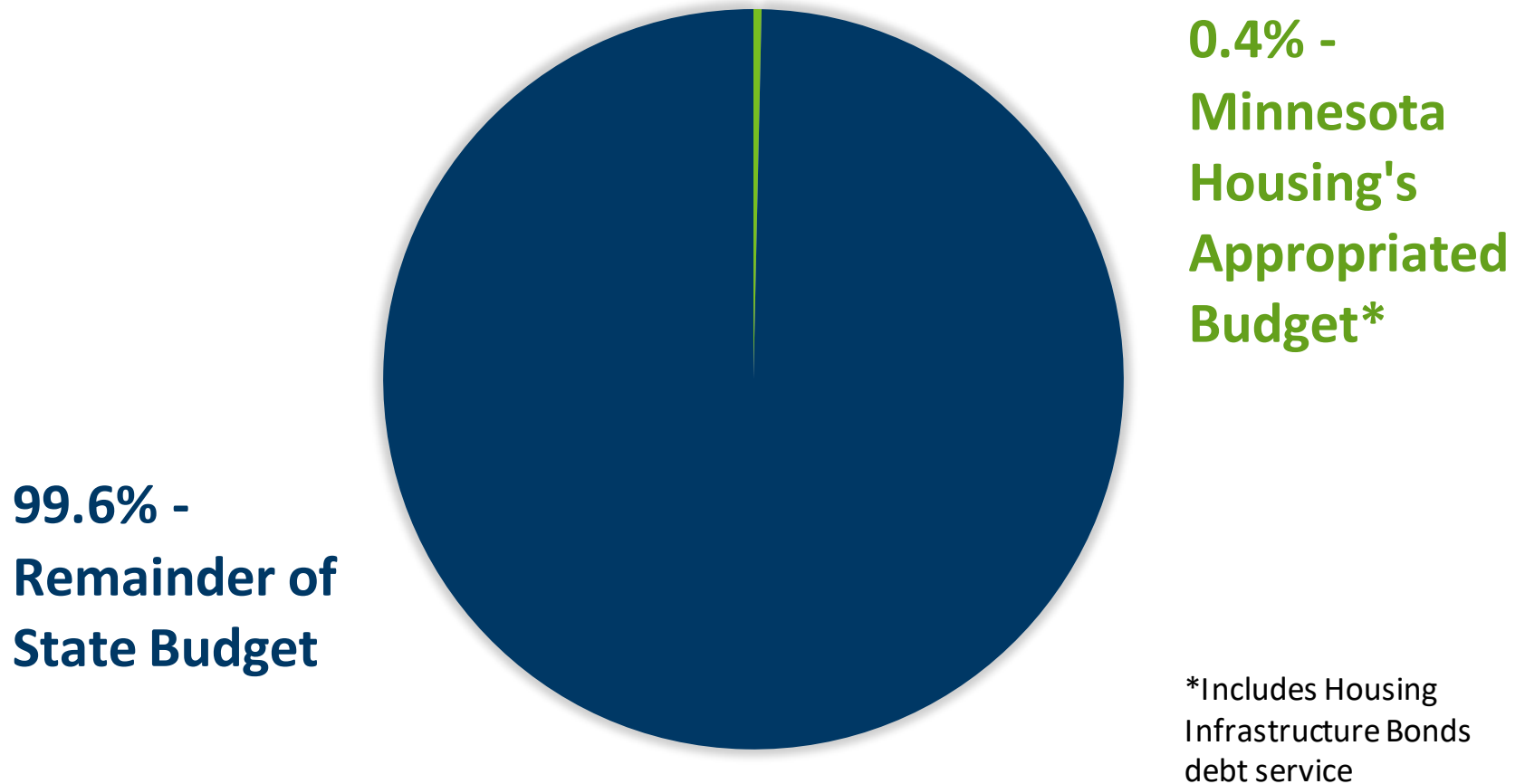
**Homelessness
Prevention**

**Supportive
Housing**

Rental Housing

Homeownership

Minnesota State Budget



FY 2024-25 Base Budget

\$115.6 million

Homeless Prevention/Housing Stability

Homework Starts with Home	\$3.5 million
Family Homeless Prevention and Assistance Program (FHPAP)	\$20.5 million
Bridges	\$8.7 million
Housing Trust Fund	\$23.3 million

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

Support and Strengthen Homeownership

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

Preserve the Homes We Have

Rehabilitation Loan	\$5.5 million
Rental Rehab Program	\$7.5 million
Preservation of Federally Assisted Housing	\$8.4 million
Manufactured Home Park Infrastructure	\$2 million

Build and Support Organizational Capacity

Capacity Building	\$1.3 million
-------------------	---------------

Homelessness Prevention

Family Homelessness Prevention (FHPAP)

Prevent homelessness before it begins.

- 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 2021 Spend: \$9.8 million

Households: 4,804

Median Income: \$10,248

Race/Ethnicity: 59% households of color

Housing Stability

Housing Trust Fund

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

- Grants to 39 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.



FY 2021 Spend: \$11.8 million

Households: 2,217

Median Income: ~\$9,000

Race/Ethnicity: 63% households of color

Housing Stability

Bridges

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.
- Part of state's Olmstead Implementation Plan.



FY 2021 Spend: \$3.6 million

Households: 691

Median Income: \$10,500

Race/Ethnicity: 32% households of color

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 provide rental assistance and homelessness prevention resources for families of students experiencing or at risk of homelessness.
- A collaborative approach involving local housing organizations, schools and service providers is a key feature of the local program design.



FY 2021 Spend: **\$2.0 million**

Households: **251**

Median Income: **\$11,808**

Race/Ethnicity: **79% households of color**

Build More Homes

Economic Development and Housing Challenge (Challenge Program)

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.



FY 2021 Spend:	\$16.3 million (MF), \$6.7 million (SF)
Households:	269 (MF), 303 (SF)
Median Income:	\$19,795 (MF), \$46,176 (SF)
Race/Ethnicity:	73% (MF), 66% (SF) households of color

Build More Homes

Workforce and Affordable Homeownership

Increase the supply of homeownership housing throughout the State.

- Grants to cities, tribal governments, nonprofit organizations, cooperatives, and community land trusts for housing development.
- Funds can be used for development costs, rehabilitation, land development and manufactured home park infrastructure.
- Base funding is \$250,000 per year.



FY 2021 Spend: \$19,000

Affected Units: 11

Median Income: \$25,283

Build More Homes

Greater Minnesota Workforce Housing Program

Provide grants to local units of government to build new rental housing.

- Market dynamics make it difficult to create new units of rental housing in Greater Minnesota.
- Vast majority of developments are in communities with a population less than 5,000.



FY 2021 Spend:	\$1 million
Affected Units:	97

Support and Strengthen Homeownership

Downpayment and Closing Cost 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.
- Limited state resources are supplemented with agency resources.



FY 2021 Spend: \$885,000

Households: 84

Median Income: \$54,447

Race/Ethnicity: 39% households of color

Support and Strengthen Homeownership

Homeownership Education, Counseling and Training Fund (HECAT)

Provides comprehensive homeownership services.

- Grants to non-profit organizations across the state to provide both pre-purchase and post-purchase counseling and services.
- The statewide network is overseen by Minnesota Homeownership Center.



FY 2021 Spend:	\$1.4 million
Households:	7,425
Median Income:	\$42,384
Race/Ethnicity:	48% households of color

Preserve the Homes We Have

Rehabilitation Loan Program

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.



FY 2021 Spend:	\$4.5 million
Households:	203
Median Income:	\$15,564
Race/Ethnicity:	7.4% households of color

Preserve the Homes We Have

Rental Rehabilitation Loans

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

- Provides 0% deferred loans at no interest to individuals, developers, nonprofits, units of government, and tribal housing corporations for the moderate rehabilitation of existing affordable permanent rental housing.
- Designed to serve owners of smaller federally-assisted properties or naturally affordable properties not served in other programs.



FY 2021 Spend:	\$710,000
Households:	22
Median Income:	\$17,282
Race/Ethnicity:	28% households of color

Preserve the Homes We Have

Preservation of Federally Assisted Housing

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.
- The federal Section 8 and United State Department of Agriculture Rural Development (USDA RD) portfolios were developed primarily from the 1960s to the 1980s.



FY 2021 Spend: \$13.2 million

Households: 253

Median Income: \$13,956

Race/Ethnicity: 51% households of color

Preserve the Homes We Have

Manufactured Home Park Infrastructure

Provides grants to owners to improve shared infrastructure.

- Grants can be used for water and sewer upgrades, storm shelter construction and repairs, electrical work, road and sidewalk improvements, and other infrastructure needs.
- 2022 RFP selections included \$9.5 million to improve 742 home lots.



FY 2021 Spend: \$879,000

Households: 232

Capacity Building Resources

Capacity Building

Assist organizations' ability to deliver critical housing programs and activities.

- Provides grants to a limited number of organizations to support a range of activities and initiatives.
- Current grantees of state appropriations include the Greater Minnesota Continuums of Care, HomeLine, OpenAccess and the Homeless Management Information System.



**Annual State
Appropriation: \$645,000**

Dan Kitberger

Legislative Director

dan.kitberger@state.mn.us

651.216.8933

www.mnhousing.gov

Thank you!