



Minnesota Housing: Go Big So Everyone Can Go Home

January 12, 2021

Our Mission

Housing is the foundation for success, so we collaborate with individuals, communities and partners to create, preserve and finance affordable housing.

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

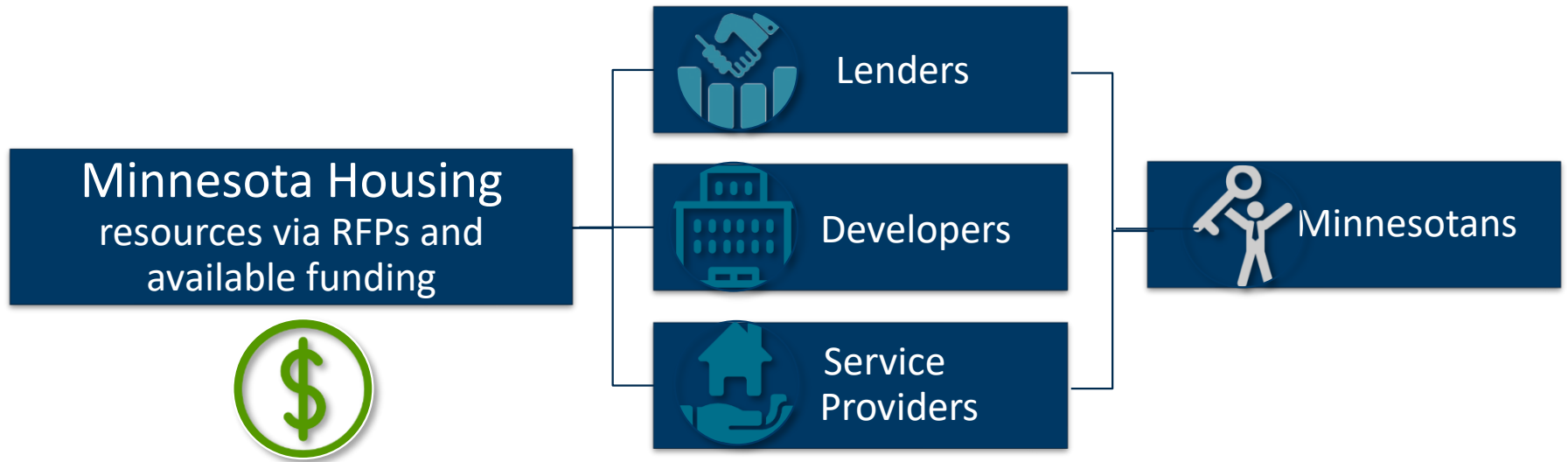
Seven-member board

Annual independent financial
audit and rating agency reviews

No state appropriations used for
agency operating costs

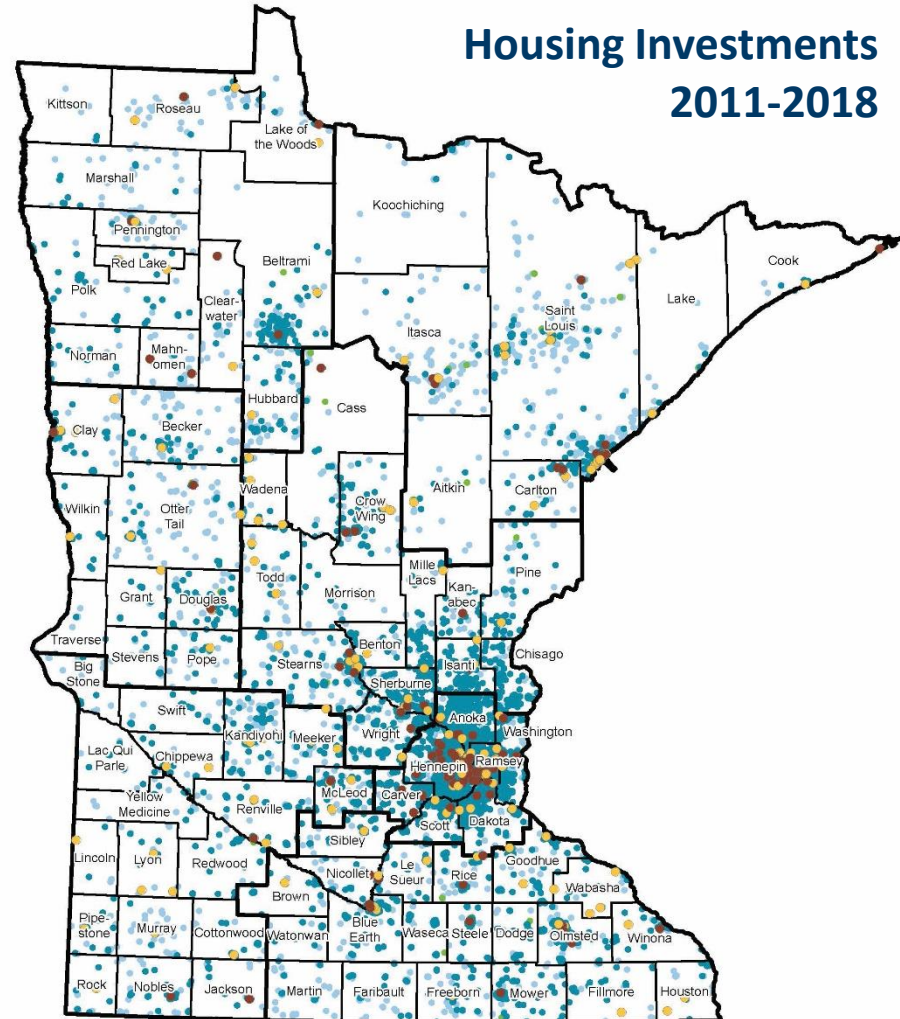
State appropriations are 7% to
10% of overall agency program
budget

Our Program Delivery Process



Our Partnership Matters

- Housing impacts **everyone, everywhere** and connects to **everything**
- Over the past 3 years, our competitive resources have been allocated **50%** metro and **50%** Greater Minnesota
- We achieve **great results**, but there are **so many people** we're still not reaching



The Pandemic's Impact on Housing

- Minnesotans were facing significant housing instability before the pandemic hit.
- The pandemic has created more instability and uncertainty.
- Federal and state actions have prevented the worst-case scenario (so far).
- The decisions we make in the coming months are critical.



Home
SAFE Home

STAY SAFE MN

Who and What We're Thinking About

What We're Thinking About: Renters and Property Owners

Immediate issue

- Non-payment of rent has increased as pandemic has continued
 - 200,000 renter households reported they have no or only slight confidence in their ability to make their next housing payment

Persistent Issues

- People at lowest incomes pay high percentage of their income (50%+) on rent.
- We are not building enough housing, especially for people with the lowest incomes (30% AMI and below).
- Vacancy rates remain consistently below a balanced market.
- Many barriers exist to accessing housing (income ratios, credit screening, eviction history, etc.).
- Black, Indigenous and People of Color are more likely to be overcrowded and pay high percentage of their income on housing.

What We're Thinking About: Homeowners and Homeownership

Immediate issue

- More homeowners are in forbearance or are behind on their mortgage payments
 - 100,000 homeowners reported they have no or only slight confidence in their ability to make their next housing payment

Persistent Issues

- We are not building enough single-family homes
- Inventory of homes for sales remain consistently below a balanced market
- Home values have increased every year since 2011
- State of Minnesota has 4th worst homeownership disparity in the country

What We're Thinking About: People Experiencing Homelessness

Immediate Issue

- We've seen a large increase in unsheltered homelessness since 2015 throughout the state.

Persistent Issues

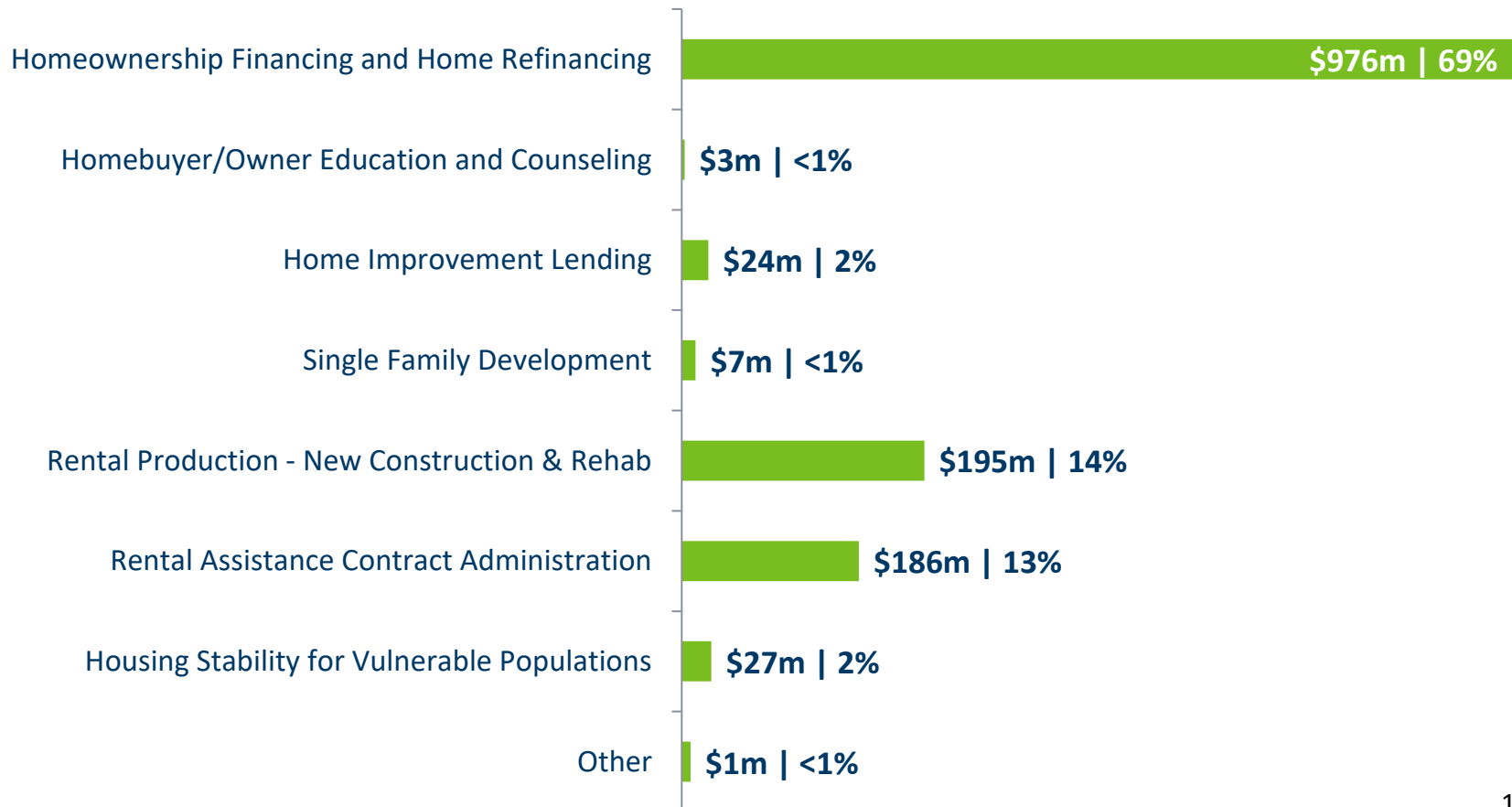
- Over 10,000 Minnesotans experience homelessness on any given night, an increase since 2015.
- Black, Indigenous and People of Color are over-represented in the homeless population, especially those sleeping outside.

Agency Reach: Our Activities and Impact

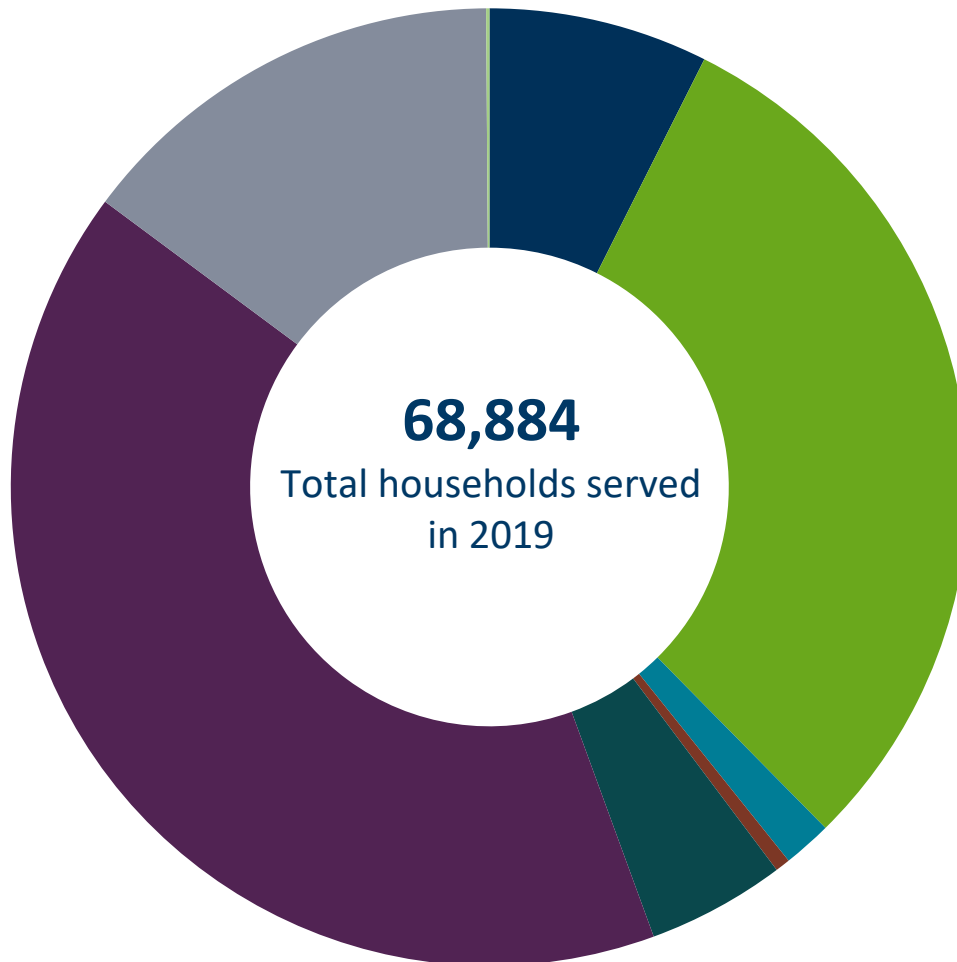
Our Impact

\$1.419 billion

Total assistance in FFY 2019



Our Impact



- Homeownership Financing and Home Refinancing: 7% | 5,105 households
- Homebuyer/Owner Education and Counseling: 30% | 20,806 households
- Home Improvement Lending: 2% | 1,130 households
- Single Family Development: <1% | 345 households
- Rental Production - New Construction & Rehab: 5% | 3,215 households
- Rental Assistance Contract Administration: 41% | 28,063 households
- Housing Stability for Vulnerable Populations: 15% | 10,143 households
- Other: <1% | 77 households

Our Housing Continuum

**Homelessness
Prevention**

**Supportive
Housing**

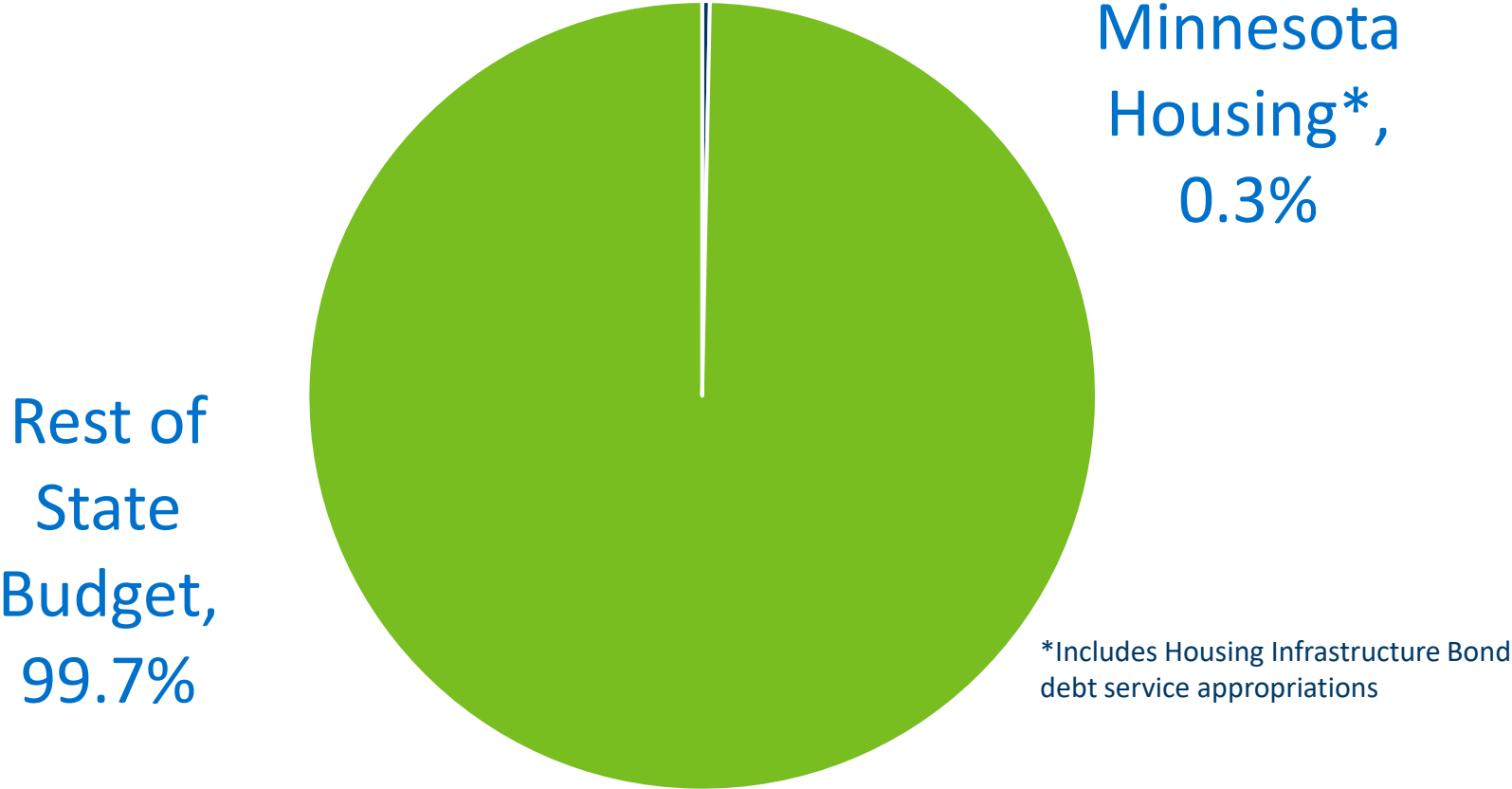
Rental Housing

Homeownership



Appropriated Programs: Our Partnership with the Legislature

Minnesota Housing's State Appropriated Programs and the Overall State Budget



Minnesota Housing's FY 2022-23 Base Budget

\$115.6 million

Homeless Prevention/Housing Stability - \$56 million

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 - \$30.4 million

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 - \$4.5 million

Homeownership Education, Counseling and Training	\$1.7 million
Homeownership Assistance Fund	\$1.8 million
BuildWealth MN	\$1.0 million

Preserve the Homes We Have - \$23.4 million

Rehabilitation Loan	\$5.5 million
Rental Rehab Program	\$7.5 million
Preservation of Federally Assisted Housing	\$8.4 million
Manufactured Home Park Infrastructure	\$2.0 million

Build and Support Organizational Capacity

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

Demand for Our Development Resources



3:1

Ratio of requests to funding
available in 2020

\$195 million

in Minnesota Housing and partner
investments resulted in

\$334 million

in total development costs and

2,387 homes

created or preserved



Prevent Homelessness

We prevent homelessness before it begins.

- **Family Homeless Prevention: \$9.5 million**
 - In 2019, served 6,013 households including 64% households of color
 - Median annual income: \$11,899



Access to Supportive Housing

We provide permanent supportive housing for households that need housing and services.

- **Housing Trust Fund: \$9.9 million**
 - In 2019, served 1,649 households including 62% households of color
 - Median annual income: \$8,048
- **Bridges: \$4.2 million**
 - In 2019, served 816 households including 31% households of color
 - Median annual income: \$6,704



- **Homework Starts with Home: \$1 million**
 - In 2020, served 191 households
 - Average assistance per household: \$5,383



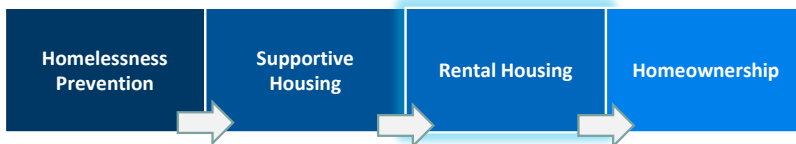
Preserve and Build More Rental Homes

We provide financing for new construction and preservation of affordable rental housing.

- **Economic Development and Housing Challenge: \$9.3 million**
 - In 2019, served 269 households including 71% households of color
 - Median annual income: \$21,485
- **Greater Minnesota Workforce Housing Program: \$500,000**
 - In 2019, 24 new housing opportunities in Greater Minnesota
 - Median annual income: \$20,833



- **Preservation of Federally Assisted Housing: \$11.3 million**
 - In 2019, served 306 households including 50% households of color
 - Median annual income: \$14,300
- **Rental Rehabilitation Loans: \$3.5 million**
 - In 2019, served 212 households including 15% households of color
 - Median annual income: \$16,620



Strengthen Homeownership

We provide homebuyer loans, home improvement loans and financing for single family development.

- **Economic Development and Housing Challenge: \$7.5 million**
 - In 2019, served 345 households including 60% households of color
 - Median annual income: \$47,169
- **Rehabilitation Loan Program: \$5.6 million**
 - In 2019, served 258 households including 8% households of color
 - Median annual income: \$15,079
- **Downpayment and Closing Cost Assistance: \$885,000**
 - In 2019, served 111 households including 36.9% households of color
 - Median annual income: \$52,404
 - Total downpayment and closing cost assistance including agency resources was \$44.1 million serving 4,988 households
- **Homeownership Education, Counseling and Training Fund: \$1,502,500**
 - In 2019, served 19,716 households including 54% households of color
 - Median annual income: \$38,460



COVID-19 Housing Assistance Program

- \$100 million in housing assistance to renters and homeowners to prevent homelessness and help maintain housing stability.
- The program covered unpaid housing-related bills including rent, mortgage and utility payments for housing bills back to March 2020.
- The program was available from August 24 through December 7. It closed to new applications due to the federal deadline associated with the funding.
- In the last 7 days of the program, approx. 14,000 applications were submitted for around \$35 million. Final review of submitted applications and payments remain in process.

Applicant Characteristics (as of 11/30/20):

- 63% of households at or below 100% federal poverty guidelines (FPG)
- 93% of households at or below 200% FPG
- 7% of applicants have previously been evicted
- 56% of applicants identified as being Black, Indigenous or People of Color
- 23% of applicants have previously experienced homelessness

Upcoming COVID Emergency Rental Assistance

Provided in Consolidated Appropriations Act, distributed through the U.S. Treasury Department

Funding Availability	<ul style="list-style-type: none">• \$375 million to Minnesota through state (55%) and seven eligible localities including Anoka, Dakota, Hennepin, Ramsey, and Washington Counties and the Cities of Minneapolis and Saint Paul (up to 45%).• Tribal entities eligible for direct allocation through \$800 million for Tribes across the country, distributed through Indian Housing Block Grant formula.
Eligible Uses	<ul style="list-style-type: none">• Rent, utilities and home energy costs (both arrears and prospective), or other expenses related to housing incurred due to the pandemic.
Eligible Recipients	<ul style="list-style-type: none">• Renter households with incomes no more than 80% of Area Median Income and have experienced financial hardship through the coronavirus outbreak and can demonstrate a risk of experiencing homelessness or housing instability.• In addition, grantees must prioritize households with incomes no more than 50% of Area Median Income and to households where an individual has been unemployed for 90 days.• Landlords and owners may apply on behalf of tenants meeting the eligibility requirements, so long as the tenant co-signs the application.
Use of Funds Timelines	<ul style="list-style-type: none">• The Treasury Department may recapture any funds not obligated by grantees as of September 30, 2021 and reallocate to grantees who have obligated at least 65 percent of original grant at that time. Remaining funds will be available until December 31, 2021 with potential for a 90-day extension.

Dan Kitzberger

Legislative Director

dan.kitzberger@state.mn.us

651.216.8933

www.mnhousing.gov