

# One Minnesota Budget



**2024-25 Budget Recommendations**

**Commissioner Jennifer Leimaile Ho**



# Serving All of Minnesota

The Governor's and Lt. Governor's budget responds to the range of housing needs felt by Minnesotans in all regions of the state, while focusing on closing disparities and assisting lowest-income Minnesotans and underserved geographies:

- Rental and homeownership
- New construction and preservation
- Deeply affordable housing and market-rate housing in Greater Minnesota
- Homelessness prevention and homeownership development
- Rental assistance and downpayment assistance

# Historic Investments in Housing Stability

## Governor's Housing Budget at a Glance

FY 2024-25 Base Budget <i>Governor's Recommendations</i> <b>Total FY 2024-25 Recommendations</b>	\$115.6 million <i>+\$726.5 million</i> <b>\$842.1 million</b>
FY 2026-27 Planning Estimates <i>Governor's Recommendations</i> <b>Total FY 2026-27 Recommendations</b>	\$115.6 million <i>+\$41.5 million</i> <b>\$157.1 million</b>

# Going Big So Everyone Can Go Home

<b>2024-25 Budget Recommendations by Program Area</b>	
	<b>FY 2024-2025</b>
<b>Preserve and Create New Homes</b>	\$473.8 million <i>+\$420 million</i>
<b>Increase Housing Stability</b>	\$221 million <i>+\$165 million</i>
<b>Support and Strengthen Homeownership</b>	\$134.5 million <i>+\$130 million</i>
<b>Build and Support Organizational Capacity</b>	\$12.8 million <i>+\$11.5 million</i>

# Preserve and Create New Homes



# Preserve and Create New Homes

Program	FY 2024-2025
<b>PRESERVE AND CREATE NEW HOMES</b>	
Economic Development and Housing Challenge (Challenge)	\$125.9 million <i>+\$100 million</i>
Workforce Homeownership Program	\$35.5 million <i>+\$35 million</i>
Community Stabilization ( <b>NEW</b> )	\$100 million <i>+\$100 million</i>
Greater Minnesota Workforce Housing Program	\$44 million <i>+\$40 million</i>
Housing Infrastructure	\$100 million <i>+\$100 million</i>
Public Housing Rehab	\$20 million <i>+\$20 million</i>
Manufactured Home Park Infrastructure Grants	\$27 million <i>+\$25 million</i>
Rental Rehabilitation Loans	\$7.9 million
Preservation (PARIF)	\$8.4 million
Rehab Loans (Single Family)	\$5.5 million
<b>TOTAL</b>	<b>\$473.8 million</b> <i>+\$420 million</i>



# Preserve and Create New Homes: Economic Development and Housing Challenge

## 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.



<b>FY 2024-25:</b>	<b>\$125.9 million</b>
<b>Change:</b>	<b>+\$100 million</b>
<b>Projected Impact:</b>	<b>+1,200 housing opportunities</b>

# Preserve and Create New Homes: Workforce and Affordable Homeownership

## 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.



<b>FY 2024-25:</b>	<b>\$35.5 million</b>
<b>Change:</b>	<b>+\$35 million</b>
<b>Projected Impact:</b>	<b>+500 homes created</b>



# Preserve and Create New Homes: Community Stabilization

## Community Stabilization – Naturally Occurring Affordable Housing (NOAH)

*Investing in existing housing to maintain housing that is currently affordable to low-income households.*

- Acquire, rehabilitate, and/or preserve existing rental and owner-occupied housing that is at risk of becoming unaffordable.
- Maintain affordability for current and future households.



**FY 2024-25:**                      **\$100 million**

**Change:**                              ***NEW***

**Projected  
Impact:**                              **+2,000 homes  
preserved**

# Preserve and Create New Homes: Greater Minnesota Workforce Housing Program

## 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.



<b>FY 2024-25:</b>	<b>\$44 million</b>
<b>Change:</b>	<b>+\$40 million</b>
<b>Projected Impact:</b>	<b>+1,140 new homes</b>

# Preserve and Create New Homes: Housing Infrastructure

## Housing Infrastructure

*Provide loans and grants to develop housing.*

- Permanent supportive housing
- Preservation of existing housing
- Senior housing
- Single-family homes
- Manufactured home park infrastructure
- Requested new use: deeply affordable homes
- In addition to the Governor's Capital Budget \$250 million recommendation.



**FY 2024-25:**

**\$100 million**

**Change:**

***New funding source***

**Projected  
Impact:**

**+800-1,200 homes**

# Preserve and Create New Homes: Public Housing Rehab

## Public Housing Rehab

*Provide loans for the rehabilitation of public housing .*

- Addresses health, safety, accessibility and energy efficiency issues.
- Public housing is in all 87 counties, comes in all sizes and types, from scattered single-family homes for large families to high rise apartments for elderly families.
- In addition to the Governor's Capital Budget \$60 million recommendation.



**FY 2024-25:**

**\$20 million**

**Change:**

***New funding source***

**Projected  
Impact:**

**+1,670 units**

# Preserve and Create New Homes: Manufactured Home Park Infrastructure

## 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.



<b>FY 2024-25:</b>	<b>\$27 million</b>
<b>Change:</b>	<b>+\$25 million</b>
<b>Projected Impact:</b>	<b>+1,920 homes impacted</b>



# Increase Housing Stability





# Increase Housing Stability

Program	FY 2024-2025
<b>INCREASE HOUSING STABILITY</b>	
Family Homeless Prevention (FHPAP)	\$120.5 million <i>+\$100 million</i>
Housing Trust Fund	\$33.3 million <i>+\$10 million</i>
Strengthen Supportive Housing ( <b>NEW</b> )	\$40 million <i>+\$40 million</i>
Homework Starts with Home	\$8.5 million <i>+\$5 million</i>
Bridges	\$18.7 million <i>+\$10 million</i>
<b>TOTAL</b>	<b>\$221 million</b> <i>+\$165 million</i>

# Increase Housing Stability: Family Homeless 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.



<b>FY 2024-25:</b>	<b>\$120.5 million</b>
<b>Change:</b>	<b>+\$100 million</b>
<b>Projected Impact:</b>	<b>+40,000 households assisted</b>

# Increase Housing Stability: Housing Trust Fund

## 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 2024-25:**                      **\$33.3 million**

**Change:**                              **+\$10 million**

**Projected  
Impact:**                              **+555 households  
assisted per year**

# Increase Housing Stability: Strengthen Supportive Housing

## Strengthen Supportive Housing

*Provides a reliable source of funding for some associated costs to support those impacted by homelessness.*

- Expenses include services, front desk staffing, and rental assistance.
- May be awarded to projects funded through Consolidated RFP.



**FY 2024-25:**

**\$40 million**

**Change:**

***NEW***

**Projected  
Impact:**

**+5,000 households  
impacted**

# Increase Home Stability: Homework Starts with Home

## 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 2024-25:**                      **\$8.5 million**

**Change:**                              **+\$5 million**

**Projected Impact:**                      **+355 families per year**

## 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 2024-25:**            **\$18.7 million**

**Change:**                **+\$10 million**

**Projected  
Impact:**                **+100 households  
per year**



# Support and Strengthen Homeownership



NAME	
ADDRESS	
CITY	
STATE	
ZIP	
PHONE	
ROOMS	
BEDROOMS	<input type="checkbox"/>
BATH	<input type="checkbox"/>
FAMILY RM	<input type="checkbox"/>
LIVING RM	<input type="checkbox"/>
DEN	<input type="checkbox"/>
DINING RM	<input type="checkbox"/>
KITCHEN	<input type="checkbox"/>
BATH	<input type="checkbox"/>
BREAKFAST	<input type="checkbox"/>
GARAGE	<input type="checkbox"/>
ATTIC	<input type="checkbox"/>
LAUNDRY RM	<input type="checkbox"/>

NAME	
ADDRESS	
CITY	
STATE	
ZIP	
PHONE	
ROOMS	
BEDROOMS	<input type="checkbox"/>
BATH	<input type="checkbox"/>
FAMILY RM	<input type="checkbox"/>
LIVING RM	<input type="checkbox"/>
DEN	<input type="checkbox"/>
DINING RM	<input type="checkbox"/>
KITCHEN	<input type="checkbox"/>
BATH	<input type="checkbox"/>
BREAKFAST	<input type="checkbox"/>
GARAGE	<input type="checkbox"/>
ATTIC	<input type="checkbox"/>
LAUNDRY RM	<input type="checkbox"/>

# Support and Strengthen Homeownership

Program	FY 2024-2025
<b>SUPPORT AND STRENGTHEN HOMEOWNERSHIP</b>	
Downpayment Assistance	\$129.8 million <i>+\$128 million</i>
Homeownership Education, Counseling and Training Fund (HECAT)	\$3.7 million <i>+\$2 million</i>
Build Wealth	\$1 million
<b>TOTAL:</b>	<b>\$134.5 million</b> <i>+\$130 million</i>

# Support and Strengthen Homeownership: Downpayment and Closing Cost Assistance

## 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.
- Create new First Generation Homebuyer program
- Provide downpayment assistance to other lenders to serve households not being served by Minnesota Housing mortgage products.



<b>FY 2024-25:</b>	<b>\$129.8 million</b>
<b>Change:</b>	<b>+\$128 million</b>
<b>Projected Impact:</b>	<b>+6,400 households initially</b>

# Support and Strengthen Homeownership: Homeownership Education, Counseling & Training

## 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 2024-25:**                      **\$3.7 million**

**Change:**                              **+\$2 million**

**Projected  
Impact:**                              **9,090 households  
per biennium**



# Build and Support Organizational Capacity



# Build and Support Organizational Capacity

Program	FY 2024-2025
<b>BUILD AND SUPPORT ORGANIZATIONAL CAPACITY</b>	
Capacity Building	\$12.8 million <i>+\$11.5 million</i>
<b>TOTAL</b>	<b>\$12.8 million</b> <i>+\$11.5 million</i>



# Build and Support Organizational Capacity: Capacity Building

## 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.



<b>FY 2024-25:</b>	<b>\$12.8 million</b>
<b>Change:</b>	<b>+\$11.5 million</b>

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Thank you