

# 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

# Going Big So Everyone Can Go Home

## 2024-25 Budget Recommendations by Program Area

FY 2024-2025

Preserve and Create New Homes	\$473.8 million <i>+\$420 million</i>
Increase Housing Stability	\$221 million <i>+\$165 million</i>
Support and Strengthen Homeownership	\$134.5 million <i>+\$130 million</i>
Build and Support Organizational Capacity	\$12.8 million <i>+\$11.5 million</i>
<b>Total FY 2024-25 Recommendations</b>	<b>\$842.1 million</b>

# 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>

# Increase Housing Stability

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

# Support and Strengthen Homeownership

Program	FY 2024-2025
<b>SUPPORT AND STRENGTHEN HOMEOWNERSHIP</b>	
First Generation Downpayment Assistance ( <b>NEW</b> )	\$100 million <i>+\$100 million</i>
Home Ownership Assistance Fund/ Downpayment Assistance	\$29.8 million <i>+\$29 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>

# 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>

# Program Highlights



- Economic Development and Housing Challenge (Challenge)
- Workforce and Affordable Homeownership
- Strengthen Supportive Housing
- Homework Starts With Home
- First Generation Downpayment Assistance



# 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>

# 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 other operating expenses.
- 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
- Priority for the new funding will be to serve younger children and pregnant households 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**



# Support and Strengthen Homeownership: Downpayment and Closing Cost Assistance

## First Generation Downpayment and Closing Cost Assistance

*Helps households who have not had prior access to homeownership.*

- Creates new, sustainable program with forgivable and deferred loans.
- Agency lending programs are nationally recognized.
- Includes downpayment assistance for households not being served by Minnesota Housing mortgage products.
- Focus on helping more homeowners and building more wealth.



**FY 2024-25:**

**\$100 million**

**Change:**

**NEW**

**Projected Impact:**

**3600 households initially, + ongoing**

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Thank you