Minnesota Housing Agency Overview

Jennifer Leimaile Ho, Commissioner

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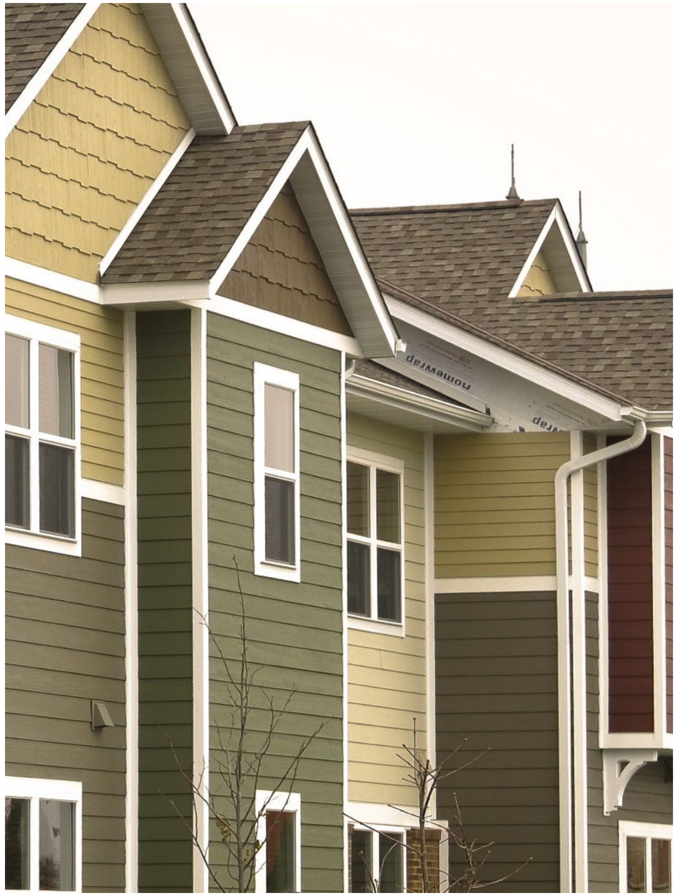
MINNESOTA HOUSING

mnhousing.gov

Our Mission: The Core Purpose

Housing is foundational to a full life and a thriving state, so we equitably collaborate with individuals, communities and partners to create, preserve and finance housing that is affordable.

Our Unique Role



- Established in 1971
- Seven-member board of directors, which includes State Auditor
- Annual independent financial audit
- No direct appropriations for agency operating costs
- Serve statewide

A Mission-Driven Financial Institution

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

Financing Needs Across the Housing Continuum

Homelessness Prevention

Supportive Housing

Rental Housing

Manufactured Housing

Homeownership

Minnesota Housing Does Not:

- ✕ Build or develop housing
- ✕ Own properties
- ✕ Regulate housing or development
- ✕ Mediate landlord-tenant disputes, or enforce MS 504B
- ✕ Help people find housing
- ✕ Set or enforce local housing, zoning or land-use policies
- ✕ Administer Section 8 Housing Choice Vouchers

Agency Structure

Single Family
(Homeownership)

- First Mortgage
- Downpayment Assistance
- Home Improvement
- Single Family Construction
- Homebuyer Education
- Manufactured Home Communities

Multifamily
(Rental)

- Multifamily Construction, Rehabilitation, and Preservation
- Housing Tax Credits
- Greater Minnesota Workforce Housing

Housing Stability

- Homelessness Prevention
- Supportive Housing
- Targeted Rent Assistance

Local Government Housing Programs

- Bring It Home Rental Assistance
- Local and Statewide Aid
- Greater Minnesota Infrastructure
- Local Housing Trust Funds

Program Delivery via Partnerships

Minnesota Housing

Lenders

Developers

Service Providers

Community Organizations

Tribal and Local Governments

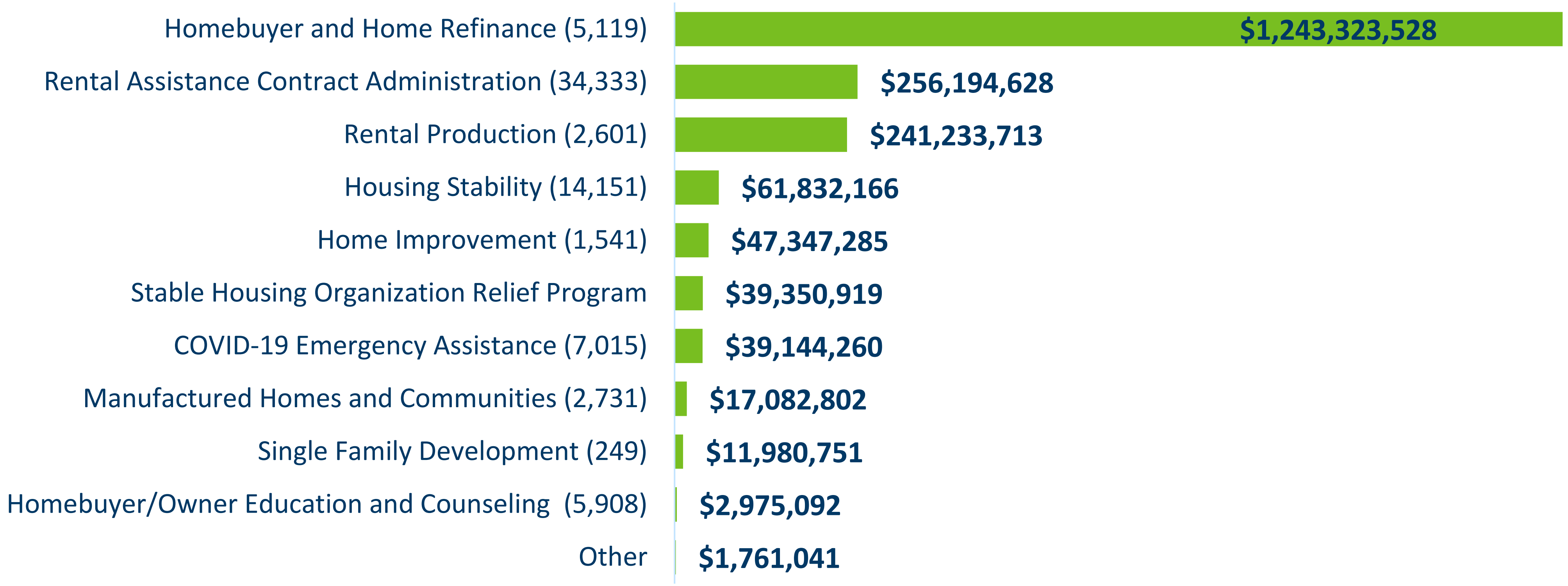
Minnesotans

Areas of Impact

$1.96 billion in program expenditures in FFY 2024

More than 73,600 households served

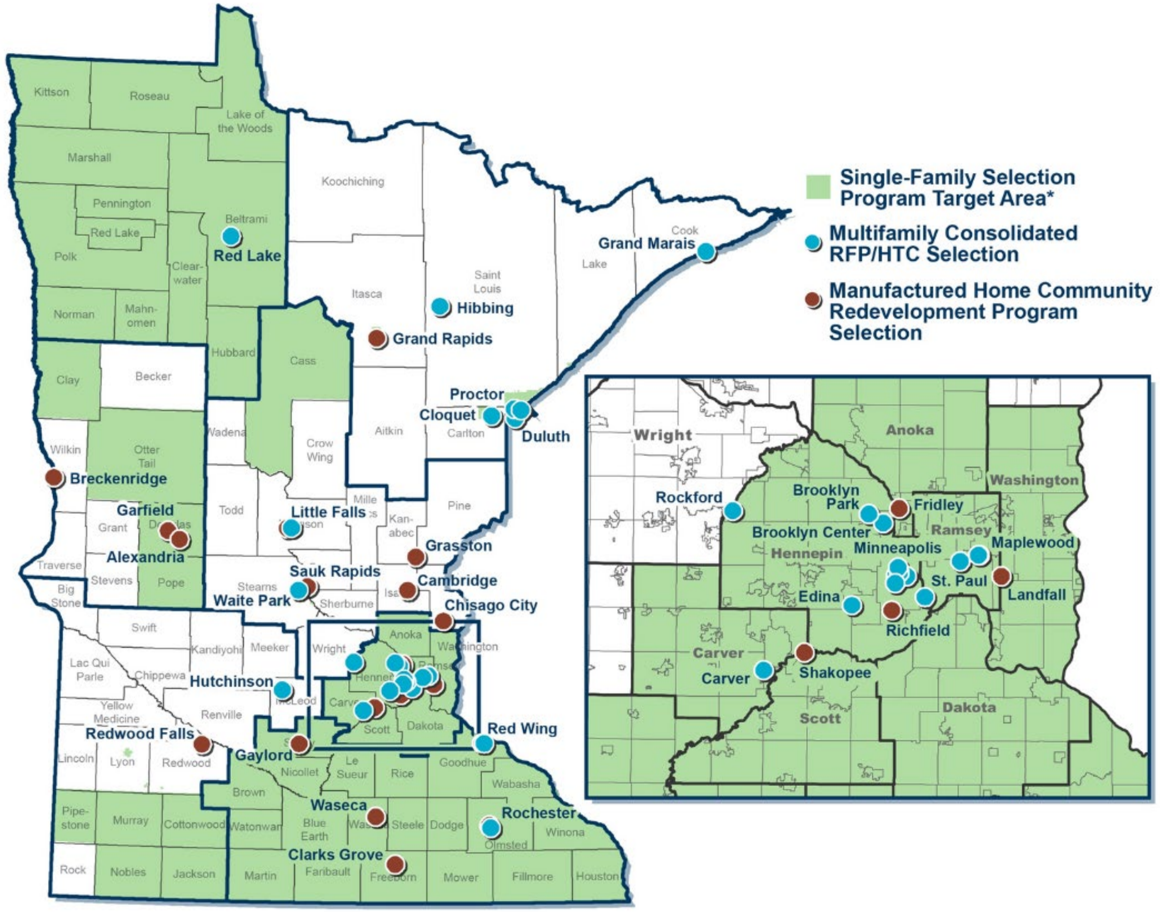
Total assistance by program (households served)



Competitive RFP and Grant Process

- Most funding is awarded through competitive requests for proposals (RFP).
- Our largest funding round each year is the Consolidated RFP.
  - One-stop shop for funding from multiple programs and sources
  - Proposals are matched to the sources that have compatible eligibility, working to maximize efficiency and utilization and leverage resources
  - Scoring criteria are regularly evaluated to adapt to changing conditions and prioritize Minnesotans with the greatest needs

Consolidated RFP Selections 2023



Total: $348 million

Homeownership:

- Largest-ever (nearly $110 million) impacting over **1,300 homeownership opportunities**.
- **46%** of projects selected serve Greater Minnesota

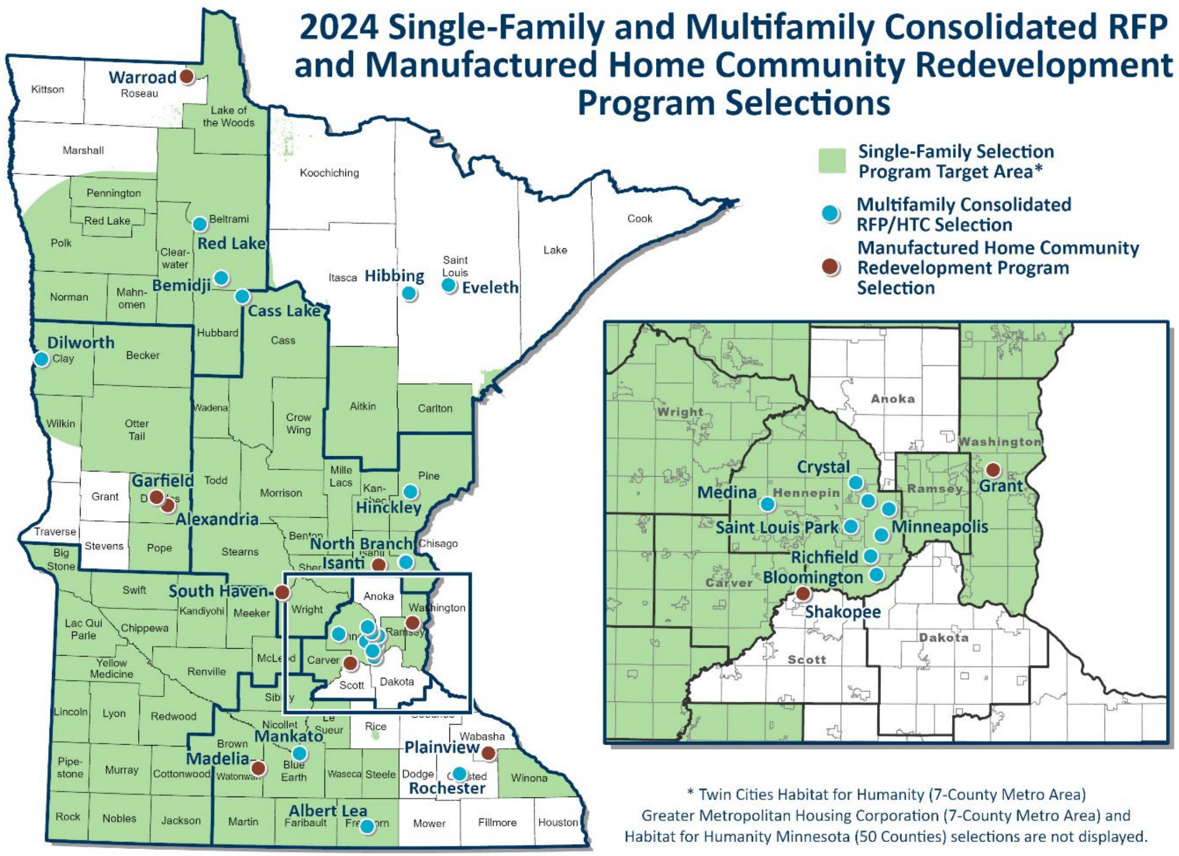
Rental:

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

Manufactured Housing:

- Largest ever selections with 19 communities and $21.5 million

Consolidated RFP Selections 2024



Total: $191 million

Homeownership:

- **587** single family homes impacted (172 new construction).

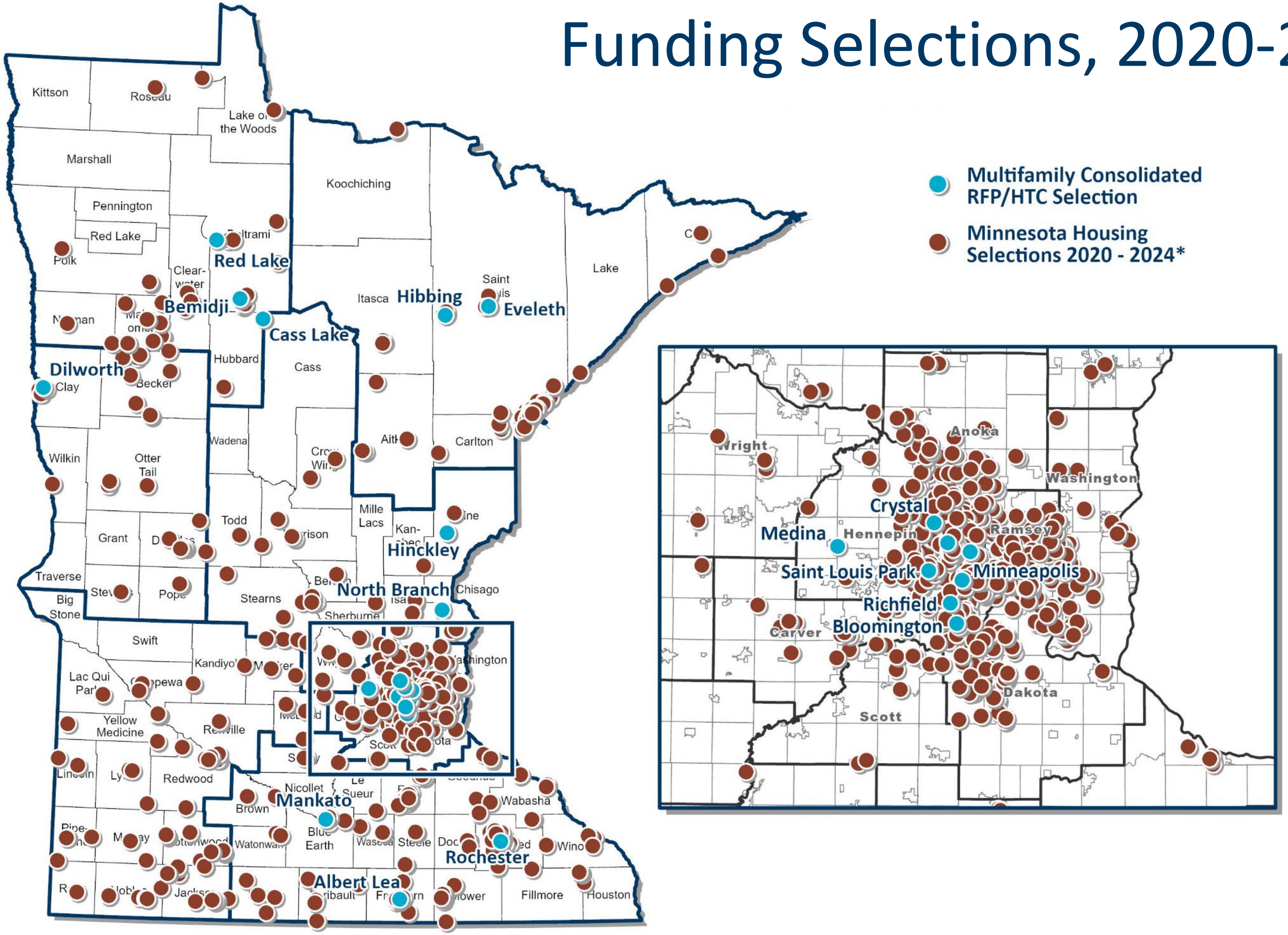
Rental:

- 959 total units impacted (55% new construction, 45% preservation).
- **62%** of projects are in Greater Minnesota.
- 186 units designated for seniors.

Manufactured Homes:

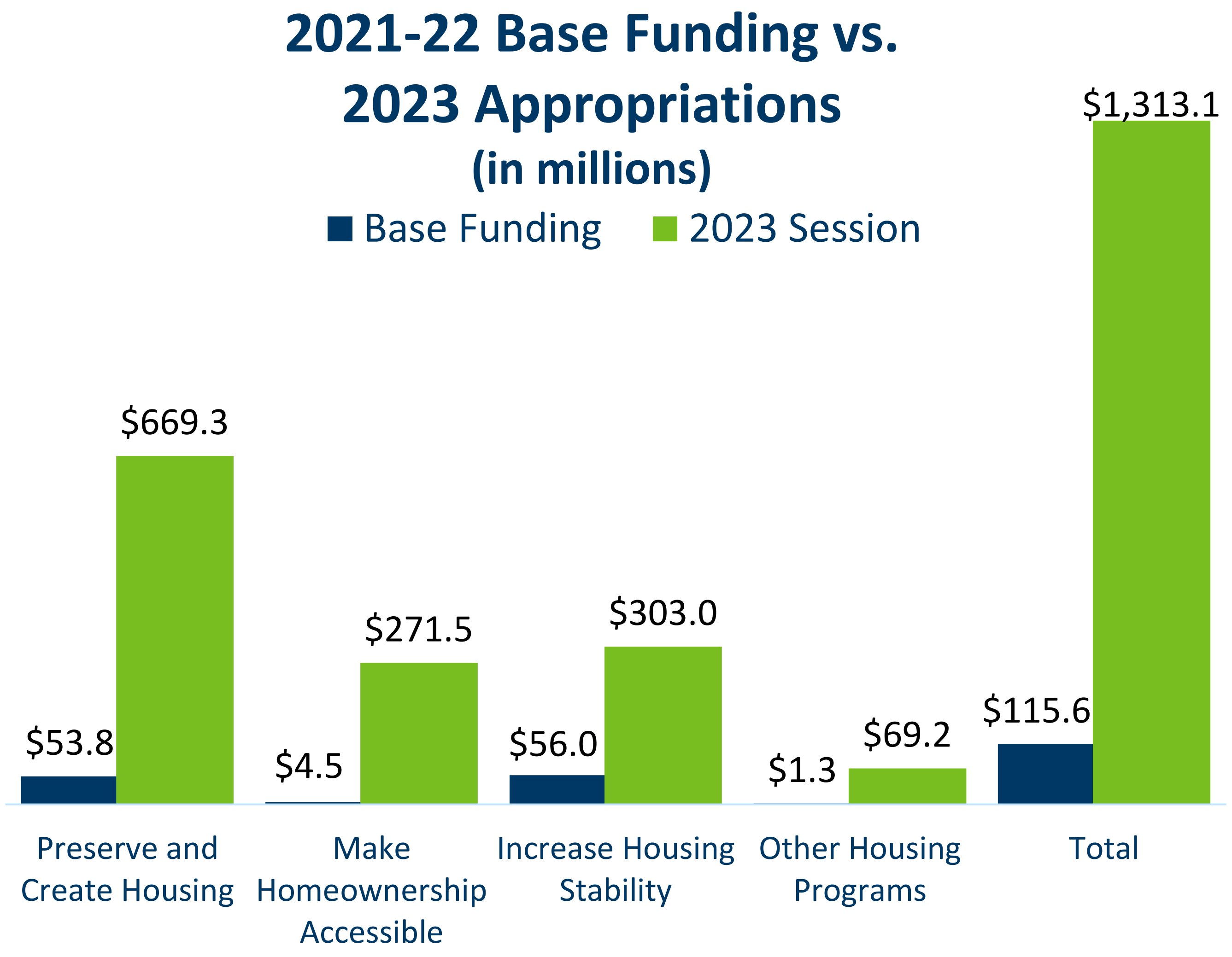
- **$2.7 million** for infrastructure improvements in 9 communities

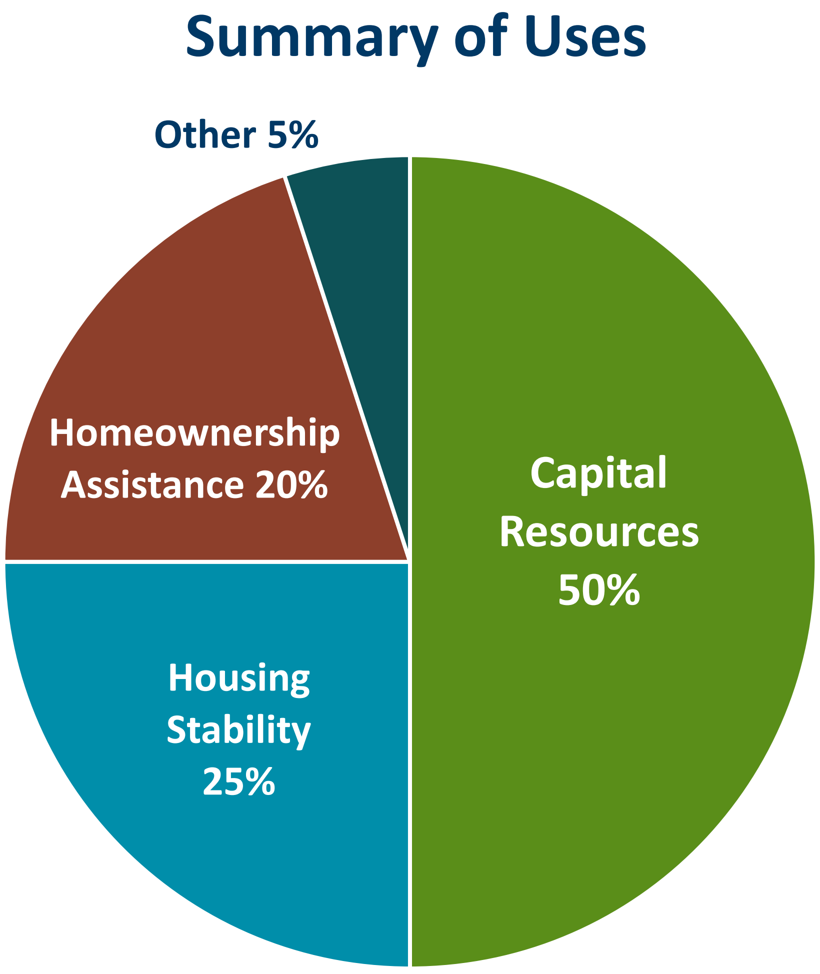
Funding Selections, 2020-2024



Update on Funding from 2023-24 Sessions

2023 Historic Investment in Housing





Minnesota Housing: All Programs

The 2023 session doubled the number of programs that Minnesota Housing administers.

Prior Existing RFPs

Housing Infrastructure

Challenge

Family Homeless Prevention (FHPAP)

Manufactured

Workforce Hor

Preservation (I

Rental Rehab D

Rehab Loan (H

Housing Trust

Bridges

Homework Sta

Agency Downpayment Assistance

Capacity Building Grants

Public Housing Rehab (POHP)

Homeowner Education

Greater Minnesota Workforce Housing Development

2023 New Programs

Agency First Generation Homeownership

Community Stabilization (NOAH)

Bring It Home Rental Assistance

High-Rise Sprinkler Grants

Lead-Safe Homes

2024 New Programs

Recapitalization of Distressed Properties

2023 Legislatively Named Grants and Other Programs

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

Aeon – Huntington Place (NOAH)

Work Group on Expediting Rent Assistance

2024 Grants

Wilder Foundation Homeless Study

Wilder Park Senior High-Rise

Other New Programs

Federal HOME-ARP

Homebuying Partnership Program for

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tion Fund

Minnesota Housing: All Programs

Prior 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 (POHP)

Homeowner Education

Greater Minnesota
Workforce Housing Development

2023 New Programs

Agency First Generation Homeownership

Community Stabilization (NOAH)

Bring It Home Rental Assistance

Local Affordable Housing Aid (LAHA)

Statewide Affordable Housing Aid (SAHA)

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

2024 New Programs

Recapitalization of Distressed Properties

2023 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

2024 Grants

Wilder Foundation Homeless Study

Wilder Park Senior High-Rise

Other New Programs

Federal HOME-ARP

Homebuying Partnership Program for Interest-Averse Borrowers

Local Housing Trust Funds

State Tax Credit Contribution Fund

Recently Completed Funding Opportunities

Selections Approved or Funds Disbursed

- Agency First-Generation Downpayment Assistance **- $50 million**
- Greater Minnesota Workforce Housing Development - **$39 million**
- Public Housing Rehab (POHP) - **$39.5 million**
- Capacity Building Grants - **$5 million**

RFP Period Closed, Selections Pending

- Family Homeless Prevention and Assistance (FHPAP) - **$20.5 million**
- Homework Starts With Home- **$5.5 million**
- High Rise Sprinkler System - **$6 million**

Other

- State Housing Tax Credit Program Contributions - **$9.9 million credits ($11.6 million contributions)**

Upcoming Funding Opportunities

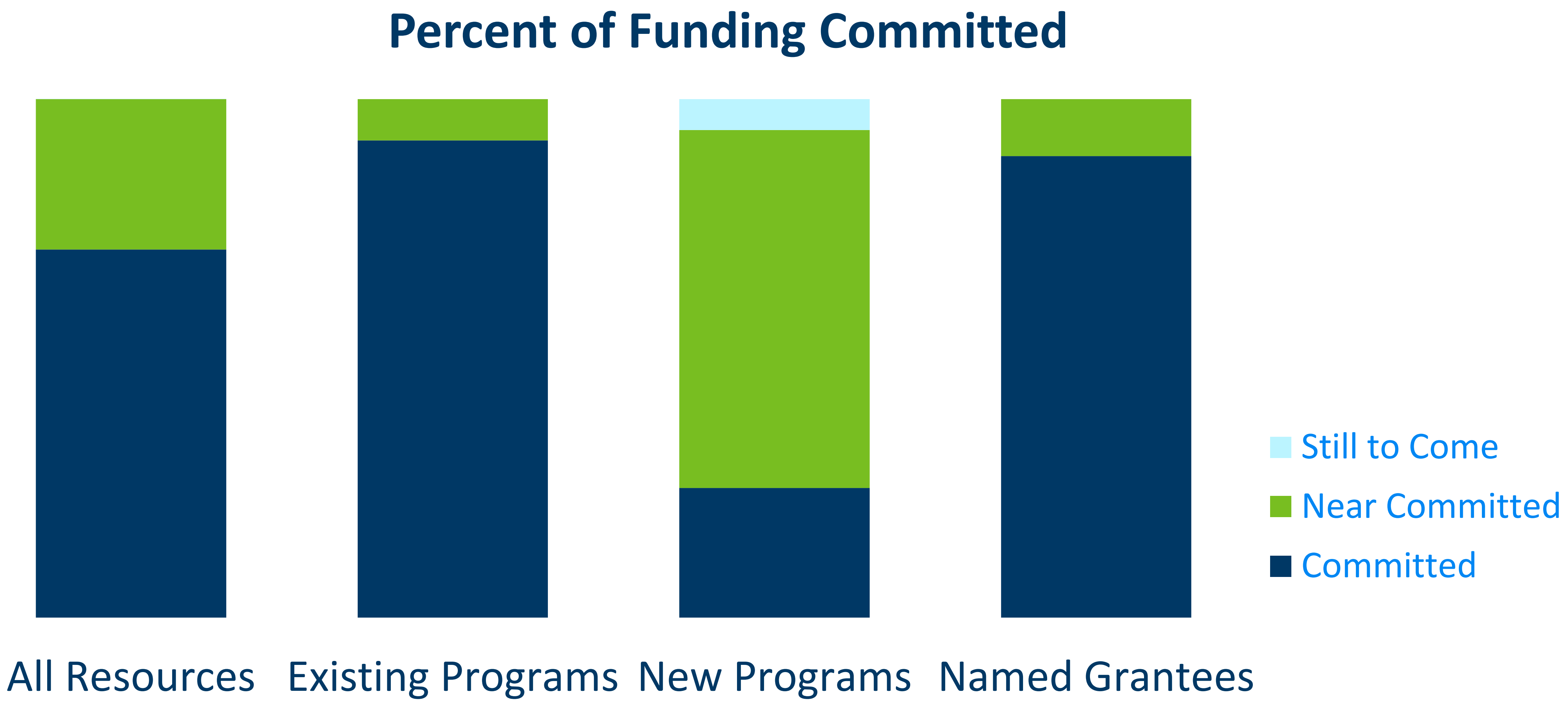
RFPs Opening Soon:

- Local Housing Trust Fund* – February 12
- Homeownership Investment Grants* – February
- Publicly Owned Housing II – February
- Bring It Home Rental Assistance* – early February
- Greater MN Tier II Cities* – Mid-February
- Greater MN Infrastructure* – March
- Community Stabilization/NOAH* – April

See open and upcoming funding opportunities at mnhousing.gov

*identifies new program

Over 70% of Biennium Funding is Committed



Program Highlights

Highlight: Housing Infrastructure

Scan to hear Corrine's story

Highlight - Publicly Owned Housing

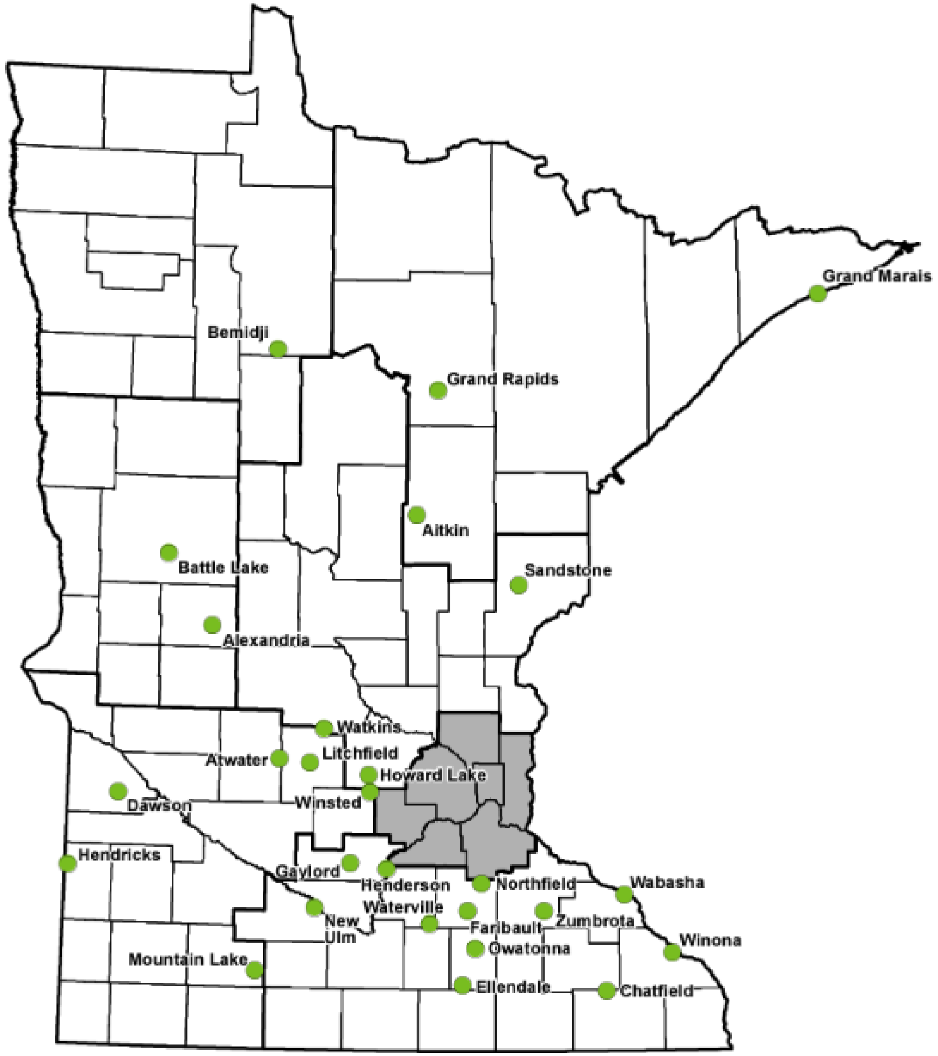
"The affordable rental market is dire for many seniors in rural Minnesota and many of them have nowhere else to go."

-Dana Hiltunen, Virginia HRA

Highlight - Publicly Owned Housing

- This year, **$39.5 million** was awarded through the Publicly Owned Housing Program (POHP)
- The investments will **preserve 1,641 apartments** and townhomes across the state
- 15 of 18 projects selected are in Greater Minnesota
- We’re getting ready to open a second round for the remainder of this $87 million pool (a combination of GO bonds and cash)

Highlight – Greater Minnesota Workforce Housing Development



- $38.6 million awarded to 27 projects representing 832 units
- Deferred loans for projects in small to mid-size communities in Greater Minnesota with market rate rental workforce housing needs.
- Since 2017 the program has awarded more than $50 million in resources to build more than 1,500 units.
- More housing to support business growth in Greater Minnesota

Highlight: Economic Development Housing Challenge

"We can tackle this issue together! Let's make homeownership a reality for our community."

Ryan Daniel
Managing Partner
Dreamliner Estates

Highlight – First-Generation Downpayment Assistance

- Agency distributed **$50 million** in downpayment assistance to approximately 1500 households, from spring through late fall.
- 80% are Black, Indigenous and homebuyers of color.
- The $100 million community-based program via Midwest Minnesota CDC continues to operate.

Highlight – Local Government Programs

- Flexible uses in Affordable Housing Aid (LAHA/SAHA) can address needs in every region of the state.
- Some planned uses include preservation of distressed properties, downpayment assistance, property rehabilitation, Emergency Rental Assistance and supportive housing initiatives.
- The Local Housing Trust Fund grant program is scheduled to open an Intent to Apply on 1/24. Approximately 70 communities have created new LHTFs within the past year, and we expect the program to be oversubscribed.

Agency Reports

Reports from Minnesota Housing

Annual Program Assessment

(2024 expected to be published February 15)

- Comprehensive report of all agency activity for the Fiscal Year
- Expenditures for closed loans from prior RFP rounds *(different from new RFP selections)*
- People served and demographics
- Number of units produced or preserved
- Funding by region

Scan to visit the reports page at mnhousing.gov

Other Legislatively Required Reports

Annual, October 15:

- Manufactured Housing Relocation Trust Fund
- Transfers and Interagency Agreements

Annual, January 15:

- Build Wealth MN
- Emergency Rental Assistance Need Estimation
- Manufactured Home Park Infrastructure
- State Housing Tax Credit and Contribution Fund
- Workforce and Affordable Homeownership Development
- Workforce Housing Development

Annual, February 15:

- Biennial Issuance Report (odd years)
- Homeownership Counseling, Education, and Training
- Operating Costs Report
- Housing Disparities

One-time:

- Family Homelessness Prevention Assistance Fast Track Final Report
- Working Group on Expediting Rental Assistance: Implementation Report on Expediting Rental Assistance
- Senior Low Income Housing Tax Credit Analysis
- Stable Housing Organization Relief Program (SHORP)

Report: Emergency Rental Assistance Need Estimation

Of the approximately 240,000 renter-households with incomes at or below 200% of the Federal Poverty Guidelines (FPG), nearly three-quarters (78%) are cost-burdened and half (51%) are severely cost-burdened, paying 50% or more of their income on rent.

Number of Months Behind Per Year	Average Gross Rent	Total Estimated Annual Need
~250,000 months	**$1,350/month**	**~$350,000,000**
Estimate of the overall number of months Minnesota households with low incomes are behind on their rent in a year. **Source**: Minnesota Housing analysis of data from the Household Pulse Survey (Cycles 4.0.1-4.1.6)	The average gross rent (rent and utilities) for households who are at or below 200% of poverty and severely cost-burdened. **Source**: Minnesota Housing analysis of 5-year iPUMS American Community Survey (2022) adjusted to 2024 dollars	The total funding needed to fully cover rent and utilities for all months that Minnesota households with low incomes are behind on their rent in a year. **Note:** The estimate is rounded to the nearest $50 million to reflect the limitations of the available data.

Report: Analysis of Low-income Housing Tax Credit Households with Renters Age 55 and Older

The key findings:

• Since 2014, about 20% of properties receiving LIHTCs for new construction or rehabilitation are predominantly occupied by renters who are age 55 or older.

• About 41% of all LIHTC units (with tenant age data reported) receiving tax credits between 2014 and 2023 are occupied by renters who are age 55 or older.

• Since 2019, about 30% of LIHTC renters who are age 55 or older are cost burdened by their rent and utility payments (spending more than 30% of their income on it.) For comparison, about 79% of all lower-income (less than $50,000) households in Minnesota are cost burdened.

• Since 2020, rents were increased to the maximum amount in about a quarter of the households in LIHTC properties where a majority of the renters are age 55 or older.

Report: Manufactured Home Park Infrastructure

Eligible uses of funds include:

- Infrastructure improvements, including water and sewer installation, installment or repair of storm shelters, electrical work, road and sidewalk improvements, or other infrastructure needs as approved.
- Acquisition of manufactured home communities, with priority given to cooperative ownership models.

2023 RFP Selections

- 19 proposals selected, for $21.5 million (27 requests received, totaling $35 million)

2024 RFP Selections

- 9 proposals selected, for $2.7 million (17 proposals received, totaling $13 million)

Report: Workforce and Affordable Homeownership Development

2023 appropriations were $60.5 million for the Workforce and Affordable Homeownership Development Program. On-going funding for the program is $250,000 per year.

The program funds properties intended for homeownership and can be used for development costs, rehabilitation, land development, and residential housing by eligible program awardees.

- Resources from this appropriation were allocated through the 2024 Single Family Consolidated RFP.
- The program funded **36 proposals** to create and preserve **439 units** of housing for a total of **$41.6 million.**

Thank you for your partnership!

MINNESOTA HOUSING

Contact Us

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