



INNOVATION. COLLABORATION. IMPACT.

2014 Minnesota Housing Annual Report and Program Assessment





ABOUT MINNESOTA HOUSING

Minnesota Housing is a state agency created in 1971 that works to provide access to safe, decent and affordable housing and to build stronger communities across the state. We raise capital by selling bonds and lending the proceeds to low- and moderate-income homebuyers and homeowners, and to developers who build or preserve affordable rental housing. We have assisted an average of 65,000 households annually over the past ten years. For more information, visit www.mnhousing.gov.

OUR MISSION

Minnesota Housing finances affordable housing for low- and moderate-income Minnesotans while fostering strong communities.

OUR PRIORITIES

- Preserve federally-subsidized rental housing
- Promote and support successful homeownership
- Address specific and critical needs in rental housing markets
- Prevent and end homelessness
- Prevent foreclosures and support community recovery

FRIENDS AND COLLEAGUES:

In 2014, Minnesota Housing was here to guide the impact of more than **\$750 million** in housing investments to meet the housing needs of families and communities throughout the state. We did this through innovation, collaboration with talented partners and a commitment to our mission.

As the economy continued to recover in 2014, nearly 2,500 homebuyers took advantage of low interest rates and downpayment loans to help realize their dreams of homeownership. More than 1,000 others who are already homeowners used our home improvement loans to increase the energy efficiency, safety and comfort of their homes. We were also pleased that the number of families needing foreclosure counseling decreased by 50% since 2011 as the foreclosure crisis continues to improve.

We saw an opportunity presented by these improving market conditions to focus on increasing homeownership among households of color and Hispanic ethnicity. Our diverse team of hard-working business development specialists worked closely with lenders and real estate agents to link them with aspiring homebuyers from these communities – and this strategy is working! In 2014, 24% of our mortgages

made homeownership a reality for more than 600 households of color or Hispanic ethnicity, compared to only 10% by the mortgage industry as a whole. Our peers in 49 other state housing agencies recognized these innovative approaches when we won the national award for Reducing Barriers to Homeownership for Under-Served Populations.

Renters benefitted as well, with our support of nearly 2,800 new or renovated apartments during the year – an increase of nearly 700 units from 2013.

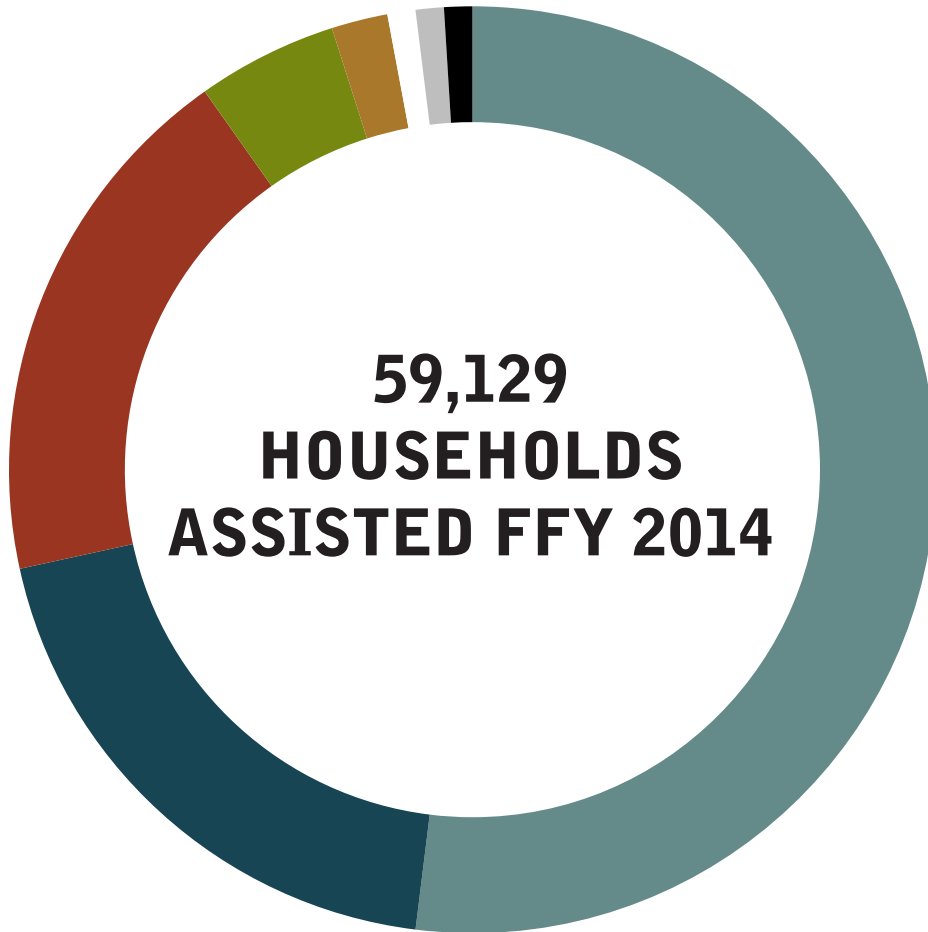
Looking to the future, investments in affordable housing will increase in 2015 as the Governor and state legislature included \$100 million for housing. This record level of new funding was the result of collaborative grassroots advocacy efforts across the state that made housing a top priority for lawmakers.

Thank you for working with us to make housing safe, affordable and secure for all Minnesotans. Enjoy this review of our impact in 2014.



Commissioner Mary Tingerthal

BY THE NUMBERS



- 53% | 31,402**
Rental Assistance
- 20% | 12,014**
Homebuyer Programs
- 19% | 11,091**
Non-Capital Resources to Prevent and End Homelessness
- 5% | 2,747**
Rental Production
- 2% | 1,254**
Home Improvement Programs
- 1% | 461**
Multiple Use Resources
- 1% | 135**
Other
- 1% | 25**
Rental Portfolio Management

OUR
PROGRAMS
SERVED

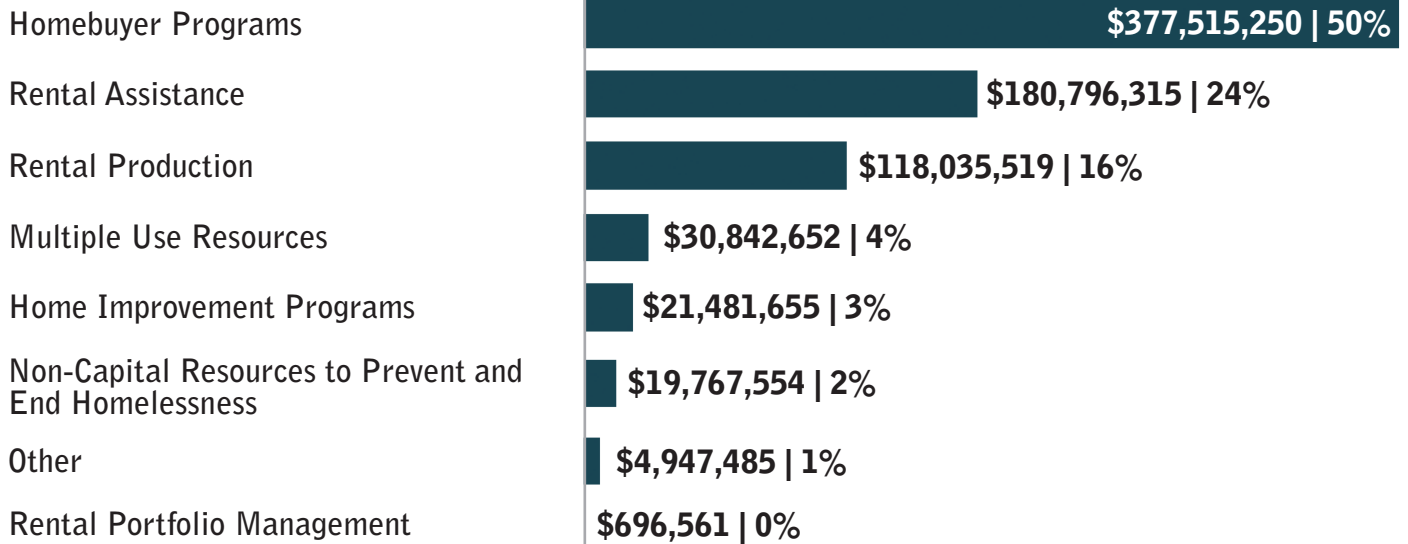


11,091

households at risk of becoming homeless



TOTAL ASSISTANCE FFY 2014 | \$754,082,989



HOUSEHOLDS SERVED

59,129

HOMEBUYER MORTGAGES

2,464

RENTAL UNITS FINANCED

2,747

MULTIFAMILY HOUSING



The variety of rental housing we financed in 2014 makes it clear that this is not a one size fits all market.

Some renters enjoy the benefits of living in the heart of our vibrant metro areas. Others seek places near their jobs at booming Greater Minnesota companies, with room for the whole family. And some rely on the unique resources provided by nonprofits through supportive rental housing.

Between these scenarios and many more, the need for affordable rental housing in Minnesota is constantly growing. In 2014, we provided **\$118 million** for the creation of new rental housing and the preservation of existing affordable units. This activity served **2,747** households and supported **3,450** jobs.

Our Impact: Greater Minnesota
Through our Housing and Community Dialogue series, we traveled around the state to learn

about the unique housing needs of Greater Minnesota communities. Exciting collaborations have come out of these events, and we're continuing to work together on solutions for our changing rural economies.

This year, we invested a total of **\$180,609,547** in Greater Minnesota multifamily and single family housing, including \$63,544,874 in grants, deferred loans and housing tax credits and \$117,064,673 in amortizing loans.

The Stats

OUR RENTAL INVESTMENTS

\$118,035,519

PARTNER INVESTMENTS

\$141,000,000

RENTER HOUSEHOLDS SERVED

45,240



Workforce Housing | Park Row Crossing Townhomes, Saint Peter

“Affordable housing is an important part of our economic development strategy. As part of the fastest growing area in the state, we need to continue these efforts.”

Russ Wille
City of Saint Peter



The Mankato/Saint Peter area has been on an economic roll the past few years, consistently leading the state in job growth and boasting a diverse range of industries. But affordable workforce housing, an important part of a growing economy, has not stayed on pace.

According to Rick Goodemann, CEO of Southwest Minnesota Housing Partnership, the rental vacancy rate is nearly 0% in Saint Peter. His organization has collaborated with the City of Saint Peter on a series of single family and multifamily projects to strategically respond to this need.

Their most recent development is Park Row Crossing Townhomes, a vibrant new rental building designed for young workers and their families. “We paid attention to how it was oriented and connected to amenities that appeal to these young families,” Goodemann explained. This includes green space, a playground and underground parking, plus a

convenient location near the community center, library and downtown. The affordable townhomes also serve four previously homeless households and feature two accessible units.

The response to the project was immediate and positive. “The 40 units at Park Row Crossing were immediately filled,” said Russ Wille, community development director at the City of Saint Peter. He added that the area’s fast economic growth means affordable housing will stay at top of mind for the city.

Goodemann agrees, “Saint Peter has been positively impacted by Mankato’s nexus of job growth. Our number one issue is affordable workforce housing.”

And we agree too. Through Governor Dayton’s Housing and Job Growth Initiative, we’ve invested \$10 million around the state over the last two years to ensure that job growth is not hindered by a lack of housing.

MULTIFAMILY HOUSING



Supportive Housing | Rising Cedar Apartments, Minneapolis



“Stable housing is a vital, meaningful aspect to an individual feeling control in their own life. It offers privacy, ownership, a sense of self-worth, validation and hope.”

Michelle Wincell O’Leary

Rising Cedar Apartments

There is a sense of peace and tranquility when you walk into Rising Cedar Apartments, a 40-unit development in Minneapolis’ Seward neighborhood. That’s no accident – this building was specifically designed to meet the needs of adults with mental illness, both through supportive services and the serene environment.

Touchstone Mental Health, in collaboration with Project for Pride in Living, opened Rising Cedar after significant brainstorming with clients and partners.

“Our vision was to design a healing environment specifically for people living with mental illness using the latest neuroscience research, and incorporating these elements throughout the building,” said Michelle Wincell O’Leary, Rising Cedar’s senior director. “The building is a breath of fresh air from the moment one walks inside.”

The furnished one-bedroom units promote independence with their own kitchens, living spaces and bathrooms, plus easy access to public transit. But residents also receive specialized support with 24-hour care from medical and mental health professionals. Said one resident of that balance, “I like that it’s mostly independent, and it is a good environment.”

Their holistic services extend to the broader Twin Cities community as well. The adjoining Community Health and Wellness Center serves adults with mental illness through acupuncture, health coaching, yoga and more.

We are actively participating in the state’s Olmstead Plan, which strives towards integration and inclusion for people with disabilities. Innovative housing models like Rising Cedar are essential to that vision, providing residents with a safe and secure place to call home.



Preservation | Park Manor Estates, Detroit Lakes

Spirited residents of Park Manor Estates talk about the pride they have in this building and how grateful they are to call it home. But the aging Detroit Lakes property wasn't always in such great shape – wear and tear over more than 30 years took its toll.

In response, The Schuett Companies applied for low-income housing tax credits and loans through our competitive funding process. These awards were part of a financing package that allowed for an extensive \$11.7 million renovation.

“Our concern, first and foremost, was to provide our residents with a building that will last another 20 years, while at the same time updating the features and modernizing the building,” said Tom Schuett, president and CEO of The Schuett Companies.



Improvements included remodeled kitchens and baths, new windows and lighting, and an upgraded community room. A home health agency is also located on-site, offering a one-stop shop for residents who need additional services.

Park Manor Estates serves seniors and people with disabilities, so this renovation was crucial to keeping residents safe and secure. If the building lost their Section 8 contract due to disrepair, the 97 households could have been displaced.

“We were able to preserve affordable housing and significantly improve it to ensure it will continue for the long term,” Schuett said. “It has allowed low-income disabled and senior individuals to continue to call Detroit Lakes home.”

“Park Manor Estates is a legacy property for the Schuett family. It has been an integral part of the community for 35+ years and will continue on this path for many more years.”

Tom Schuett
The Schuett Companies

SINGLE FAMILY HOUSING



It was a year for the record books in our Single Family division, reflecting our continued commitment to successful, sustainable homeownership. We exceeded our goals with **\$377 million** in mortgages for more than **2,400** families, mostly first-time homebuyers, and counseling for more than **9,000** households.

We also broke records in our affordable home improvement programs with **\$21 million**

in loans, a 35% increase from 2013, to help **1,254** families make energy saving improvements and allow seniors to age in place.

Our Impact: Closing the Gap

In support of our goal to narrow the homeownership disparity gap for households of color, we partnered with seven organizations with a variety of cultural skills to work with families that want to become successful homeowners. The

first few families have received mortgage loan commitments after completing their counseling programs, and we expect to see many more families realize their dream of homeownership in the coming year.

This year, **24%** of our home mortgage loans, or more than **600** families, were households of color or Hispanic ethnicity, while the share for the mortgage industry as a whole is just 10%.

The Stats

**HOME BUYER
MORTGAGES**

2,464

**TOTAL
HOME BUYER
FINANCING**

\$377,515,250

**HOME
IMPROVEMENT
LOANS**

1,254



Impact Fund | Hutchinson HRA and Hutchinson High School

“I believe the school construction program is a valuable part of practical learning that can be used for the rest of his life.”

Joel Kraft

Parent of former student builder



In 2002, the Residential Construction Program launched at Hutchinson High School as a way to link students with trade skills and the community with affordable, energy efficient single family homes.

Since then, students have built 14 homes with the assistance of the Impact Fund, our competitive funding program for developers of single family, owner-occupied affordable housing.

Hutchinson High School provides instructors and acts as the general contractor on these yearly projects. Students gain valuable on-the-job training as they provide the labor.

The Hutchinson Housing & Redevelopment Authority (HRA) supplies the property and building materials, and then works with a local real estate agent to sell the finished home to an eligible low- to moderate-income buyer.

This collaboration is a win for the Hutchinson community on many levels according to Jean Ward, executive director of the Hutchinson HRA.

- **Helps neighborhoods flourish:** “After the great recession, the use of the Impact Fund has been an invaluable tool for foreclosure mitigation.”
- **Helps families achieve homeownership:** “It provides homebuyers with a quality built, energy efficient house.”
- **Helps students enter the workforce:** “We provide students with a positive, hands-on learning experience in the building trade.”

“Times and needs change rapidly. The Impact Fund allows us the flexibility to address the needs of our communities,” Ward said.

SINGLE FAMILY HOUSING



Homeownership Programs | Mauricio Cabrera, Saint Paul



“I had thought about owning a home for a long time. When I was finally ready, it was the chance my family and I had been waiting for.”

Mauricio Cabrera
Start Up Borrower

From the first time Mauricio Cabrera came to Minnesota, he fell in love with the state and knew it would be his family’s permanent home. After many years of renting, he decided to pursue his dream of homeownership in 2014. Now Cabrera, a cook, husband and father, is happy and secure in his own Saint Paul house.

“I knew I had to work on my credit before buying a home,” Cabrera explained. “Once I did that I found the house and it was the perfect time for me.”

Cabrera said he was lucky to have a mortgage banker like Michelle Robinson of Lake Area Mortgage on his side. She determined he was a great fit for a Start Up loan, our affordable first-time homebuyer product. She also helped him secure one of our downpayment and closing cost loans.

“Downpayments seem to be something that holds people back from buying a house that they could otherwise purchase. I was grateful for having that help,” Cabrera said.

In less time than Cabrera expected, the purchase went through. He’s now a proud homeowner who has seen his hard work and perseverance pay off.

“There’s security in having your own home. It’s something you can call your own. To my family, it meant a lot,” Cabrera said.

It meant a lot to Robinson too. “The enjoyment I receive seeing a first-time homebuyer reach their goal of homeownership is rewarding. If there was ever a person who deserved assistance to purchase a home for his family, it was him.”



Home Improvement Programs | Kristin DeGrande, Saint Paul

Soon after Kristin DeGrande bought her first house near Saint Paul's Lake Phalen nearly 15 years ago, she dove into making it her dream home. In 2002, she checked a big project off the list – a new roof – with the help of a Fix Up loan, our home improvement product.

DeGrande got her loan through the Center for Energy and Environment (CEE), a Minnesota Housing approved lender that connects homeowners with financing solutions for energy efficiency upgrades.

"As a nonprofit organization, having access to a variety of funding sources is critical in supporting the CEE mission," said Judi Mortenson, CEE lending manager. "With the loan programs offered through Minnesota Housing, we can assist more homeowners than we would otherwise be able to."



More than 12 years later, DeGrande used the Fix Up loan program again, this time to repair the home's stucco exterior, update electric and plumbing, and add insulation.

"Having [the insulation] done will reduce my stress at this time of year especially, not having to worry about ice dams and damage caused to my house from them," DeGrande said.

Her improvements over the years showcase the breadth of what the Fix Up loan program can finance, with a mix of the necessary, the cosmetic and the energy efficient.

"Getting these projects done has been amazing!" DeGrande said. "It feels so good to know my house will be protected for years to come."

"I've always believed that Fix Up is a great product. CEE and the people there are great...so friendly and easy to work with."

Kristin DeGrande
Fix Up Borrower

PROGRAM ASSESSMENT



Table 1: Income Distribution of Assisted Households, FFY 2014

Gross Annual Household Income	Homebuyers		Homeowners		Non-Section 8 Renters		Section 8 Renters	
	%	Cumulative %	%	Cumulative %	%	Cumulative %	%	Cumulative %
\$0-\$4,999	0.4%	0.4%	0.5%	0.5%	20.5%	20.5%	10.9%	10.9%
\$5,000-\$9,999	0.3%	0.7%	5.2%	5.7%	24.8%	45.3%	27.9%	38.9%
\$10,000-\$14,999	0.4%	1.2%	7.0%	12.7%	17.9%	63.2%	27.4%	66.2%
\$15,000-\$19,999	1.2%	2.4%	7.0%	19.7%	12.0%	75.1%	17.6%	83.8%
\$20,000-\$24,999	1.8%	4.2%	3.3%	23.0%	8.0%	83.1%	9.1%	92.9%
\$25,000-\$29,999	4.6%	8.8%	3.3%	26.3%	6.0%	89.2%	4.2%	97.1%
\$30,000-\$34,999	8.0%	16.8%	3.1%	29.4%	4.4%	93.5%	1.8%	98.9%
\$35,000-\$39,999	9.4%	26.2%	4.7%	34.1%	3.1%	96.6%	0.7%	99.7%
\$40,000-\$44,999	10.8%	37.0%	5.2%	39.2%	1.5%	98.2%	0.2%	99.9%
\$45,000-\$49,999	11.4%	48.3%	4.7%	44.0%	0.8%	99.0%	<0.1%	99.9%
\$50,000-\$54,999	10.2%	58.5%	5.4%	49.3%	0.5%	99.5%	<0.1%	99.9%
\$55,000-\$59,999	8.6%	67.1%	4.9%	54.3%	0.2%	99.7%	<0.1%	100%
\$60,000-\$64,999	8.1%	75.2%	5.5%	59.8%	<0.1%	99.8%	0.0%	
\$65,000-\$69,999	7.2%	82.4%	4.9%	64.6%	<0.1%	99.8%	0.0%	
\$70,000-\$74,999	6.2%	88.6%	5.9%	70.6%	<0.1%	99.9%	0.0%	
\$75,000-\$79,999	4.9%	93.5%	5.6%	76.2%	<0.1%	99.9%	0.0%	
\$80,000 and above	6.5%	100%	23.8%	100%	<0.1%	100%	0.0%	
Total	100.0%		100.0%		100.0%		100.0%	

Note: These data exclude households reported under Homeownership Education, Counseling and Training, a program without income limits.

Three-quarters of renters served made less than \$20,000 per year.



Graph 1: Income Distribution of Assisted Households, FFY 2014

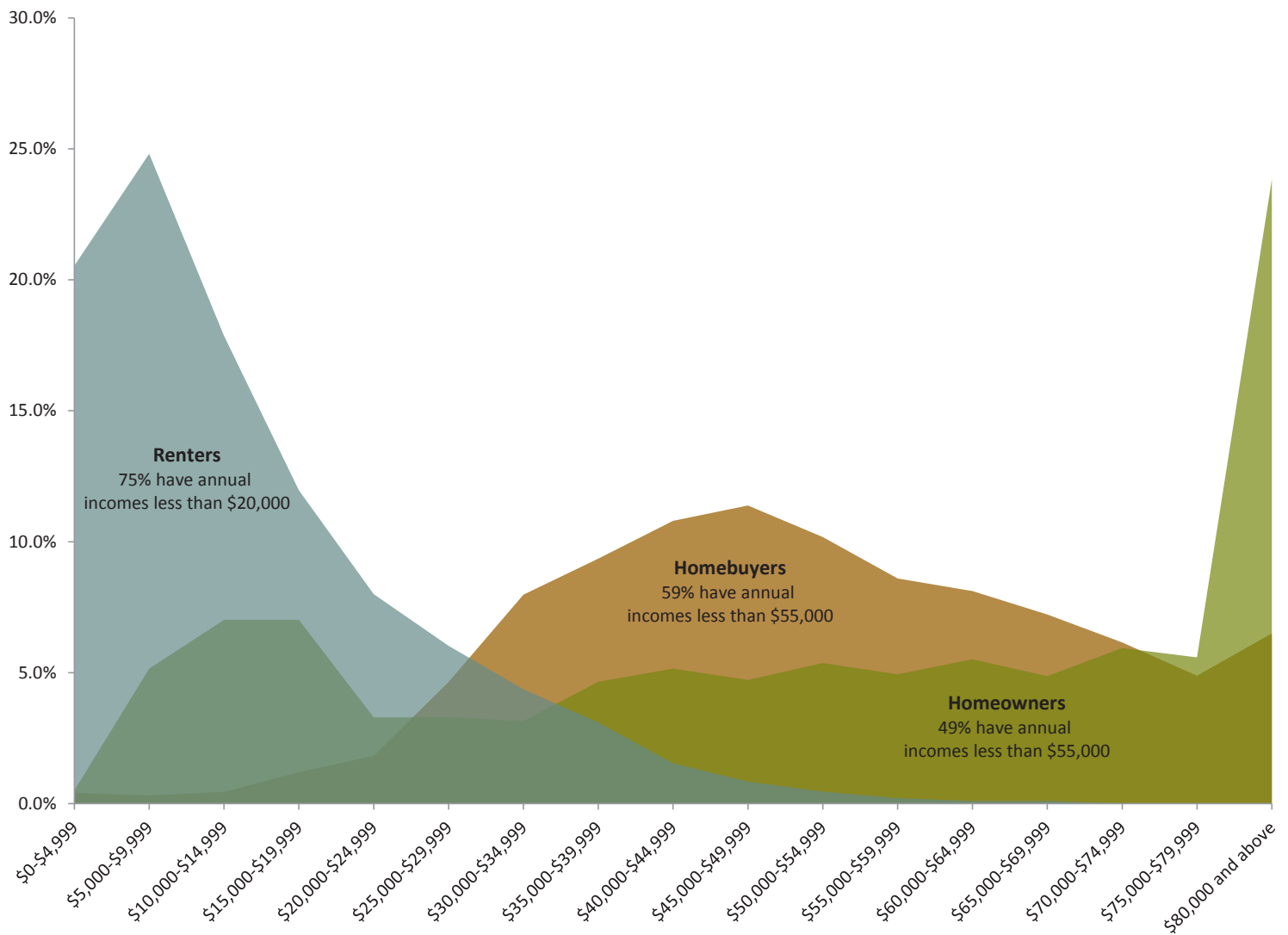


Table 2: Median Incomes of Assisted Households

Resources	Activity	Median Annual Household Incomes	Percent of State Median
Housing Trust Fund, Capital (HTF)	Deferred Loan, Rental Production	\$8,520	11.5%
Housing Trust Fund, Rental Assistance (HTFRA)	Rent Assistance, Homelessness Prevention	\$8,796	11.9%
Publicly Owned Housing Program	Deferred Loan, Rental Production	\$9,492	12.8%
Bridges	Rent Assistance, Homelessness Prevention	\$9,624	13.0%
Family Homeless Prevention and Assistance Program (FHPAP)	Grant, Homelessness Prevention	\$10,140	13.7%
Section 8 Performance Based Contract Administration (PBCA)	Rent Assistance	\$11,520	15.5%
MN Family Investment Program (one adult, two children) maximum benefit including food support		\$12,060	16.3%
Affordable Rental Preservation-PARIF	Deferred Loan, Rental Production	\$12,480	16.8%
Section 8 Traditional Contract Administration (TCA)	Rent Assistance	\$12,504	16.9%
Rehabilitation Loan Program	Deferred Loan, Homeowner Repair	\$14,314	19.3%
Rental Rehabilitation Deferred Loan Pilot Program	Deferred Loan, Rental Production	\$14,599	19.7%
Ending Long-Term Homelessness Initiative Fund (ELHIF)	Deferred Loan, Rental Production and Homelessness Prevention	\$15,322	20.6%
Affordable Rental Preservation-HOME	Deferred Loan, Rental Production	\$16,469	22.2%
Median yearly salary for full-time host/hostess		\$18,158	24.5%
Housing Opportunities for Persons with AIDS (HOPWA)	Rent Assistance, Homelessness Prevention	\$18,234	24.6%
Emergency Homeowners' Loan Program	Foreclosure Prevention Loans, Counseling	\$19,045	25.7%
Economic Development and Housing/Challenge Fund (EDHC), multifamily	Deferred Loan, Rental Production	\$20,381	27.5%
Median yearly salary for full-time retail salesperson		\$20,717	27.9%
Low-Income Housing Tax Credits (LIHTC)	Investment Tax Credit, Rental Production	\$21,476	28.9%
Poverty guideline, four-person household		\$23,850	32.1%
Amortizing Loan Program	Amortizing Loan, Rental Production	\$27,606	37.2%
Median yearly salary for full-time receptionist		\$29,786	40.1%
Habitat for Humanity Initiatives	Homebuyer Financing	\$30,464	41.1%
Quick Start Disaster Recovery	Loans & Grants, Homeowner Repair	\$32,500	43.8%
Homeownership Education, Counseling, and Training (HECAT)	Education & Counseling	\$33,600	45.3%
EDHC, Community Homeownership Impact Fund	Loans & Grants, Single Family	\$37,090	50.0%

Compared with Selected Income Standards, FFY 2014

Resources	Activity	Median Annual Household Incomes	Percent of State Median
50% of HUD median income, statewide		\$37,100	50.0%
HOME Homeowner Entry Loan Program (HOME HELP)	Deferred Loan, Homeownership Downpayment	\$40,993	55.2%
50% of HUD median income, Minneapolis/St. Paul		\$41,450	55.9%
Deferred Payment Loans	Deferred Loan, Homeownership Downpayment	\$41,752	56.3%
60% of HUD median income, Minneapolis/St. Paul		\$49,740	67.0%
Home Mortgage Loans	First Mortgage, Homeownership	\$50,906	68.6%
Neighborhood Stabilization Program (NSP)	Loans & Grants, Foreclosure Remediation	\$52,250	70.4%
Mortgage Credit Certificates	First Mortgage, Homeownership	\$56,883	76.7%
EDHC, Twin Cities Community Land Bank	Loans & Grants, Foreclosure Remediation	\$59,224	79.8%
80% of HUD median income, statewide		\$59,360	80.0%
Monthly Payment Loans (MPL)	Amortizing Loan, Homeownership Downpayment	\$60,960	82.2%
Home Improvement Loan Program	Amortizing Loan, Homeowner Improvement	\$67,605	91.1%
EDHC, Community Recovery-Bridge to Success	Loans & Grants, Foreclosure Remediation	\$67,730	91.3%
HUD median income, statewide		\$74,200	100.0%
HUD median income, Minnesota metro areas		\$80,200	108.1%
HUD median income for Minneapolis/St. Paul		\$82,900	111.7%

Note: Median yearly salary figures come from Minnesota Department of Employment and Economic Development, Occupational Employment Statistics with 2nd Quarter 2013 wage estimates, Twin Cities MSA. HUD figures come from 2014 HUD median family income data.

In 2014, our home mortgage loan programs served borrowers with a median income of \$50,906.

Table 3: Assistance by Type, FFY 2014

Resources ¹	Minnesota Housing Assistance	Households or Units Assisted	Average Assistance Per Household or Unit	Median Annual Household Income	Households of Color and Hispanic Households ²
Homebuyer and Home Refinance (unduplicated count)	\$377,515,250	12,014			
Home Mortgage Loans ³	\$324,690,988	2,417	\$134,336	\$50,906	24.4%
no downpayment/closing cost loan	\$72,227,582	578	\$124,961	\$52,402	14.5%
with downpayment/closing cost loan	\$252,463,406	1,839	\$137,283	\$50,250	27.5%
Targeted Mortgage Opportunity Program	\$246,250	<5	Not available		
Mortgage Credit Certificates ⁴	\$33,881,140	178	\$190,343	\$56,883	19.7%
Deferred Payment Loans (second mortgage amount)	\$2,927,955	533	\$5,493	\$41,752	29.5%
HOME Homeowner Entry Loan Program (HOME HELP second mortgage amount)	\$1,941,700	237	\$8,193	\$40,993	48.5%
Monthly Payment Loans (second mortgage amount)	\$8,042,469	1,181	\$6,810	\$60,960	22.3%
Habitat for Humanity Initiatives	\$3,320,438	42	\$79,058	\$30,464	73.8%
Homeownership Education, Counseling, and Training (HECAT) ⁵	\$2,072,612	9,268	\$224	\$33,600	38.2%
Emergency Homeowners' Loan Program	\$391,699	109	\$3,594	\$19,045	22.0%
Home Improvement	\$21,481,655	1,254			
Home Improvement Loan Program	\$16,769,911	1,034	\$16,218	\$67,605	9.4%
Rehabilitation Loan Program	\$4,711,744	220	\$21,417	\$14,314	11.8%
Rental Production - New Construction and Rehabilitation (unduplicated count)	\$118,035,519	2,747			
Amortizing Loan Program	\$6,334,302	243	\$26,067	\$27,606	40.5%
Flexible Financing for Capital Costs	\$1,407,000	177	\$7,949	See Amortizing Loans	
Low-Income Housing Tax Credits (LIHTC) ⁶	\$75,792,748	532	\$142,468	\$21,476	47.7%
Economic Development and Housing/Challenge Fund (EDHC), multifamily ⁷	\$11,931,596	739	\$16,146	\$20,381	62.4%
Affordable Rental Preservation-PARIF	\$2,072,901	174	\$11,913	\$12,480	58.7%
Affordable Rental Preservation-HOME	\$4,480,471	114	\$39,302	\$16,469	45.4%
Housing Trust Fund, Capital (HTF) ⁸	\$9,021,849	78	\$115,665	\$8,520	50.9%
Publicly Owned Housing Program	\$4,603,160	874	\$5,267	\$9,492	31.7%
Rental Rehabilitation Deferred Loan Pilot Program	\$2,391,492	178	\$13,435	\$14,599	1.1%
Rental Assistance Contract Administration	\$180,796,315	31,402			
Section 8 Performance Based Contract Administration (PBCA)	\$112,544,603	18,985	\$5,928	\$11,520	38.0%
Section 8 Traditional Contract Administration (TCA)	\$67,426,187	11,436	\$5,896	\$12,504	26.9%
Section 236 ⁹	\$825,525	981	Not available		

Resources ¹	Minnesota Housing Assistance	Households or Units Assisted	Average Assistance Per Household or Unit	Median Annual Household Income	Households of Color and Hispanic Households ²
Non-Capital Resources to Prevent and End Homelessness (unduplicated count)	\$19,767,554	11,091			
Housing Trust Fund, Rental Assistance (HTFRA) ¹⁰	\$9,012,726	1,792	\$6,791	\$8,796	64.0%
Housing Trust Fund, Operating Subsidy	\$623,262	127	\$378	See HTF	
Ending Long-Term Homelessness Initiative Fund (ELHIF), Operating Subsidy	\$1,375,824	473	\$2,909	\$15,322	60.0%
Bridges ¹⁰	\$2,655,376	704	\$5,544	\$9,624	32.5%
Family Homeless Prevention and Assistance Program (FHPAP) ¹¹	\$5,985,180	7,913	\$756	\$10,140	57.2%
Housing Opportunities for Persons with AIDS (HOPWA)	\$115,186	152	\$758	\$18,234	48.0%
Rental Portfolio Management	\$696,561	25			
Asset Management Fund	\$696,561	25	\$27,862		
Multiple Use Resources (unduplicated count)	\$30,842,652	461			
Economic Development and Housing/Challenge Fund (EDHC), subtotal	\$29,415,581	461	Detail below		
EDHC, Community Homeownership Impact Fund ¹²	\$4,652,434	283	\$15,155	\$37,090	46.6%
EDHC, Community Recovery-Bridge to Success	\$11,092,501	75	\$147,900	\$67,730	54.7%
EDHC, Twin Cities Community Land Bank and Family Housing Fund	\$13,670,646	103	\$132,725	\$59,224	29.4%
Technical Assistance and Operating Support ¹³	\$1,427,071	No demographic data; this is assistance to nonprofits			
Other	\$4,947,485	135			
Neighborhood Stabilization Program (NSP) ¹⁴	\$2,871,431	29	\$99,015	\$52,250	60.0%
Quick Start Disaster Recovery	\$2,076,054	106	\$19,585	\$32,500	<5
Total (unduplicated count)	\$754,082,989	59,129			

We served 20,572 households of color, representing 35% of all households served. Twenty-one percent of those households were homebuyers.

Table 4: Assistance to Households of Color or Hispanic Ethnicity, FFY 2014

Resources ¹	Minnesota Housing Assistance	Households or Units Assisted ²	Average Assistance Per Household or Unit	Median Annual Household Income
Homebuyer (unduplicated count)	\$96,459,467	4,339		
Home Mortgage Loans ³	\$82,511,868	589	\$140,088	\$50,000
Mortgage Credit Certificates ⁴	\$6,495,627	35	\$185,589	\$58,158
Deferred Payment Loans (second mortgage amount)	\$933,760	157	\$5,948	\$43,040
HOME Homeowner Entry Loan Program (HOME HELP second mortgage amount)	\$980,500	115	\$8,526	\$42,019
Monthly Payment Loans (second mortgage amount)	\$2,031,400	281	\$7,229	\$64,577
Habitat for Humanity Initiatives	\$2,615,690	31	\$84,377	\$34,944
Homeownership Education, Counseling, and Training (HECAT) ⁵	\$784,672	3,503	\$224	\$31,200
Emergency Homeowners' Loan Program	\$105,950	24	\$4,415	\$21,734
Home Improvement	\$2,183,338	123		
Home Improvement Loan Program	\$1,598,713	97	\$16,482	\$71,161
Rehabilitation Loan Program	\$584,626	26	\$22,486	\$18,090
Rental Assistance Contract Administration	\$71,558,753	9,982		
Section 8 Performance Based Contract Administration (PBCA)	\$50,569,581	7,006	\$7,218	\$9,624
Section 8 Traditional Contract Administration (TCA)	\$20,989,172	2,976	\$7,053	\$11,255
Non-Capital Resources to Prevent and End Homelessness (unduplicated count)	\$10,494,341	5,930		
Housing Trust Fund, Rental Assistance (HTFRA) ¹⁰	\$5,998,532	1,142	\$6,791	\$8,652
Bridges ¹⁰	\$1,049,089	229	\$5,544	\$9,492
Family Homeless Prevention and Assistance Program (FHPAP) ¹¹	\$3,391,416	4,486	\$756	\$9,000
Housing Opportunities for Persons with AIDS (HOPWA)	\$55,304	73	\$758	Not available
Multiple Use Resources	\$9,115,100	183		
Economic Development and Housing/Challenge Fund (EDHC), subtotal	\$9,115,100	183	Detail below	
EDHC, Community Homeownership Impact Fund ¹²	\$2,122,121	132	\$16,077	\$35,979
EDHC, Community Recovery-Bridge to Success	\$5,622,325	41	\$137,130	Not available
EDHC, Twin Cities Community Land Bank and Family Housing Fund	\$1,370,654	10	\$137,065	\$75,788
Other	\$1,457,567	15		
Neighborhood Stabilization Program (NSP) ¹⁴	\$1,446,140	15	\$96,409	\$55,544
Quick Start Disaster Recovery	\$11,428		<5	
Total (unduplicated count)	\$191,268,567	20,572		

Note: Data include assistance to households only; information on rental housing is shown in Table 3. HOPWA assistance amount is estimated based on average assistance per household.

Table 5: Assistance by Region and Funds Source, FFY 2014

Region	Competitive Assistance: Grants, Deferred Loans and Housing Tax Credits				
	2014		Three Years: 2012-14		Area Share of Lower Income Cost-Burdened Households
	Amount of Assistance	Area Share of Assistance	Amount of Assistance	Area Share of Assistance	
Central	\$16,939,166	10.8%	\$47,200,136	9.3%	13.3%
Twin Cities	\$93,438,698	59.5%	\$271,857,327	53.4%	54.1%
Minneapolis	\$23,195,252	14.8%	\$51,612,784	10.1%	11.0%
Saint Paul	\$21,828,849	13.9%	\$49,749,923	9.8%	7.5%
Northeast	\$17,407,519	11.1%	\$63,316,579	12.4%	7.2%
Duluth	\$13,035,944	8.3%	\$44,214,001	8.7%	2.4%
Northwest	\$6,193,269	3.9%	\$17,669,228	3.5%	3.2%
Southeast	\$18,037,941	11.5%	\$81,395,996	16.0%	12.9%
Southwest	\$2,910,229	1.9%	\$12,252,026	2.4%	5.0%
West Central	\$2,056,750	1.3%	\$15,823,106	3.1%	4.3%
Total	\$156,983,572	100.0%	\$509,514,398	100.0%	100.0%

Region	Market-Driven Assistance: Amortizing Loans			
	2014		Three Years: 2012-14	
	Amount of Assistance	Area Share of Assistance	Amount of Assistance	Area Share of Assistance
Central	\$36,035,942	8.7%	\$98,280,353	8.9%
Twin Cities	\$296,748,284	71.7%	\$774,637,117	70.3%
Minneapolis	\$54,808,821	13.2%	\$175,917,503	16.0%
Saint Paul	\$37,860,429	9.1%	\$153,028,756	13.9%
Northeast	\$9,452,593	2.3%	\$25,381,890	2.3%
Duluth	\$6,063,742	1.5%	\$25,178,781	2.3%
Northwest	\$8,078,878	2.0%	\$26,339,237	2.4%
Southeast	\$37,051,399	9.0%	\$89,155,697	8.1%
Southwest	\$19,001,508	4.6%	\$60,237,736	5.5%
West Central	\$7,444,352	1.8%	\$27,953,388	2.5%
Total	\$413,812,957	100.0%	\$1,101,985,417	100.0%

Note: Data available for this table include more than 99% of the non-Section 8 resources Minnesota Housing provided in 2014.

The competitive funds are generally distributed to developers and service organizations through a competitive process, such as a Request for Proposal (RFP).

Grants and deferred loans are state, federal appropriations (other than Section 8 and 236) and Minnesota Housing Pool 3 resources. Housing tax credits are syndication proceeds in developments for which loans closed with housing tax credits in 2014 (not including suballocators). Amortizing loans involve regular principal and interest payments with borrowers deciding if they want apply for a Minnesota Housing loan or pursue other lending options.

Regional totals include data for Duluth, Minneapolis, and Saint Paul, i.e., the sum of regional shares is 100%.

Share of lower income cost-burdened households is based on estimates of the number of households with income less than \$50,000 who pay more than 30% of income for housing (from the Census Bureau's American Community Survey, 2009-2013).

Table 6: Assistance by Activity, FFY 2012-2014

Resources ¹	2012		2013		2014	
	Minnesota Housing Assistance	Households or Units Assisted	Minnesota Housing Assistance	Households or Units Assisted	Minnesota Housing Assistance	Households or Units Assisted
Homebuyer (unduplicated count)	\$281,941,340	17,494	\$375,000,370	15,007	\$377,515,250	12,014
Home Mortgage Loans ³	\$264,392,643	2,328	\$356,730,116	2,765	\$324,690,988	2,417
no downpayment/closing cost loan	\$76,047,625	671	\$139,855,540	1,060	\$72,227,582	578
with downpayment/closing cost loan	\$188,345,018	1,657	\$216,874,576	1,705	\$252,463,406	1,839
Targeted Mortgage Opportunity Program	Program not yet implemented				\$246,250	<5
Mortgage Credit Certificates ⁴	Program not yet implemented		None reported		\$33,881,140	178
Deferred Payment Loans (second mortgage amount)	\$5,756,754	1,418	\$3,090,971	742	\$2,927,955	533
HOME Homeowner Entry Loan Program (HOME HELP second mortgage amount)	\$2,033,000	219	\$3,440,950	379	\$1,941,700	237
Monthly Payment Loans (second mortgage amount)	Program not yet implemented		\$3,940,550	612	\$8,042,469	1,181
Habitat for Humanity Initiatives	\$2,306,921	33	\$3,424,918	46	\$3,320,438	42
Homeownership Education, Counseling, and Training (HECAT) ⁵	\$3,644,735	14,931	\$2,712,685	12,010	\$2,072,612	9,268
Emergency Homeowners' Loan Program	\$3,807,287	202	\$1,660,180	186	\$391,699	109
Home Improvement	\$14,892,290	845	\$15,966,357	928	\$21,481,655	1,254
Home Improvement Loan Program	\$10,492,222	634	\$11,759,753	721	\$16,769,911	1,034
Rehabilitation Loan Program	\$4,400,068	211	\$4,206,605	207	\$4,711,744	220

Resources ¹	2012		2013		2014	
	Minnesota Housing Assistance	Households or Units Assisted	Minnesota Housing Assistance	Households or Units Assisted	Minnesota Housing Assistance	Households or Units Assisted
Rental Production - New Construction and Rehabilitation (unduplicated count)	\$119,318,972	1,954	\$147,101,546	2,089	\$118,035,519	2,747
Amortizing Loan Program	\$27,347,435	776	\$17,404,175	558	\$6,334,302	243
Flexible Financing for Capital Costs	\$494,983	105	\$696,648	24	\$1,407,000	177
Low-Income Housing Tax Credits (LIHTC) ⁶	\$67,029,941	1,140	\$96,666,472	956	\$75,792,748	532
Economic Development and Housing/Challenge Fund (EDHC), multifamily ⁷	\$9,306,238	714	\$14,493,947	719	\$11,931,596	739
Housing Tax Credits-Section 1602/Exchange	\$1,925,000	91	Program completed			
Housing Tax Credit Assistance Program (TCAP)	None reported		\$6,075,651	36	None reported	
Affordable Rental Investment Fund	\$340,000	51	Program completed			
Affordable Rental Preservation-PARIF	\$2,031,197	192	\$5,760,617	531	\$2,072,901	174
Affordable Rental Preservation-HOME	\$2,895,000	90	\$4,145,000	160	\$4,480,471	114
Ending Long-Term Homelessness Initiative Fund (ELHIF), Capital	\$2,678,909	145	None reported			
Housing Trust Fund, Capital (HTF) ⁸	\$1,887,802	146	None reported		\$9,021,849	78
Publicly Owned Housing Program	\$418,000	186	\$782,640	110	\$4,603,160	874
HOME Rental Rehabilitation Program	\$2,917,351	225	Program completed			
Rental Rehabilitation Loan Program	\$47,116	28	Program completed			
Rental Rehabilitation Deferred Loan Pilot Program	Program not yet implemented		\$1,076,396	162	\$2,391,492	178

Table 6, continued: Assistance by Activity, FFY 2012-2014

Resources ¹	2012		2013		2014	
	Minnesota Housing Assistance	Households or Units Assisted	Minnesota Housing Assistance	Households or Units Assisted	Minnesota Housing Assistance	Households or Units Assisted
Rental Assistance Contract Administration	\$183,002,632	30,922	\$182,434,994	31,594	\$180,796,315	31,402
Section 8 Performance Based Contract Administration (PBCA)	\$110,265,196	18,894	\$112,184,137	18,988	\$112,544,603	18,985
Section 8 Traditional Contract Administration (TCA)	\$71,317,018	11,582	\$69,132,439	11,457	\$67,426,187	11,436
Section 236 ⁹	\$1,420,418	446	\$1,118,418	1,149	\$825,525	981
Non-Capital Resources to Prevent and End Homelessness (unduplicated count)	\$16,649,298	10,342	\$20,558,692	12,320	\$19,767,554	11,091
Housing Trust Fund, Rental Assistance (HTFRA) ¹⁰	\$8,220,694	1,756	\$8,427,668	1,652	\$9,012,726	1,792
Housing Trust Fund, Operating Subsidy	\$99,500	71	None reported		\$623,262	127
Ending Long-Term Homelessness Initiative Fund (ELHIF), Operating Subsidy	\$55,031	10	\$1,710,721	482	\$1,375,824	473
Bridges ¹⁰	\$2,194,184	611	\$2,597,829	707	\$2,655,376	704
Family Homeless Prevention and Assistance Program (FHPAP) ¹¹	\$5,953,081	7,865	\$7,705,783	9,314	\$5,985,180	7,913
Housing Opportunities for Persons with AIDS (HOPWA)	\$126,808	153	\$116,691	165	\$115,186	152
Portfolio Management	\$2,630,405	270	None reported		\$696,561	25
Asset Management	\$2,630,405	270	None reported		\$696,561	25

Resources ¹	2012		2013		2014	
	Minnesota Housing Assistance	Households or Units Assisted	Minnesota Housing Assistance	Households or Units Assisted	Minnesota Housing Assistance	Households or Units Assisted
Multiple Use Resources (unduplicated count)	\$11,746,481	293	\$31,866,593	502	\$30,842,652	461
Economic Development and Housing/Challenge Fund (EDHC), subtotal	\$11,582,981	293	\$30,392,358	502	\$29,415,581	461
EDHC, Community Revitalization (CRV)	\$4,910,395	244	See Community Ownership Impact Fund			
EDHC, Community Homeownership Impact Fund ¹²	Program not yet implemented		\$6,866,600	309	\$4,652,434	283
EDHC, Community Recovery-Bridge to Success	\$862,000	6	\$6,342,285	45	\$11,092,501	75
EDHC, Twin Cities Community Land Bank and Family Housing Fund	\$5,810,586	43	\$17,183,473	148	\$13,670,646	103
Technical Assistance and Operating Support ¹³	\$163,500		\$1,474,235		\$1,427,071	
Other	\$8,125,584	92	\$8,909,524	349	\$4,947,485	135
Neighborhood Stabilization Program (NSP) ¹⁴	\$7,714,987	60	\$2,631,296	31	\$2,871,431	29
Quick Start Disaster Recovery	\$410,597	32	\$6,278,228	318	\$2,076,054	106
Total (unduplicated count)	\$638,307,002	62,212	\$781,838,076	62,789	\$754,082,989	59,129

The decline in foreclosures led to a steady decrease in households counseled under the HECAT program since 2012, while the number of households getting mortgages with downpayment loans steadily increased.

Notes

¹For programs in which Minnesota Housing provides second mortgages in conjunction with other Minnesota Housing assistance, total units are shown by program, but are unduplicated in subtotal and total unit counts. Average assistance per unit of rental housing is based on program assistance amounts and the unadjusted count of assisted units by program. Tenant demographics are based on data reported to Minnesota Housing by owners of developments and may vary widely from year to year reflecting the number, size, location, and type of developments for which owners report information.

²These are households in which the householder (or coborrower, in the case of single family loans) is of a race other than white or is of Hispanic origin.

³Data include first mortgages that U.S. Bank Home Mortgage HFA Division purchased during the reporting year. In 2014, net mortgage commitments totaled \$401.7 million and purchase approvals totaled \$353.3 million; however, due to a temporary slowdown in loan processing, the actual purchase of some loans purchase-approved in 2014 was delayed until 2015.

⁴Includes the first mortgage amount and the value of the tax credit allowed.

⁵HECAT is also funded through other partners; the amount shown is only Minnesota Housing's contribution to households served. Data include National Foreclosure Mitigation Counseling and Making Home Affordable resources. The count of households assisted does not include online homebuyer education for 2,289 participants that received training but no direct funding.

⁶Beginning with the report for 2010, the total amount of syndication proceeds are reported for developments with loans that closed in the reporting year. Older reports have shown the annual amount of credit claimed for the first time in the previous year (an annual average of \$8.4 million in credits from 2007-2009), which under-reports the value of housing tax credits. Data include developments receiving an allocation of 9% credits (with or without other Minnesota Housing funding), for which tax credit units are counted only once, e.g., under the program from which the agency disbursed assistance funds. Data should not include suballocator units.

⁷Funds include state appropriations and proceeds from Housing Infrastructure Bonds (HIB). HIB proceeds in this program finance preservation and foreclosure mitigation activities.

⁸Proceeds from Housing Infrastructure Bonds (HIB) finance these supportive housing activities.

⁹Previous reports only included those Section 236 units financed by Minnesota Housing (approximately 500); this report includes **all** Section 236 units for which Minnesota Housing currently makes interest reduction payments.

¹⁰Assistance amount for Bridges and Housing Trust Fund Rental Assistance is the actual voucher and security deposit amounts disbursed during the reporting year. Average assistance per household is estimated for 12 months based on average monthly assistance paid in the reporting year. Both the Bridges and Housing Trust Fund assistance amounts include some ELHIF resources.

¹¹Beginning in 2009, for greater consistency and accuracy, data on FHPAP assistance has been reported by State Fiscal Year (July 1 through June 30), based on expenditures for assistance and services reported to Minnesota Housing by FHPAP providers and demographic data reported in the Homeless Management Information System (HMIS).

¹²The Community Homeownership Impact Fund (Impact Fund) includes Single Family's Economic Development and Housing Challenge Fund resources and Single Family Interim Lending. This is a count of loans, not households; some households may receive more than one loan under this program.

¹³This is the **total** amount provided (including both state appropriations and Minnesota Housing resources). State appropriations comprised \$438,500 of this program assistance in 2014.

¹⁴Includes NSP projects that closed out in FFY 2014, i.e., were completed.



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