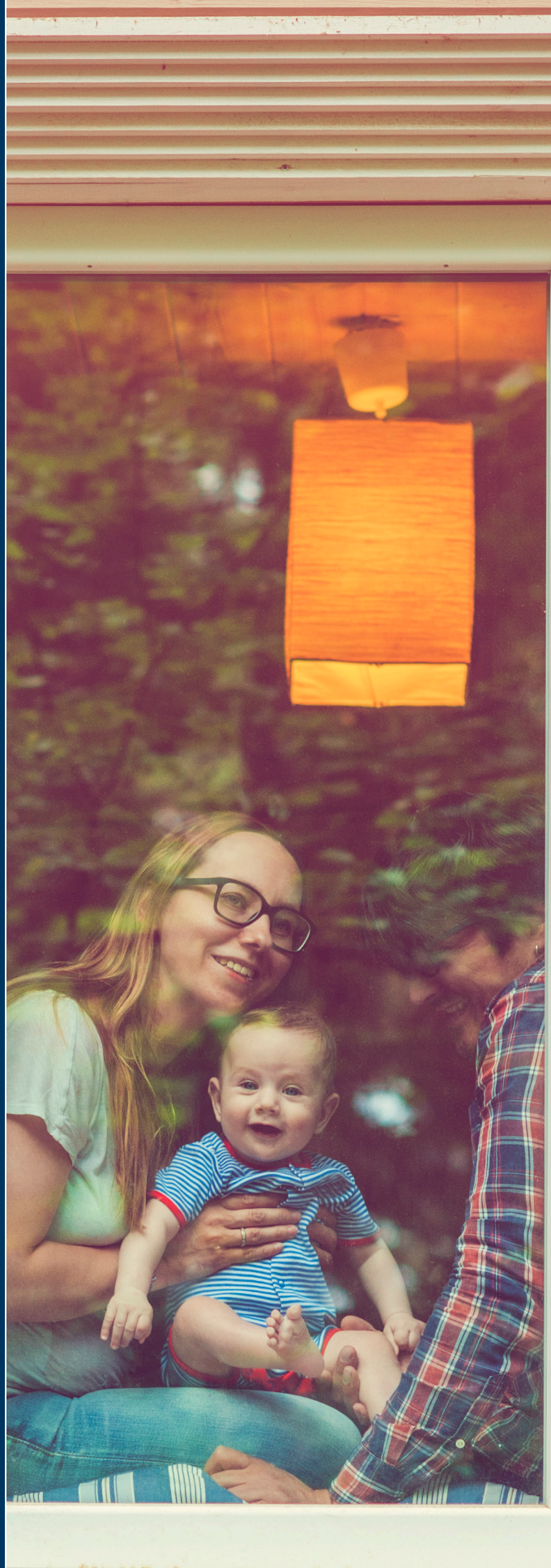


2019

PROGRAM ASSESSMENT REPORT

m MINNESOTA
HOUSING



This document is available in alternative formats to individuals with disabilities by emailing mn.housing@state.mn.us.



2019 BY THE NUMBERS

Everyone wants a safe, stable home they can afford in a community of their choice, but this is not the reality for many Minnesotans. Housing costs are outpacing income growth, and more people are struggling to find and maintain housing. Nearly half a million lower-income households are spending more than 30% of their income on housing.¹ Minnesota has the fourth largest disparity in the homeownership rates between white/non-Hispanic households and households of color and indigenous communities.² In addition, an American Indian is over 20 times more likely to be homeless than a person who is white.³

In 2019, we assessed the state’s current housing needs, evaluated our work from the last several years, and developed a new [Strategic Plan](#). We concluded we need to:

GO BIG SO EVERYONE CAN GO HOME

In 2019, Minnesota Housing had a successful year and made initial strides in going big. Compared with the previous year, we increased:

- The number of households served from 66,700 to 68,900 households, and
- The housing resources distributed from \$1.27 billion to \$1.42 billion.

The increased activity crosses all program areas from rental to homeownership.

Housing Need in Minnesota		Our Work in 2019	
	LOWER-INCOME RENTER HOUSEHOLDS COST BURDENED BY THEIR HOUSING	RENTER HOUSEHOLDS RECEIVED ASSISTANCE	
	249,255	41,421	
	RENTER HOUSEHOLDS AGES 25-44 POTENTIALLY INCOME-READY TO BUY A HOME	CLIENTS RECEIVED HOMEBUYER/ OWNER EDUCATION, COUNSELING OR COACHING	BUYERS PURCHASED A HOME
	173,000	20,806	5,105

Source of Need Data: Minnesota Housing analysis of U.S. Census Bureau’s American Community Survey.

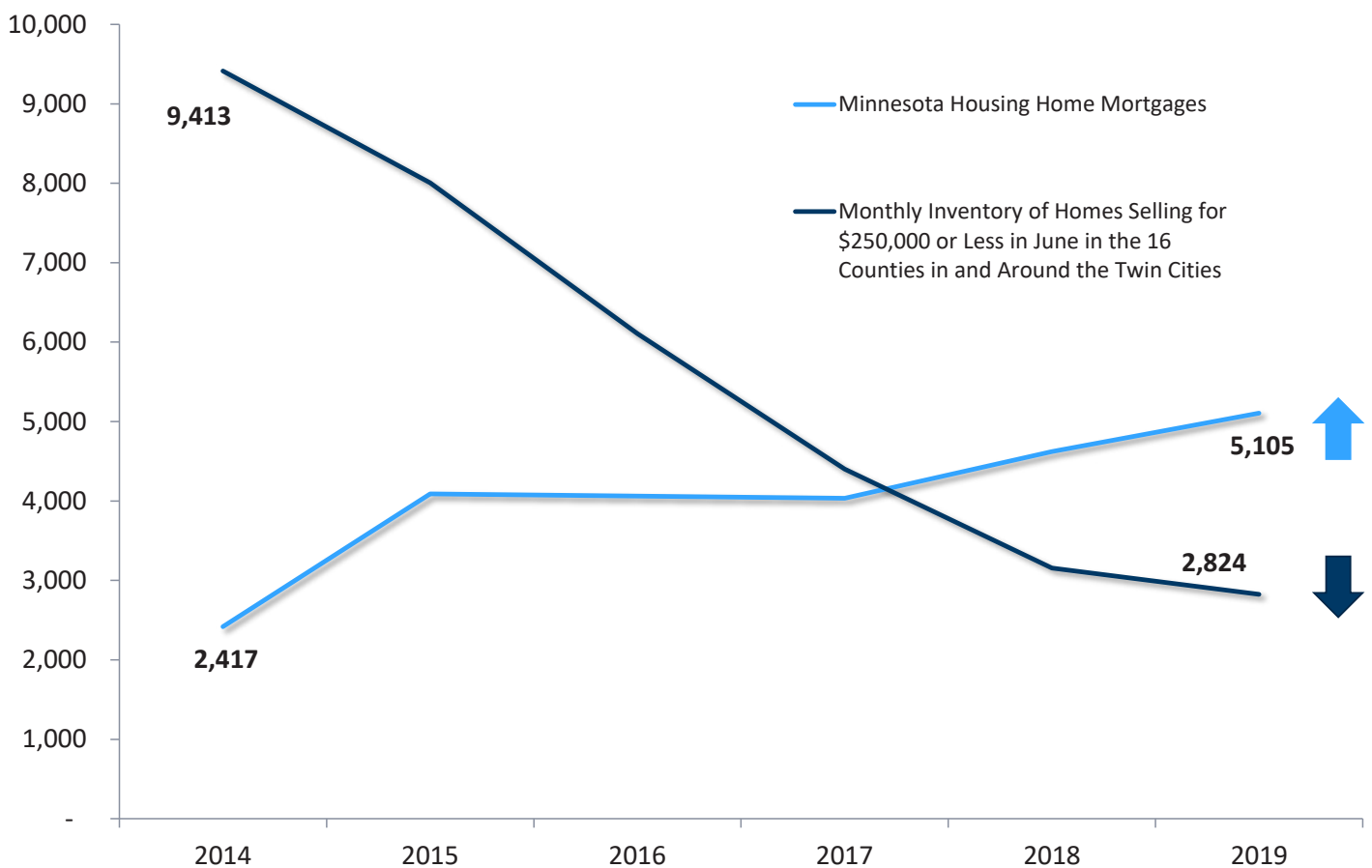
1 Minnesota Housing analysis of data from the U.S. Census Bureau, American Community Survey (2018 1-year sample).
2 Minnesota Housing analysis of data from the U.S. Census Bureau, American Community Survey (2018 1-year sample).
3 Minnesota Housing analysis of data from the U.S. Census Bureau’s American Community Survey and the Department of Housing and Urban Development’s Point-in-Time count of the homeless population.

PROMOTING AND SUPPORTING SUCCESSFUL HOMEOWNERSHIP

We finance: (1) pre- and post-purchase counseling, education and coaching; (2) mortgages and downpayment/closing-cost assistance; and (3) home improvement loans. Highlights from 2019 include:

- Increasing our mortgage lending by 10% from 4,622 homebuyers in 2018 to 5,105 in 2019;
- Delivering 34% of our first-time homebuyer mortgages (Start Up) to households of color and indigenous communities, when the overall mortgage industry in Minnesota only delivers 16%;
- Serving over 20,000 homebuyers and owners through education, counseling and coaching; and
- Expanding lending under our Home Improvement Loan Program by 41% from 617 homes in 2018 to 872 in 2019.

FIGURE 1: MINNESOTA HOUSING HAS INCREASED ITS HOME LENDING EVEN WHEN THE INVENTORY OF AFFORDABLE HOMES IS DECLINING



**MINNESOTA HOUSING INCREASE IN
HOME MORTGAGE LENDING SINCE 2014**

111%

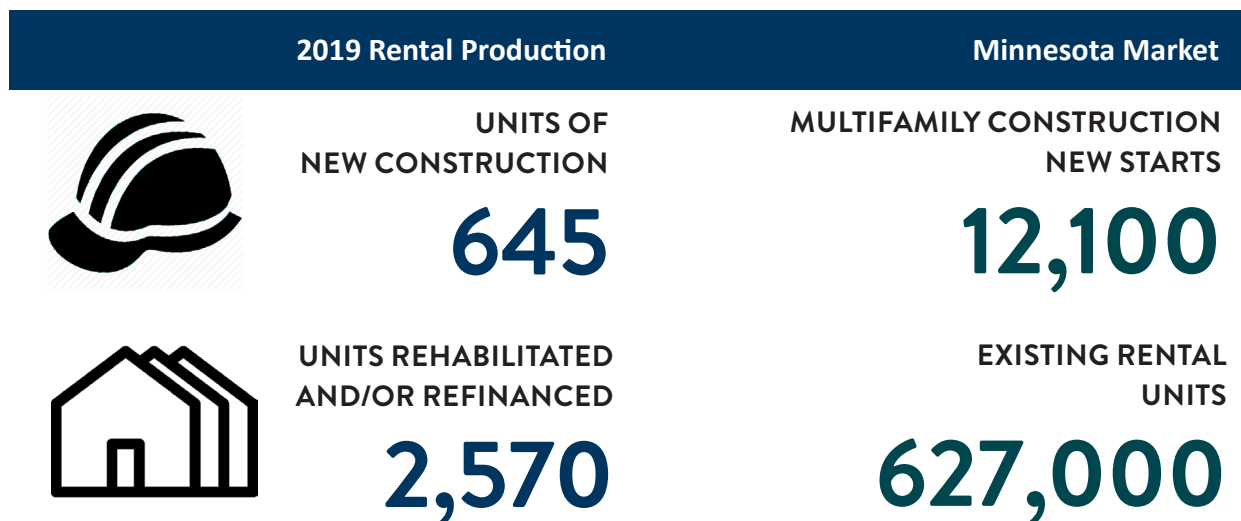
**MINNESOTA HOUSING SHARE OF
STATE'S MORTGAGE LENDING**

5%

FINANCING THE DEVELOPMENT AND PRESERVATION OF RENTAL HOUSING

We finance new rental construction and the preservation of existing rental housing through amortizing first mortgages, housing tax credits, and zero-interest, deferred loans. Highlights from 2019 include:

- Increasing our production by 56% from 2,065 rental units in 2018 to 3,215 in 2019. The availability of state resources for the rehabilitation of public housing units played a key role in the increase.



Source of Minnesota Market Data: HUD, State of the Cities Data System (2018); and U.S. Census Bureau, 2018 American Community Survey

- Carrying out our largest consolidated Request for Proposals (RFP) ever, committing \$265 million for the development and rehabilitation of rental housing. These resources along with leveraged funds will support \$540 million of housing development and rehabilitation. Because these projects have just been selected for funding, the rental units they finance will show up in future Program Assessments as the projects are completed.

PROVIDING HOUSING STABILITY FOR POPULATIONS NEEDING EXTRA SUPPORT

We provide rental assistance, operating subsidies for supportive housing, homelessness prevention resources, and other assistance. Highlights for 2019 include:

- Increasing the number of households served from 9,770 in 2018 to 10,143 in 2019. These households typically have annual incomes around \$10,000, and the annual assistance per household is typically in the \$1,000 to \$8,000 range.

ADMINISTERING FEDERAL PROJECT-BASED RENTAL ASSISTANCE

We administer the Section 8 project-based rental assistance program in Minnesota for the U.S. Department of Housing and Urban Development (HUD). Highlights for 2019 include:

- Supporting over 28,000 households with rental assistance and contract administration. The federal government has not added housing units to this stock since the 1980s. Our goal is to effectively manage the contracts and preserve the affordability and condition of these units. From program year 2019, only 32 units are in line to be potentially lost after the property owners opted out of their contracts.



ADDITIONAL EFFORTS IN 2019

We completed a [pilot program](#) (Phase II EnergyScoreCards) to facilitate the implementation of energy efficiency projects at multifamily properties in Minnesota, which won a 2019 State Government Innovation Award. This pilot studied the impacts of energy and water benchmarking paired with supportive technical and financial assistance at 31 properties. The pilot was conducted over a two-year period from 2016-2018. At the end of Phase II, 74% of properties implemented energy conservation projects and found, on average, a savings of roughly \$1,160 in electric and \$2,331 in water costs annually.

Governor Tim Walz is leading the effort to have Minnesota declared the fourth state in the U.S. to put an end to veteran homelessness. The state works to identify all homeless veterans, provide shelter immediately to anyone who doesn't have it and wants it, and help them move into permanent homes. [The Governor met with landlords in July 2019](#) to encourage them to proactively rent to veterans, to which many landlords responded affirmatively that they would make efforts to do so.

We are transforming our Multifamily Division through process improvement with supporting technology over the past five years, resulting in its [Multifamily Portal](#). Leveraging the Salesforce Platform, the Portal is used to process funding requests, enabling customers and staff to access information in real-time. We have added additional functionality to allow staff to process business development leads and access data about developments in the agency's asset management portfolio.

We also implemented a new loan system for our growing home mortgage and home improvement programs. The new system will make it easier to manage the loans.

In 2019, we were one of 13 state Housing Finance Agencies (HFAs) recognized by the National Council of State Housing Agencies (NCSHA) for effective initiatives that address affordable housing challenges, receiving awards in three categories.

IN 2019, WE SERVED

68,900 HOUSEHOLDS

AND DISTRIBUTED

\$1.42 BILLION IN RESOURCES





DETAILED TABLES

Detailed tables encompass the body of this report and include information that must be reported to the State Legislature annually, which is why we provide detailed information for each program. Full descriptions of these programs can be found in [Appendix B of the 2020-2021 Affordable Housing Plan](#). The following table provides a quick overview of the programs.

OVERVIEW OF MINNESOTA HOUSING PROGRAMS

Home Mortgages	
Start Up (first time homebuyers)	Amortizing Loans
Step Up (primarily repeat homebuyers)	Amortizing Loans
Downpayment and Closing-Cost Assistance for Homebuyers	
Deferred Payment Loan (DPL)	Deferred Loans
Monthly Payment Loan (MPL)	Amortizing Loans
Homebuyer/owner Education, Counseling & Coaching	
Homeownership Education, Counseling & Training (HECAT)	Grants
Enhanced Homeownership Capacity Initiative (intensive coaching)	Grants
Home Improvement	
Home Improvement Loan Program	Amortizing Loans
Rehabilitation Loan Program (RLP)	Deferred Loans
Single Family Housing Development (New Construction and Rehab)	
Community Homeownership Impact Funds	Deferred Loans and Grants
Other	
Disaster Recovery	Deferred Loans
Manufactured Home Relocation Trust Fund	Grants
Technical Assistance and Operating Support	Grants
Rental Production – New Construction and Rehabilitation	
Low and Moderate Income Rental (LMIR)	Amortizing First Mortgages
Flexible Financing for Capital Costs (FFCC)	Deferred Loans

Rental Production – New Construction and Rehabilitation	
Low Income Housing Tax Credits (LIHTC)	Investment Tax Credits
Economic Develop. & Housing/Challenge (EDHC)	Deferred Loans
Housing Infrastructure Bonds	Deferred Loans
Preservation - Affordable Rental Housing Fund (PARIF)	Deferred Loans
HOME	Deferred Loans
National Housing Trust Fund	Deferred Loans
Publicly Owned Housing Program (POHP)	Deferred Loans
Rental Rehabilitation Deferred Loan (RRDL) Program	Deferred Loans
Asset Management	Deferred or Amortizing Loans
Workforce Housing Development	Grants to Cities
Rental Assistance Contract Administration	
Section 8 Project-Based Rental Assistance	Grants
Housing Stability	
Housing Trust Fund – Rental Assistance (HTF-RA)	Grants
Housing Trust Fund – Operating Subsidies	Grants
Bridges – Rental Assistance	Grants
Section 811 – Rental Assistance	Grants
Family Homeless Prevention and Assistance Program (FHPAP)	Grants
Housing Opportunities for Persons with AIDS (HOPWA)	Grants

Highlights and key takeaways from the following seven tables:

Table 1 (pages 10-11): Median incomes of households served by each program

We serve the full continuum of low- and moderate-income households. On the low end, the median annual income of people who recently moved into housing funded with Housing Infrastructure Bonds (supportive housing or housing with project-based rental assistance) was just \$5,964. On the high end, the median income of people who received Step Up (home mortgages primarily for repeat homebuyers) was \$85,538. For context, the 2019 poverty level for a family of three was \$21,330, and the 2019 median family income in Minnesota was \$88,600.

Table 2 (page 12): Income distribution by type of assisted household

The majority of homebuyers that we served had an income below \$60,000; the majority of homeowners that we served had an income below \$65,000; and the majority of renters had an income below \$15,000.

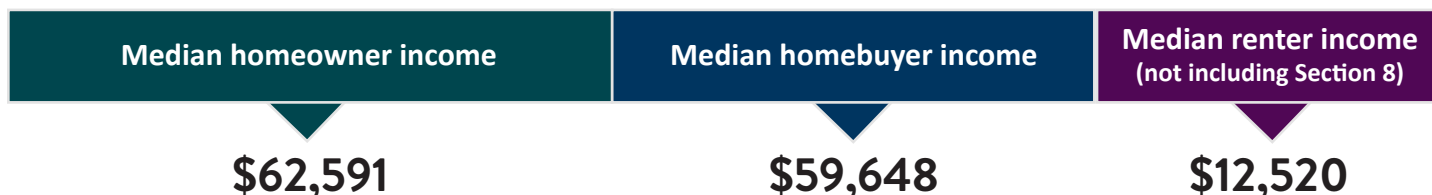


Table 3 (pages 14-15): Key funding and demographic statistics for each program

The table provides the level of assistance, the number of households served, and their characteristics.

- About one-third of the homebuyers that we serve are households of color or from indigenous communities, compared with 16% served by the overall mortgage industry in Minnesota.
- The Enhanced Homeownership Capacity Initiative (intensive financial coaching for people who want to become homeowners but do not currently qualify) is reaching a particularly large share of households of color and indigenous communities (84.6%).
- A smaller share of households served by our home improvement programs are of color or from indigenous communities (8% to 12%). For context, these underrepresented communities account for 11% of all homeowners in Minnesota who income qualify for one of these programs.
- The majority of the households served by many of the rental programs are households of color or from indigenous communities.

Table 4 (pages 16-17): Information about households of color and indigenous communities receiving direct assistance from Minnesota Housing by program

In 2019, we provided nearly \$450 million of direct financial assistance to nearly 22,000 households of color and indigenous households. This only includes loans, rental assistance or other supports provided directly to households. It does not include any of the funding provided to developers for the development and rehabilitation of affordable rental housing. For the programs included in the Table 4 calculation, just over a third of the assistance went to households of color and indigenous communities.

Project-based Section 8 rental assistance plays a critical role in the overall share of direct assistance going to households of color and indigenous communities because it is our largest program in terms of households served. In 2019, 36% of Section 8 assistance went to households of color and indigenous communities. Seniors account for 47% of project-based Section 8 tenants, and seniors are a less racial diverse population than younger Minnesotans.

Table 5 (pages 18-19): Distribution of resources by region

We distribute our competitive resources (grants, deferred loans and housing tax credits) fairly evenly across the state. Each region's share of our competitive assistance is close to its share of lower-income households that are cost burdened by their housing payments (housing payments accounting for more than 30% of gross income). For example, the seven-county Twin Cities metro region has 54.9% of the state's lower-income cost burdened households and received 48.0% of our competitive funding in 2019.

The Twin Cities metro area received a larger share of our market-driven resources (66.8%), which are our amortizing loans – primarily home mortgages, home improvement loans, and first mortgages for rental development. Demand for our amortizing loan products is lower in Greater Minnesota because the U.S. Department of Agriculture's Rural Development also provides these types of products, which are only available in rural areas.

Table 6 (pages 20-22): Comparison of assistance levels for each program for the years 2017, 2018, and 2019

Overall, program funding has increased from \$1.1 billion to \$1.4 billion. The number of assisted households remained in the 66,000 to 69,000 range. Between 2017 and 2019, the number of households or housing units assisted increased for most program areas. However, rental assistance contract administration dropped from 30,724 to 28,063 housing units largely because some Section 8 contracts switched from being administered by Minnesota Housing to the U.S. Department of Housing and Urban Development. The transfer of administration does not reflect a loss of units with project-based rent assistance. In addition, the number of clients served by the Family Homeless Prevention and Assistance Program (FHPAP) declined 6,914 to 6,013, largely because the program is increasingly focusing on rapid re-housing and harder-to-serve clients who typically need more assistance.

Table 7 (pages 23-24): Characteristics of the households served in 2019

We prioritize serving the communities most impacted by housing instability, which includes people experiencing homelessness, people with a disability, seniors, children, households of color and indigenous communities, and the people with lowest incomes. Table 3 provides data on income levels and households of color/indigenous communities. With respect to homeownership, the Rehabilitation Loan Program is particularly effective in reaching senior households and households with a member who is disabled. On the rental side, nearly 74% of households receiving rental assistance through our Housing Trust Fund program have experienced long-term homelessness. In addition, Bridges (rental assistance for people with a mental illness) is designed to serve people with a disability. Of all our programs, the Community Homeownership Impact Fund (resources to develop and rehabilitate for low- and moderate-income homebuyers) is the most effective at serving families with children, accounting for nearly 64% of the households served. As shown in Table 3, the median income of these households is only \$47,000.

**ONE-THIRD OF HOMEBUYERS
WE SERVE ARE HOUSEHOLDS OF COLOR
OR FROM INDIGENOUS COMMUNITIES**





TABLE 1: MEDIAN INCOMES OF ASSISTED HOUSEHOLDS COMPARED WITH SELECTED INCOME STANDARDS, FFY 2019

Resources	Activity	Annual Household Incomes	Percent of State Median
Housing Infrastructure Bonds (HIB)	Deferred Loan, Rental Production	\$5,964	6.7%
Housing Trust Fund - Operating Subsidies	Deferred Loan, Housing Stability	\$9,250	10.4%
Section 811	Rent Assistance, Housing Stability	\$9,493	10.7%
Housing Trust Fund, Rental Assistance (HTFRA)	Rent Assistance, Housing Stability	\$9,972	11.3%
Bridges	Rent Assistance, Housing Stability	\$10,224	11.5%
Publicly Owned Housing Program (POHP)	Deferred Loan, Rental Production (Rehab Only)	\$11,232	12.7%
HOME	Deferred Loan, Rental Production	\$11,448	12.9%
Family Homeless Prevention and Assistance Program (FHPAP)	Grant, Housing Stability	\$11,899	13.4%
Section 8 Performance Based Contract Administration (PBCA)	Rent Assistance	\$12,516	14.1%
Section 8 Traditional Contract Administration (TCA)	Rent Assistance	\$13,068	14.7%
MN Family Investment Program (one adult, two children) maximum benefit including food support		\$13,848	15.6%
Preservation - Affordable Rental Housing Fund (PARIF)	Deferred Loan, Rental Production (Rehab Only)	\$14,300	16.1%
Rehabilitation Loan Program (RLP)	Deferred Loan, Home Rehabilitation	\$15,079	17.0%
Rental Rehabilitation Deferred Loan (RRDL) Program	Deferred Loan, Rental Production (Rehab Only)	\$16,620	18.8%
Housing Opportunities for Persons with AIDS (HOPWA)	Grant, Housing Stability	\$20,898	23.6%
Poverty guideline, three-person household		\$21,330	24.1%
Economic Development and Housing/Challenge Fund (EDHC) - Rental Portion Only	Deferred Loan, Rental Production	\$21,485	24.2%
Low-Income Housing Tax Credits (LIHTC)	Investment Tax Credit, Rental Production	\$21,600	24.4%
Low and Moderate Income Rental (LMIR)	Amortizing First Mortgage, Rental Production	\$25,200	28.4%

Resources	Activity	Annual Household Incomes	Percent of State Median
Poverty guideline, four-person household		\$25,750	29.1%
Disaster Recovery	Deferred Loans, Home Rehabilitation	\$36,654	41.4%
Enhanced Homeownership Capacity Initiative	Education & Counseling	\$37,200	42.0%
Homeownership Education, Counseling, and Training (HECAT)	Education & Counseling	\$38,460	43.4%
200% of poverty, three-person household		\$42,660	48.1%
Community Homeownership Impact Fund	Loans and Grants, Single Family	\$47,169	53.2%
50% of HUD median income, statewide		\$44,300	50.0%
50% of HUD median income, Minneapolis/St. Paul		\$50,000	56.4%
Deferred Payment Loans (DPL)	Deferred Loan, Homeownership Downpayment	\$52,404	59.1%
200% of poverty, four-person household		\$51,500	58.1%
Home Mortgage Loan - Start Up	First Mortgage, First-Time Homebuyer	\$56,850	64.2%
60% of HUD median income, Minneapolis/St. Paul		\$60,000	67.7%
HUD median income, Minnesota nonmetro areas		\$72,400	81.7%
Home Improvement Loan Program	Amortizing Loan, Homeowner Improvement	\$76,774	86.7%
Monthly Payment Loans (MPL)	Amortizing Loan, Homeownership Downpayment	\$79,750	90.0%
Home Mortgage Loan - Step Up	First Mortgage, Primarily Repeat Homebuyer	\$85,538	96.5%
HUD median income, statewide		\$88,600	100.0%
HUD median income, Minnesota metro areas		\$95,000	107.2%
HUD median income for Minneapolis/St. Paul		\$100,000	112.9%

TABLE 2: INCOME DISTRIBUTION OF ASSISTED HOUSEHOLDS, FFY 2019

	Homebuyers (N=5,450)		Homeowners (N=1,140)		Non-Section 8 Renters (N=13,358)		Section 8 Renters (N=28,068)	
Gross Annual Household Income	Percent	Cumulative Percent	Percent	Cumulative Percent	Percent	Cumulative Percent	Percent	Cumulative Percent
\$0-\$4,999	0.0%	0.0%	0.3%	0.3%	22.3%	22.3%	10.4%	10.4%
\$5,000-\$9,999	0.0%	0.0%	3.6%	3.9%	18.4%	40.7%	15.8%	26.2%
\$10,000-\$14,999	0.3%	0.3%	8.4%	12.3%	18.5%	59.2%	34.8%	61.0%
\$15,000-\$19,999	0.6%	0.8%	7.6%	19.9%	11.7%	70.8%	17.2%	78.2%
\$20,000-\$24,999	0.9%	1.8%	4.0%	24.0%	8.8%	79.6%	9.9%	88.1%
\$25,000-\$29,999	1.9%	3.6%	2.6%	26.6%	6.3%	85.9%	5.7%	93.8%
\$30,000-\$34,999	3.9%	7.5%	3.1%	29.7%	5.2%	91.0%	3.2%	97.0%
\$35,000-\$39,999	6.9%	14.3%	2.6%	32.3%	3.4%	94.4%	1.6%	98.6%
\$40,000-\$44,999	8.4%	22.7%	3.1%	35.4%	2.1%	96.5%	0.7%	99.4%
\$45,000-\$49,999	9.1%	31.8%	4.2%	39.6%	1.3%	97.8%	0.3%	99.7%
\$50,000-\$54,999	9.9%	41.7%	3.1%	42.7%	0.9%	98.7%	0.2%	99.9%
\$55,000-\$59,999	9.1%	50.8%	4.8%	47.5%	0.4%	99.1%	0.1%	99.9%
\$60,000-\$64,999	9.1%	59.9%	4.8%	52.3%	0.3%	99.4%	0.0%	99.9%
\$65,000-\$69,999	7.5%	67.4%	4.2%	56.5%	0.2%	99.6%		100.0%
\$70,000-\$74,999	6.2%	73.6%	4.0%	60.6%	0.1%	99.8%		
\$75,000-\$79,999	5.6%	79.2%	4.9%	65.5%	0.1%	99.9%		
\$80,000 and above	20.8%	100.0%	34.5%	100.0%	0.2%	100.0%		
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.

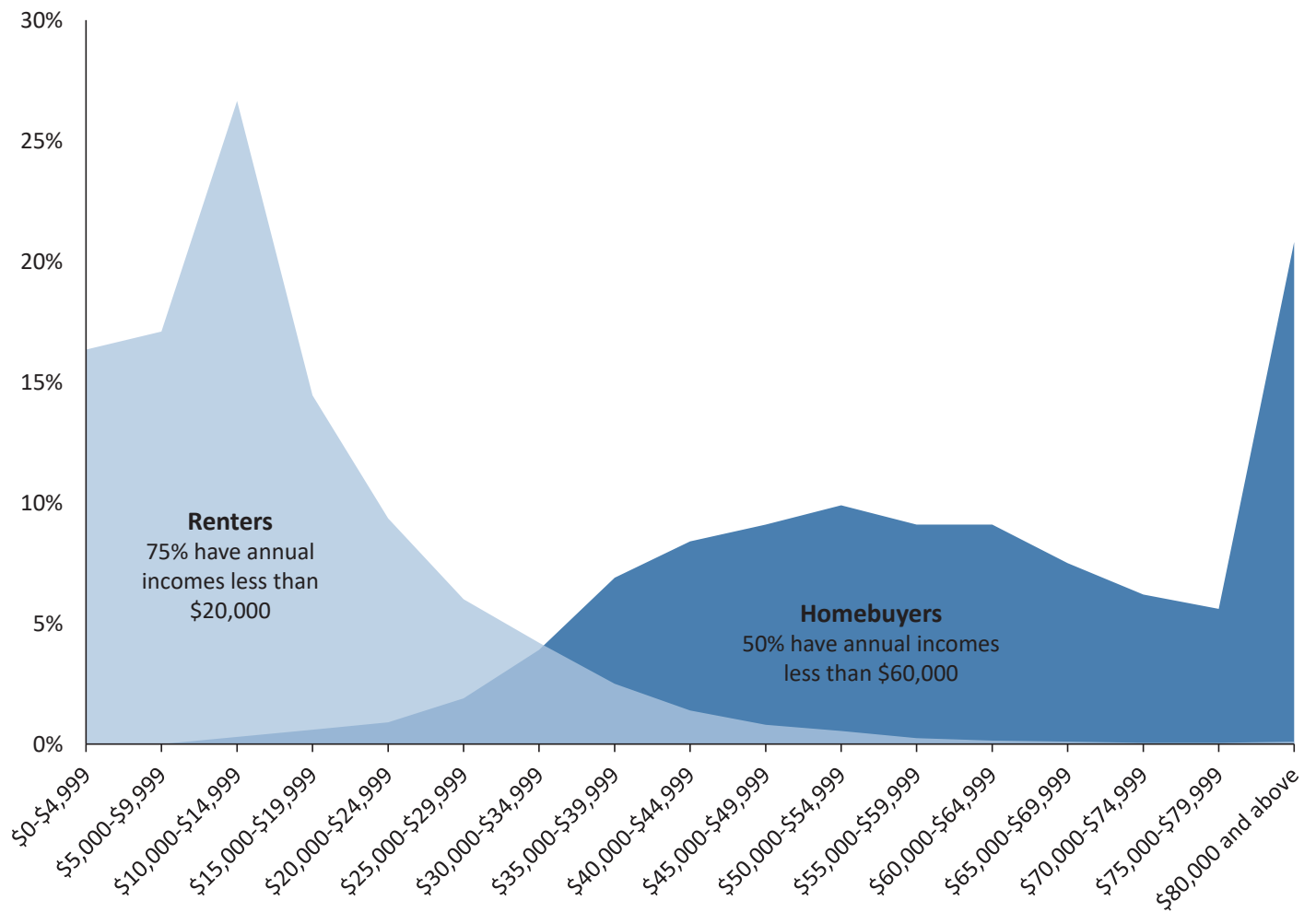
FIGURE 2: INCOME DISTRIBUTION OF ASSISTED HOUSEHOLDS, FFY 2019

TABLE 3: FUNDING AND HOUSEHOLD CHARACTERISTICS, BY PROGRAM, FFY 2019

Resources ¹	Minnesota Housing Assistance	Households or Units Assisted	Average Assistance Per Household or Unit	Median Annual Household Income	Households of Color and Indigenous Communities ²
Homebuyer and Home Refinance (unduplicated count)	\$976,524,978	5,105			
Home Mortgage Loans ³ - Start Up	\$716,018,277	4,083	\$175,366	\$56,850	34.3%
<i>no downpayment/closing cost loan</i>	\$11,308,926	80	\$141,362	\$56,856	18.8%
<i>with a downpayment/closing cost loan</i>	\$704,709,351	4,003	\$176,045	\$56,536	34.6%
Home Mortgage Loans ³ - Step Up	\$216,374,236	1,022	\$211,716	\$85,538	26.9%
<i>no downpayment/closing cost loan</i>	\$7,533,462	37	\$203,607	\$70,884	21.6%
<i>with a downpayment/closing cost loan</i>	\$208,840,774	985	\$212,021	\$86,074	28.0%
Deferred Payment Loans (DPL) (second mortgage)	\$24,126,600	3,021	\$7,986	\$52,404	36.9%
Monthly Payment Loans (MPL) (second mortgage)	\$20,005,865	1,967	\$10,171	\$79,750	27.4%
Homebuyer/owner Education and Counseling	\$2,755,256	20,806			
Homeownership Education, Counseling, and Training (HECAT) ⁵	\$1,502,500	19,716	\$223	\$38,460	54.0%
Enhanced Homeownership Capacity Initiative	\$1,252,756	1,090	\$1,149	\$37,200	84.6%
Home Improvement	\$23,847,205	1,130			
Home Improvement Loan Program	\$18,226,799	872	\$20,902	\$76,774	12.3%
Rehabilitation Loan Program	\$5,620,406	258	\$21,785	\$15,079	8.1%
Rental Production - New Construction and Rehabilitation (unduplicated count)*	\$194,957,932	3,215			
<i>New Construction Subtotal</i>	<i>\$88,542,239</i>	<i>645</i>			
<i>Rehabilitation Subtotal</i>	<i>\$80,092,243</i>	<i>2,107</i>			
<i>Refinance Only Subtotal</i>	<i>\$26,323,450</i>	<i>463</i>			
Low and Moderate Income Rental (LMIR)	\$46,166,000	850	\$54,313	\$25,200	58.1%
Flexible Financing for Capital Costs	\$6,505,363	635	\$10,245	See Amortizing Loan Program	
Low-Income Housing Tax Credits (LIHTC)	\$80,401,968	1,054	\$76,283	\$21,600	48.4%
Economic Development and Housing/Challenge Fund (EDHC)	\$9,285,509	269	\$34,519	\$21,485	71.3%
Housing Infrastructure Bonds (HIB)	\$24,229,378	274	\$88,428	\$5,964	52.7%
Preservation - Affordable Rental Housing Fund (PARIF)	\$11,252,064	306	\$36,771	\$14,300	50.4%
HOME	\$2,678,978	24	\$111,624	\$11,448	59.0%
Publicly Owned Housing Program (POHP)	\$5,975,468	1193	\$5,009	\$11,232	26.5%

Resources ¹	Minnesota Housing Assistance	Households or Units Assisted	Average Assistance Per Household or Unit	Median Annual Household Income	Households of Color and Indigenous Communities ²
Rental Rehabilitation Deferred Loan (RRDL) Program	\$3,532,436	212	\$16,662	\$16,620	15.2%
Asset Management ⁶	\$2,930,768	50	N/A		
National Housing Trust Fund	\$0	0	N/A		
Workforce Housing Development	\$500,000	24	\$20,833	No data	
Strategic Investments	\$1,500,000	98	N/A		
Rental Assistance Contract Administration	\$185,554,012	28,063			
Section 8 Performance Based Contract Administration (PBCA)	\$145,634,153	21,337	\$6,825	\$12,516	39.6%
Section 8 Traditional Contract Administration (TCA)	\$39,919,859	6,726	\$5,935	\$13,068	28.2%
Housing Stability for Populations Needing Extra Support	\$26,724,125	10,143			
Housing Trust Fund - Rental Assistance (HTF-RA) ⁷	\$9,850,414	1,649	\$8,048	\$9,972	61.7%
Housing Trust Fund - Operating Subsidies	\$2,371,613	1,385	\$1,712	\$9,250	59.9%
Bridges ⁷	\$4,106,576	816	\$6,704	\$10,224	31.2%
Family Homeless Prevention and Assistance Program (FHPAP) ⁸	\$9,510,553	6,013	\$1,582	\$11,899	64.1%
Section 811	\$740,116	124	\$5,969	\$9,493	52.5%
Housing Opportunities for Persons with AIDS (HOPWA)	\$144,854	156	\$929	\$20,898	51.0%
Multiple Use Resources (unduplicated count)	\$7,460,298	345			
Community Homeownership Impact Fund ⁹ (unduplicated)	\$7,460,298	345	\$21,624	\$47,169	59.8%
<i>Appropriations</i>	\$6,327,165	342	\$18,500	\$47,250	59.7%
<i>HIB</i>	\$647,785	26	\$24,915	\$45,150	38.5%
<i>Interim construction</i>	\$485,349	6	\$80,891	\$41,303	83.3%
Other	\$1,474,989	77			
Disaster Recovery	\$172,967	10	\$17,297	\$36,654	10.0%
Manufactured Home Relocation Trust Fund	\$166,476	67	Not available		
Technical Assistance and Operating Support	\$1,135,546	No demographic data; this is assistance to nonprofits			
Total (unduplicated count)	\$1,419,298,796	68,884			

*The median incomes for these rental production programs exclude units that also receive Section 8 Project-Based vouchers.

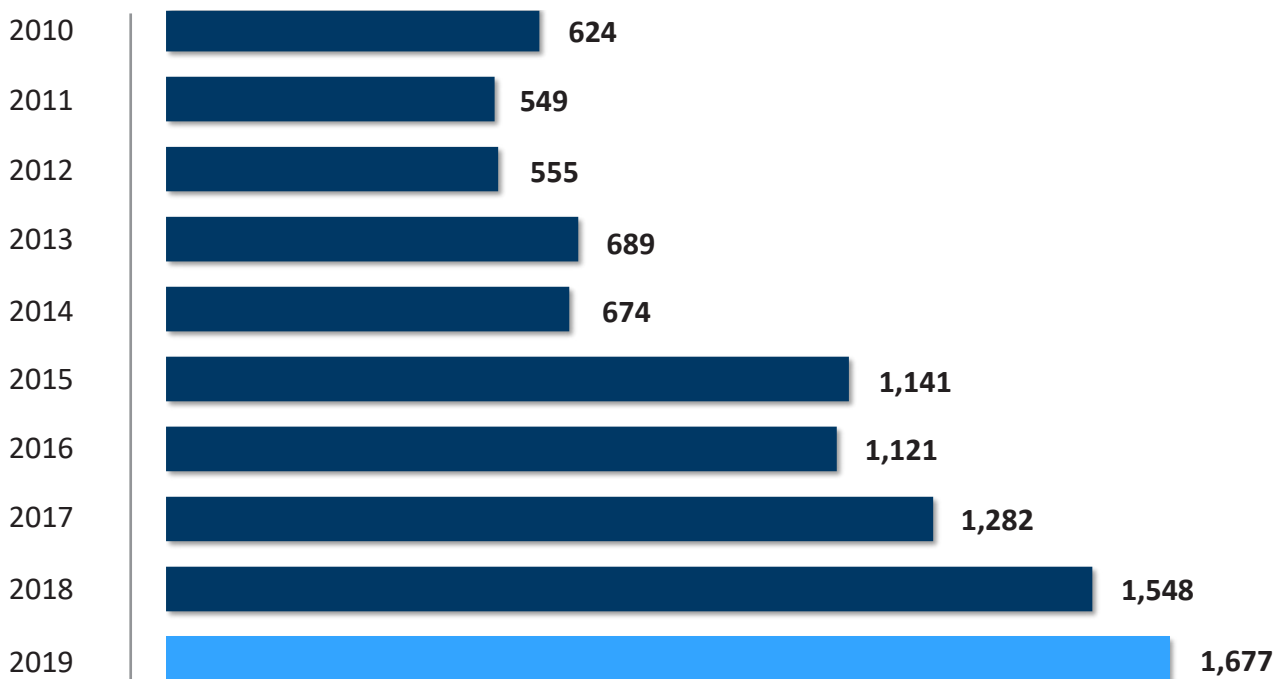
TABLE 4: ASSISTANCE TO HOUSEHOLDS OF COLOR AND INDIGENOUS COMMUNITIES, FFY 2019

Resources¹	Minnesota Housing Assistance	Households or Units Assisted²	Average Assistance Per Household or Unit	Median Annual Household Income
Homebuyer (unduplicated count)	\$346,528,095	1,677		
Home Mortgage Loans (Start Up & Step Up) ³	\$331,437,845	1,677	\$197,637	\$61,898
<i>no downpayment/closing cost loan</i>	\$4,104,292	23	\$178,447	\$61,872
<i>with a downpayment/closing cost loan</i>	\$327,333,553	1,654	\$197,904	\$61,921
Deferred Payment Loans (second mortgage amount)	\$9,407,200	1116	\$8,429	\$55,251
Monthly Payment Loans (second mortgage amount)	\$5,683,050	538	\$10,563	\$82,946
Homebuyer/owner Education and Counseling	\$1,859,126	4,507		
Homeownership Education, Counseling, and Training (HECAT) ⁵	\$799,455	3,585	\$223	\$40,000
Enhanced Homeownership Capacity Initiative	\$1,059,671	922	\$1,149	\$37,908
Home Improvement	\$2,937,822	128		
Home Improvement Loan Program	\$2,474,353	107	\$23,125	\$83,178
Rehabilitation Loan Program	\$463,469	21	\$22,070	\$17,335
Rental Assistance Contract Administration	\$78,483,696	10,214		
Section 8 Performance Based Contract Administration (PBCA)	\$65,494,761	8,378	\$7,817	\$10,676
Section 8 Traditional Contract Administration (TCA)	\$12,988,935	1,836	\$7,075	\$11,120
Housing Stability for Populations Needing Extra Support	\$14,436,234	5,229		
Housing Trust Fund - Rental Assistance (HTF-RA) ⁷	\$6,523,706	1,013	\$8,651	\$9,696
Bridges ⁷	\$1,390,374	254	\$7,499	\$9,638
Family Homeless Prevention and Assistance Program (FHPAP) ⁷	\$6,043,240	3,820	\$1,582	\$10,530
Section 811	\$404,594	62	\$6,526	\$9,391
Housing Opportunities for Persons with AIDS (HOPWA)	\$74,320	80	\$929	Not available
Multiple Use Resources	\$4,311,614	193		
Community Homeownership Impact Fund ⁹ (unduplicated)	\$4,311,614	193		
<i>Appropriations</i>	\$3,723,265	193	\$19,292	\$47,479
<i>HIB</i>	\$203,000	10	\$20,300	\$42,600
<i>Interim construction</i>	\$385,349	5	\$77,070	\$40,560

Resources ¹	Minnesota Housing Assistance	Households or Units Assisted ²	Average Assistance Per Household or Unit	Median Annual Household Income
Other		<5		
Disaster Recovery	N/A	<5	N/A	N/A
Total (unduplicated count)	\$448,556,586	21,948		

Note: Excludes funding going to developers of rental housing, which does not go directly to households.

FIGURE 3: HOME MORTGAGE LOANS FOR HOUSEHOLDS OF COLOR AND INDIGENOUS COMMUNITIES, FFY 2010-2019



Over the past three years, half of competitive assistance has gone to Greater Minnesota.

TABLE 5: ASSISTANCE BY REGION AND FUNDS SOURCE, FFY 2019

	Competitive Assistance: Grants, Deferred Loans and Housing Tax Credits				
	2019		Three Years: 2017-19		
Region	Amount of Assistance	Area Share of Assistance	Amount of Assistance	Area Share of Assistance	Area Share of Lower Income Cost-Burdened Households
Central	\$19,965,472	9.6%	\$55,826,858	8.5%	12.9%
Twin Cities	\$100,408,081	48.0%	\$326,390,143	49.9%	54.9%
<i>Minneapolis</i>	\$20,648,043	9.9%	\$62,245,813	9.5%	11.5%
<i>Saint Paul</i>	\$13,210,217	6.3%	\$65,362,887	10.0%	7.5%
Northeast	\$21,138,592	10.1%	\$62,508,285	9.5%	7.0%
<i>Duluth</i>	\$26,203,924	12.5%	\$39,342,052	6.0%	2.2%
Northwest	\$26,587,646	12.7%	\$48,084,339	7.3%	3.2%
Southeast	\$28,968,501	13.9%	\$104,944,650	16.0%	12.8%
Southwest	\$3,231,933	1.5%	\$23,799,520	3.6%	4.8%
West Central	\$8,665,721	4.1%	\$33,129,634	5.1%	4.4%
Total	\$208,965,946	100.0%	\$654,683,429	100.0%	100.0%



Region	Market-Driven Assistance: Amortizing Loans			
	2019		Three Years: 2017-19	
	Amount of Assistance	Area Share of Assistance	Amount of Assistance	Area Share of Assistance
Central	\$149,699,824	14.7%	\$336,399,690	13.0%
Twin Cities	\$682,316,232	66.8%	\$1,832,579,608	70.9%
<i>Minneapolis</i>	\$75,726,456	7.4%	\$196,733,614	7.6%
<i>Saint Paul</i>	\$100,129,652	9.8%	\$263,763,015	10.2%
Northeast	\$21,738,087	2.1%	\$48,192,772	1.9%
<i>Duluth</i>	\$11,949,659	1.2%	\$27,085,089	1.0%
Northwest	\$8,984,379	0.9%	\$23,505,715	0.9%
Southeast	\$113,053,770	11.1%	\$244,443,633	9.5%
Southwest	\$24,872,486	2.4%	\$55,213,969	2.1%
West Central	\$20,247,133	2.0%	\$44,778,529	1.7%
Total	\$1,020,911,912	100.0%	\$2,585,113,916	100.0%

Notes: Data available for this table include non-Section 8 resources Minnesota Housing provided in 2019.

Competitive funds are generally distributed to developers and service organizations through a competitive process, such as a Request for Proposals.

Grants and deferred loans are state and federal appropriations (other than Section 8), and Minnesota Housing Pool 3 resources.

Housing tax credits reflect the syndication proceeds in developments for which loans closed with 9% housing tax credits in 2016 (not including suballocators).

Amortizing loans involve regular principal and interest payments with borrowers deciding if they want to apply for a Minnesota Housing loan or pursue other lending options.

Regional total amounts 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, 2014-2018).

TABLE 6: ASSISTANCE BY PROGRAM, FFY2017-2019

	2017		2018		2019	
Resources¹	Minnesota Housing Assistance	Households or Units Assisted	Minnesota Housing Assistance	Households or Units Assisted	Minnesota Housing Assistance	Households or Units Assisted
Homebuyer (unduplicated count)	\$691,017,162	4,048	\$840,003,238	4,640	\$976,524,978	5,105
Home Mortgage Loans (Start Up and Step Up) ³	\$661,274,817	4,035	\$800,803,963	4,622	\$932,392,513	5,105
<i>no downpayment/closing cost loan</i>	\$43,965,470	293	\$20,352,681	141	\$18,842,388	117
<i>with downpayment/closing cost loan</i>	\$617,309,347	3,742	\$780,451,282	4,481	\$913,550,125	4,988
<i>with Mortgage Credit Certificate</i>	\$23,895,935	131	\$5,721,374	32	No activity	
Mortgage Credit Certificates ⁴	N/A	131	N/A	32	No activity	
Deferred Payment Loans (second mortgage amount)	\$17,536,900	2,388	\$23,786,550	3,021	\$24,126,600	3,021
Monthly Payment Loans (second mortgage amount)	\$11,174,300	1,360	\$13,939,200	1,454	\$20,005,865	1,967
Homebuyer/owner Education and Counseling	\$2,859,354	19,151	\$2,763,640	21,043	\$2,755,256	20,806
Homeownership Education, Counseling, and Training (HECAT) ⁵	\$1,750,850	18,283	\$1,591,500	20,046	\$1,502,500	19,716
Enhanced Homeownership Capacity Initiative	\$1,108,504	868	\$1,172,140	997	\$1,252,756	1,090
Home Improvement	\$19,130,608	904	\$17,236,147	853	\$23,847,205	1,130
Home Improvement Loan Program	\$12,489,603	644	\$11,887,522	617	\$18,226,799	872
Rehabilitation Loan Program	\$6,641,005	260	\$5,348,625	236	\$5,620,406	258
Rental Production - New Construction and Rehabilitation (unduplicated count)	\$180,563,525	2,767	\$187,528,048	2,065	\$194,957,932	3,215
Amortizing Loan Program (LMIR and MAP)	\$28,801,250	651	\$27,641,000	666	\$46,166,000	850
Flexible Financing for Capital Costs (FFCC)	\$4,469,762	203	\$1,741,978	217	\$6,505,363	635
Low-Income Housing Tax Credits (LIHTC)	\$94,957,135	828	\$111,586,589	1018	\$80,401,968	1,054
Economic Development and Housing/Challenge Fund (EDHC)	\$20,011,824	330	\$6,792,072	233	\$9,285,509	269

	2017		2018		2019	
Resources ¹	Minnesota Housing Assistance	Households or Units Assisted	Minnesota Housing Assistance	Households or Units Assisted	Minnesota Housing Assistance	Households or Units Assisted
Preservation - Affordable Rental Housing Fund (PARIF)	\$9,916,531	688	\$6,839,491	481	\$11,252,064	306
HOME	\$4,403,000	110	\$7,256,506	176	\$2,678,978	24
Housing Infrastructure Bonds (HIB)	\$12,178,056	103	\$13,475,837	177	\$24,229,378	274
Publicly Owned Housing Program (POHP)	\$5,251,450	917	\$2,009,918	174	\$5,975,468	1,193
Rental Rehabilitation Deferred Loan (RRDL) Program	\$574,517	48	\$1,765,329	167	\$3,532,436	212
Asset Management ⁶	No activity		\$1,019,328	236	\$2,930,768	50
National Housing Trust Fund	Program not yet implemented		\$2,700,000	30	\$0	0
Workforce Housing Development	Program not yet implemented		Program not yet implemented		\$500,000	24
Strategic Investments	Program not yet implemented		\$4,700,000	N/A	\$1,500,000	98
Rental Assistance Contract Administration	\$188,664,577	30,724	\$184,845,700	28,075	\$185,554,012	28,063
Section 8 Performance Based Contract Administration (PBCA)	\$137,065,490	21,443	\$140,893,369	21,349	\$145,634,153	21,337
Section 8 Traditional Contract Administration (TCA)	\$51,524,013	8,948	\$43,952,331	6,726	\$39,919,859	6,726
Section 236	\$75,074	333	No activity		No activity	
Housing Stability for Populations Needing Extra Support	\$25,893,114	11,253	\$25,738,005	9,770	\$26,724,125	10,143
Housing Trust Fund - Rental Assistance (HTF-RA) ⁷	\$9,266,305	1,674	\$9,625,871	1,611	\$9,850,414	1,649
Housing Trust Fund - Operating Subsidies	\$3,275,461	1,534	\$3,397,859	1,455	\$2,371,613	1,385
Bridges ⁷	\$4,167,435	882	\$4,354,591	894	\$4,106,576	816
Family Homeless Prevention and Assistance Program (FHPAP) ⁸	\$8,667,049	6,914	\$7,602,359	5,536	\$9,510,553	6,013
Section 811	\$362,022	71	\$601,892	100	\$740,116	124
Housing Opportunities for Persons with AIDS (HOPWA)	\$154,842	178	\$155,433	174	\$144,854	156

TABLE 6, CONTINUED: ASSISTANCE BY PROGRAM, FFY2017-2019

Resources ¹	2017		2018		2019	
	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)	\$5,651,266	275	\$4,802,082	198	\$7,460,298	345
Community Homeownership Impact Fund ⁹	\$5,651,266	275	\$4,802,082	198	\$7,460,298	345
Other	\$3,767,967	145	\$4,022,309	91	\$1,474,989	77
Neighborhood Stabilization Program (NSP)	\$1,061,082	14	\$1,334,589	21	No activity	
Disaster Recovery	\$401,316	30	\$198,287	9	\$172,967	10
Manufactured Home Relocation Trust Fund	\$995,450	101	\$281,371	61	\$166,476	67
Technical Assistance and Operating Support ¹¹	\$1,310,119	N/A	\$2,208,062	N/A	\$1,135,546	N/A
Total (unduplicated count)	\$1,117,547,574	69,267	\$1,266,939,169	66,735	\$1,419,298,796	68,884



TABLE 7: CHARACTERISTICS OF HOUSEHOLDS SERVED, BY PROGRAM, FFY 2019

Resources ¹	Percentage of households that are:			
	Families with Children	Seniors	With a Disabled Occupant*	Long-term Homeless
Homebuyer and Home Refinance (unduplicated count)	50.4%	2.5%	1.1%	N/A
Home Mortgage Loans (Start Up and Step Up) ³	50.4%	2.5%	1.1%	N/A
Deferred Payment Loans	52.4%	2.7%	1.7%	N/A
Monthly Payment Loans	47.7%	2.3%	0%	N/A
Homebuyer/owner Education and Counseling	N/A	8.6%	N/A	N/A
Homeownership Education, Counseling, and Training (HECAT) ⁵	N/A	9.6%	N/A	N/A
Enhanced Homeownership Capacity Initiative	1%	2%	N/A	N/A
Home Improvement	32.6%	19.0%	9.9%	N/A
Home Improvement Loan Program	36.5%	13.1%	2.1%	N/A
Rehabilitation Loan Program	19.4%	39.1%	36.4%	N/A
Rental Production - New Construction and Rehabilitation (unduplicated household count)	34.3%	22.5%	11.2%	6.2%
Low and Moderate Income Rental (LMIR)	48.6%	18.4%	14.5%	2.3%
Flexible Financing for Capital Costs (FFCC)	See characteristics for Amortizing Loan Program tenants			
Low-Income Housing Tax Credits (LIHTC)	40.6%	22.0%	20.5%	5.7%
Economic Development and Housing/Challenge Fund (EDHC)	44.8%	14.2%	8.6%	6.2%
Preservation- Affordable Rental Housing Fund (PARIF)	33.1%	27.0%	17.8%	7.2%
HOME	25.6%	27.9%	0%	3.8%
Housing Infrastructure Bonds (HIB)	15.7%	16.3%	11.2%	13.7%

TABLE 7, CONTINUED: CHARACTERISTICS OF HOUSEHOLDS SERVED, BY PROGRAM, FFY 2019

Resources¹	Percentage of households that are:			
	Families with Children	Seniors	With a Disabled Occupant*	Long-term Homeless
Publicly Owned Housing Program (POHP)	8.5%	39.1%	45.1%	3.7%
Rental Rehabilitation Deferred Loan (RRDL) Program	18.8%	38.4%	18.8%	2.2%
Rental Assistance Contract Administration (Section 8 PBCA and TCA)	25.4%	46.8%	34.2%	N/A
Housing Stability for Populations Needing Extra Support	45.1%	7.5%	N/A	0%
Housing Trust Fund - Rental Assistance (HTF-RA) ⁷	56.6%	8.6%	N/A	73.5%
Housing Trust Fund - Operating Subsidies	18.5%	18.9%	38%	52.3%
Bridges ⁷	30.8%	5.3%	100.0%	19.1%
Family Homeless Prevention and Assistance Program (FHPAP) ⁸	52.8%	4.2%	40.0%	20.7%
Section 811	4.0%	6.5%	100.0%	N/A
Housing Opportunities for Persons with AIDS (HOPWA)	No detailed household data available			
Multiple Use Resources (unduplicated count)	63.7%	11.6%	N/A	N/A
Community Homeownership Impact Fund ⁹	63.7%	11.6%	N/A	N/A

*For all programs except FHPAP, disability percentages are based on the disability status of any household member; for FHPAP, the disability percentage is based on the disability status of only the head of the household. When interpreting these percentages, one would expect lower percentages when considering only the head of the household's disability status.

Seniors= 62 and older

Long-term Homeless= Lacking a permanent place to live continuously for a year or more, or at least four times in the past three years.

NOTES

1 Data for all programs include loans and grants purchased, closed, or disbursed during the program year, not loans and grants currently committed but not yet disbursed. For 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 for rental units are reported to Minnesota Housing by owners of agency-funded developments being monitored for compliance with program rules. Data include characteristics of tenants occupying developments funded prior to the reporting year. These data are proxies for the tenants most likely to move into these units. With the exception of households with a disabled member, all percentage calculations are based on households with complete information reported; due to the availability of data, we calculated percentages of disabled households based on the total number of households reporting. Household income is based only on tenants with income reported in the last three years.

Tenant characteristics will vary from year-to-year reflecting the number, size, location, and type of developments on which owners report.

2 These 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.

3 Data include first mortgages that U.S. Bank Home Mortgage HFA Division purchased during the reporting year.

4 Includes the number of households that received a mortgage credit certificate, either with or without a first mortgage from Minnesota Housing.

5 HECAT is also funded through other partners; the amount shown is only Minnesota Housing's contribution to households served.

6 Includes Financing Adjustment Factor and Financing Adjustment (FAF/FA) resources.

7 Total assistance amount for Bridges and Housing Trust Fund Rental Assistance is the actual voucher, security deposit, and housing expense 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.

8 Beginning 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 HMIS. Because the organization administering the data for FHPAP is improving the system for maintaining the data, the FHPAP demographic information in this report should be considered estimates, not actuals. The household served and dollars are actuals.

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



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