

MINNESOTA HOUSING FINANCE AGENCY

1977-1979
Biennial Report

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*Housing
State Government Dept. of Planning*

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MHFA PURPOSES

- 1.) Provide a variety of housing alternatives for persons and families of low and moderate income.
- 2.) To assist private industry in providing housing at prices and rentals affordable to low and moderate income persons and families.
- 3.) To encourage construction in areas of need and maintain reasonable balance between non-metropolitan and metropolitan areas.
- 4.) Supplement and implement federal housing assistance programs in Minnesota through participation with private industry.
- 5.) To achieve economic integration in the Agency apartment developments.
- 6.) To provide for the elimination of substandard housing.
- 7.) To provide for the rehabilitation and maintenance of the existing housing stock.
- 8.) To provide for the development of community facilities for the mentally ill, mentally deficient, physically handicapped and the drug dependent.

MHFA POWERS

- MAKE CONSTRUCTION LOANS
- PURCHASE SECURITIES
- RECEIVE AND ADMINISTER FEDERAL HOUSING ASSISTANCE SUPPLEMENTS
- MAKE CONVENTIONAL AND INSURED LOANS
- MAKE REHABILITATION LOANS AND GRANTS
- PROVIDE TECHNICAL ASSISTANCE
- UNDERTAKE AND CARRY OUT STUDIES AND ANALYSES OF HOUSING NEEDS
- PROVIDE HOUSING PROGRAMS FOR LOW AND MODERATE INCOME AMERICAN INDIANS

METHODS OF FUNDING

- SALE OF NOTES AND BONDS
- INTEREST ON LOANS
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- RECEIPT OF FEDERAL HOUSING ASSISTANCE SUPPLEMENTS
- FEDERAL RESEARCH GRANTS

CURRENT AND PROJECTED STATUS OF BONDS AND NOTES

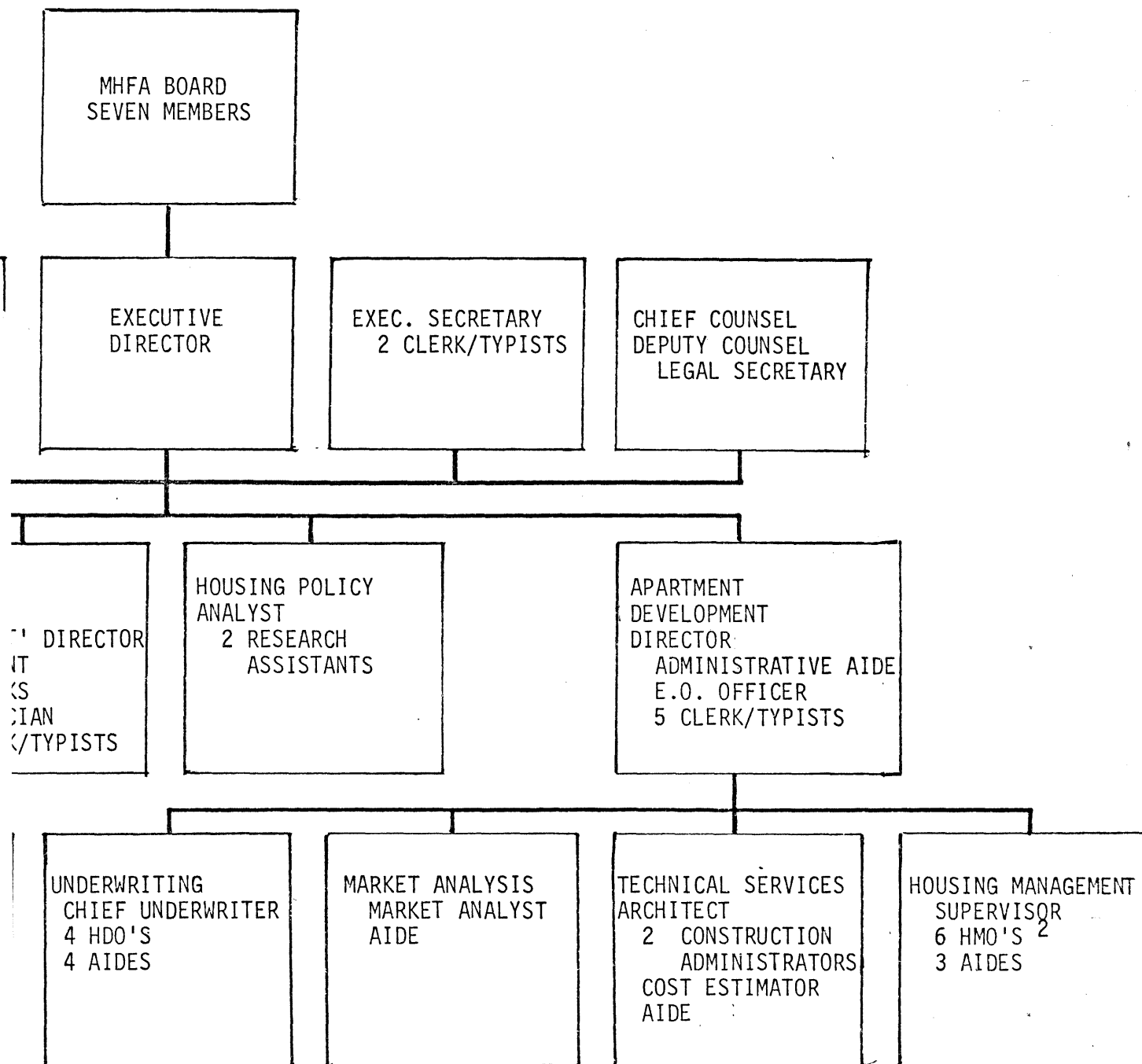
SUBJECT TO \$500,000,000 LIMITATION

	<u>SOLD</u>	<u>PAID OFF</u>	<u>DEFEASED</u>	<u>OUTSTANDING</u>
<u>THROUGH 1-1-77</u>				
Construction Loan Notes	\$ 72,465,000	\$ 62,000,000	-	\$ 10,465,000
Bond Anticipation Notes	91,350,000	30,000,000	\$11,350,000	50,000,000
Single Family Bonds	83,970,000	2,205,000	-	81,765,000
Multi-Family Bonds	<u>76,055,000</u>	<u>-</u>	<u>-</u>	<u>76,055,000</u>
BALANCE 1-1-77	\$323,840,000	\$ 94,205,000	\$11,350,000	\$218,285,000
<u>REMAINDER OF FISCAL YEAR 1977</u>				
Construction Loan Notes	\$ -	\$ 3,225,000	\$ -	\$ (3,225,000)
Bond Anticipation Notes	60,000,000	28,350,000	31,650,000	-
Single Family Bonds	40,000,000	2,000,000	-	38,000,000
Multi-Family Bonds	<u>52,470,000</u>	<u>-</u>	<u>-</u>	<u>52,470,000</u>
BALANCE - 6-30-77	\$476,310,000	\$127,780,000	43,000,000	\$305,530,000
<u>FISCAL YEAR 1978</u>				
Construction Loan Notes	\$ -	\$ 7,240,000	-	\$ (7,240,000)
Bond Anticipation Notes	120,000,000	93,000,000	27,000,000	-
Single Family Bonds	40,000,000	3,000,000	-	37,000,000
Multi-Family Bonds	<u>120,000,000</u>	<u>-</u>	<u>-</u>	<u>120,000,000</u>
BALANCE - 6/30/78	\$756,310,000	\$231,020,000	\$70,000,000	\$455,290,000
<u>FISCAL YEAR 1979</u>				
Construction Loan Notes	\$ -	\$ -	\$ -	\$ -
Bond Anticipation Notes	75,000,000	120,000,000	(45,000,000)	-
Single Family Bonds	40,000,000	4,000,000	-	36,000,000
Multi-Family Bonds	<u>75,000,000</u>	<u>500,000</u>	<u>-</u>	<u>74,500,000</u>
BALANCE - 6/30/79	\$946,310,000	\$355,520,000	\$25,000,000	\$565,790,000

CURRENT AND PROJECTED STATUS OF
HOME IMPROVEMENT BONDS
SUBJECT TO \$100,000,000 LIMITATION

	<u>SOLD</u>	<u>PAID OFF</u>	<u>OUTSTANDING</u>
BALANCE - 11/16/76	\$24,880,000		\$24,880,000
ACTIVITY FOR REMAINDER OF FISCAL YEAR '77	<u>\$15,000,000</u>	<u>515,000</u>	<u>\$14,485,000</u>
BALANCE - 6/30/77	\$39,880,000	515,000	\$39,365,000
ACTIVITY FOR FISCAL YEAR 1978	<u>\$30,000,000</u>	<u>\$2,120,000</u>	<u>\$27,880,000</u>
BALANCE - 6/30/78	\$69,880,000	\$2,635,000	\$67,245,000
ACTIVITY FOR FISCAL YEAR 1979	<u>\$30,000,000</u>	<u>\$3,000,000</u>	<u>\$27,000,000</u>
BALANCE - 6/30/79	\$99,880,000	\$5,635,000	\$94,245,000

MINNESOTA HOUSING FINANCE AGENCY ORGANIZATION



HOME IMPROVEMENT AND MORTGAGE PROGRAMS

Home Improvement and Mortgage Programs Division activities span five major areas:

HOME IMPROVEMENT LOAN

- Repair and renovation of older, residential properties
- Statewide Delivery System
- Aid to low and moderate income persons and families
- Assist in meeting energy efficiency needs
- Preventive maintenance

HOME IMPROVEMENT GRANT

- Technical assistance
- Preventive rehabilitation
- Statewide Housing Delivery
- Mobilized local resources
- Meeting emergency housing needs
- Aid to low income persons and families
- Special assistance to elderly
- Meeting energy efficiency needs

AFFORDABLE HOMES

- Stimulate new construction
- Aid to low and moderate income persons and families
- Statewide Housing Delivery
- Technical assistance
- Provide conventional and FHA/VA mortgage financing

INDIAN HOUSING

- New construction
- Generate employment opportunities
- Rehabilitation
- Mortgage financing

HOMEOWNERSHIP

- Statewide Housing Delivery
- Mortgage financing for low and moderate income families
- Mortgage counseling
- Conventional and insured loans
- New construction and purchase of older housing

HOME IMPROVEMENT LOAN PROGRAM

PURPOSE:

This program was designed to provide lower interest loans to encourage and assist modest income homeowners in the repair and renovation of older residential properties. Special emphasis has been placed on energy-conserving improvements.

STRUCTURE:-

MHFA has developed a flexible partnership with 180 private financial institutions and public agencies to deliver funding to Minnesotans in urban neighborhoods, smaller communities, and rural areas. With bond proceeds and appropriated funds, MHFA offers federally-insured loans of up to \$10,000 at interest rates from 1% to 8% to families with adjusted incomes under \$16,000. Simplified procedures and local administration help make this an efficient, effective, and popular program for conserving the State's valuable housing resources.

HOME IMPROVEMENT GRANT PROGRAM

PURPOSE:

This effort is intended to make funds available for correcting defects and deficiencies in substandard homes, owned and occupied by low income persons. A minimum of 50% of the funds are reserved for elderly households. All homes must be energy efficient.

STRUCTURE:

MHFA has allocated \$9 million in State appropriated funds to be administered by nearly 100 local governmental units or community organizations in every county in the State. One or two family structures owned and occupied by persons with adjusted incomes under \$5,000 are eligible for up to \$5,000 of repairs. Grants must be repaid in whole or in part if the recipient moves within five years. Applicants are evaluated, chosen and given technical assistance by the local agencies.

AFFORDABLE HOME PROGRAM

PURPOSE:

This program provides below market interest rate financing to modest income families for the construction and purchase of economically designed, quality built single family homes.

STRUCTURE:

Over 60 private lending institutions act as agents for MHFA in making federally-insured or uninsured mortgage loans. Each region of the State has been allocated a portion of the \$5 million State appropriation. The mortgage has a 30-year term and an interest rate of 8%, although an interest credit based on a family's ability to pay can further reduce the effective rate to as low as 1%.

Buyers with adjusted incomes up to \$16,000 may choose MHFA-designed homes or other plans that can be built for under \$25,000.

INDIAN HOUSING PROGRAM

PURPOSE:

This special effort is designed to channel \$5 million in State appropriated funds to Indian tribal organizations to deal with housing problems. Although Indians participate in federal and other MHFA programs, their unusual and especially severe housing situation calls for concentrated attention.

STRUCTURE:

Through contractual agreements with MHFA, three major Minnesota tribal organizations (Chippewa, Red Lake Band, and Sioux Communities) develop and administer programs to serve its members, both on and off Reservations. A primary emphasis is to provide mortgage financing for the construction and purchase of new homes which also creates new job opportunities.

HOMEOWNERSHIP LOAN PROGRAM

PURPOSE:

This program was created to provide mortgage financing at below market interest rates for the purchase of new or existing homes by Minnesotans with modest incomes.

STRUCTURE:

Over 80 private financial institutions have contracted with MHFA to originate and service federally-insured mortgage loans through the State. Families with adjusted incomes under \$16,000 may borrow up to \$36,000 with a 30-year repayment term. MHFA uses proceeds from the sale of bonds to purchase the mortgage loans from the local lender. Interest rates are dependent upon the cost of selling bonds and have ranged from 6-3/4% to 8-1/4%.

REGIONAL DEVELOPMENT COMMISSIONS

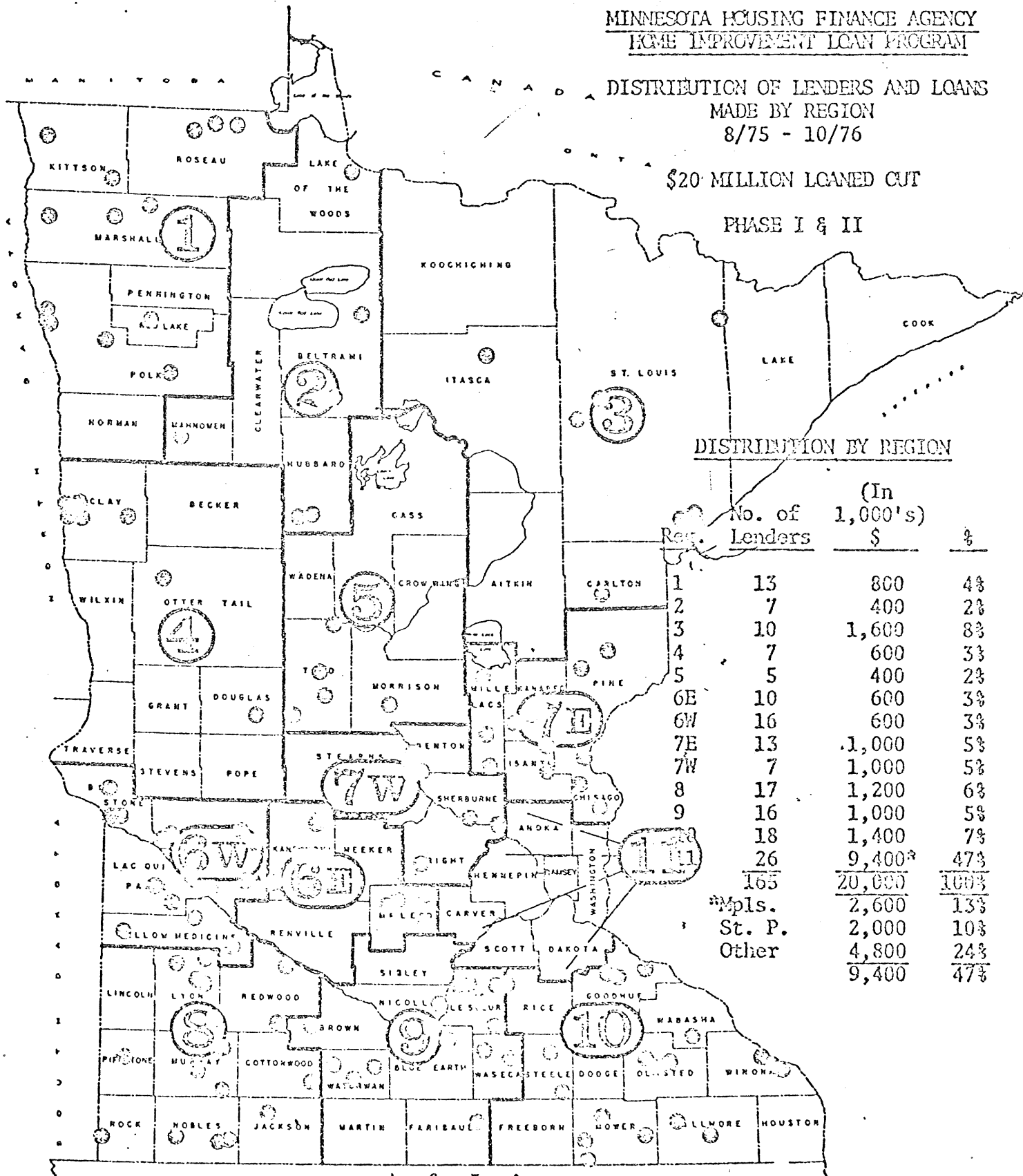
MINNESOTA HOUSING FINANCE AGENCY
HOME IMPROVEMENT LOAN PROGRAM

DISTRIBUTION OF LENDERS AND LOANS
MADE BY REGION
8/75 - 10/76

\$20 MILLION LOANED OUT

PHASE I & II

DISTRIBUTION BY REGION



HOME IMPROVEMENT LOAN PROGRAM

SUMMARY OF RESULTS

TIME SPAN: September 1975 through December 1976

VOLUME : 5,600 Loans; \$24 Million; \$4,250 Average

INCOME DISTRIBUTION:

Up to \$5,000	280 Loans	5%
\$5,001 - \$10,000	1,900 Loans	33%
\$10,001 - \$13,000	2,010 Loans	36%
\$13,001 - \$16,000	1,450 Loans	26%

AVERAGE ADJUSTED INCOME: \$10,500

MINORITY GROUP BORROWERS: 220 - 4%

AVERAGE AGE OF BORROWERS: 39 Years

OTHER: Average Age of Property : 46 Years

Percent Single Family Homes : 95%

Average Rate of Interest (Phase II) : 5%

TYPES OF IMPROVEMENTS:

Structural	:	70%
Exterior	:	53%
Interior	:	71%
Roofing	:	36%
Plumbing	:	39%
Heating	:	26%
Insulation	:	43%

NOTE: Loan recipients average four types of improvements.

REGIONAL DEVELOPMENT COMMISSIONS

MINNESOTA HOUSING FINANCE AGENCY
HOME IMPROVEMENT GRANT PROGRAM

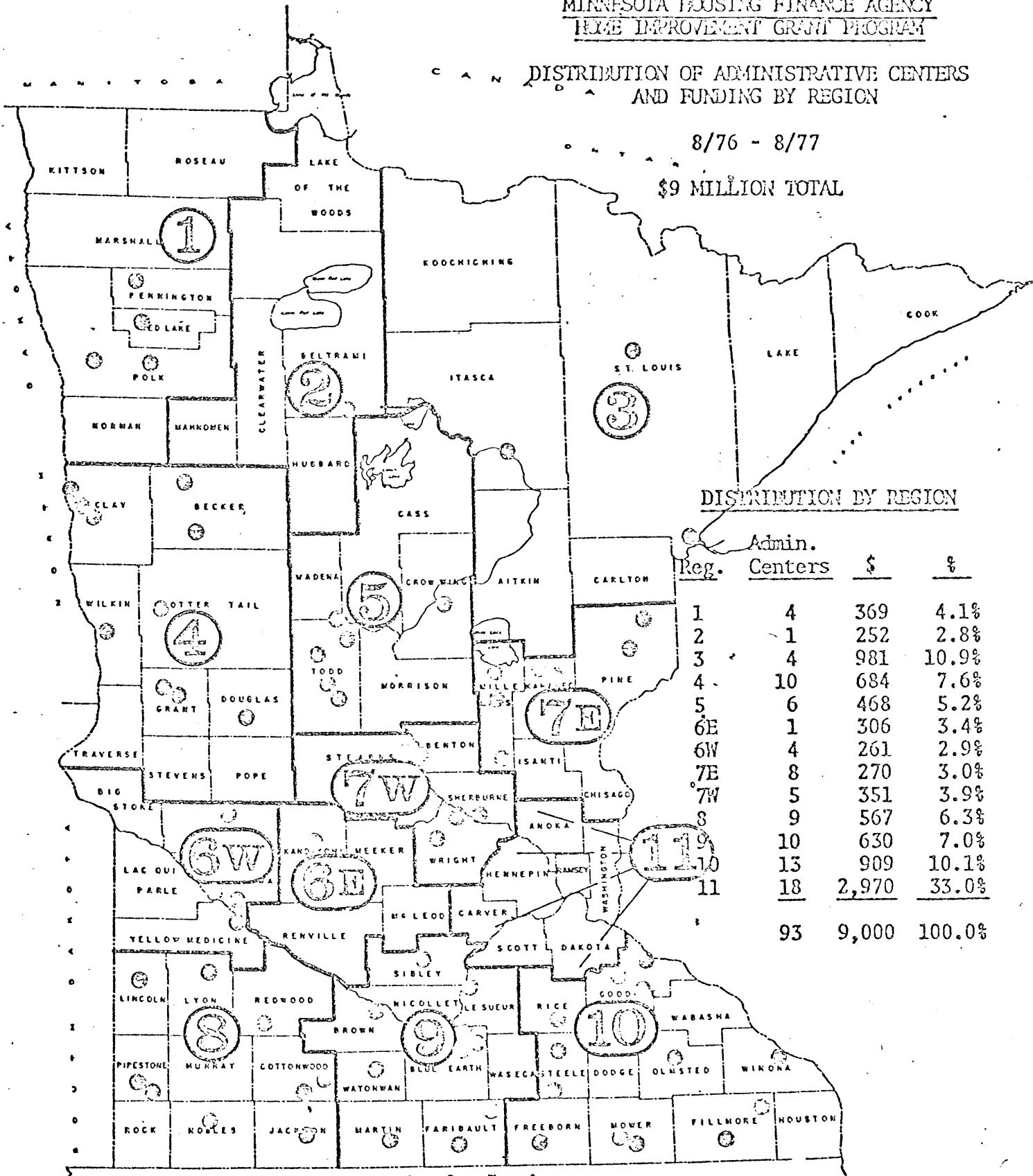
DISTRIBUTION OF ADMINISTRATIVE CENTERS
AND FUNDING BY REGION

8/76 - 8/77

\$9 MILLION TOTAL

DISTRIBUTION BY REGION

Reg.	Admin. Centers	\$	%
1	4	369	4.1%
2	1	252	2.8%
3	4	981	10.9%
4	10	684	7.6%
5	6	468	5.2%
6E	1	306	3.4%
6W	4	261	2.9%
7E	8	270	3.0%
7W	5	351	3.9%
8	9	567	6.3%
9	10	630	7.0%
10	13	909	10.1%
11	18	2,970	33.0%
	93	9,000	100.0%



HOME IMPROVEMENT GRANT PROGRAM

SUMMARY OF RESULTS

TIME SPAN: Thru January 1, 1977

VOLUME : 935 Grants; \$2,567,000; \$2,745 Average

INCOME DISTRIBUTION:

Up to \$2,000	103 Grants	11.5%
\$2,001 - \$3,000	307 Grants	32.7%
\$3,001 - \$4,000	282 Grants	30.5%
\$4,001 - \$5,000	243 Grants	25.4%

AVERAGE ADJUSTED INCOME: \$3,207

MINORITY GROUP RECIPIENTS: 37 - 4%

AVERAGE AGE OF RECIPIENTS: 64 Years

OTHER:

Average Age of Property	:	57 Years
Home Owned Free & Clear	:	70%
Average Years Lived in Home	:	20 Years
Average Value of Home	:	\$12,394

TYPES OF IMPROVEMENTS:

Structural	:	68%
Exterior	:	37%
Interior	:	40%
Roofing	:	56%
Plumbing	:	48%
Heating	:	28%
Insulation	:	89%

NOTE: Grant Recipients average four types of improvements.

REGIONAL DEVELOPMENT COMMISSIONS

MINNESOTA HOUSING FINANCE AGENCY
AFFORDABLE HOME PROGRAM

DISTRIBUTION OF AGENTS AND
ALLOCATION OF FUNDS BY REGION

\$13 MILLION

DISTRIBUTION BY REGION

Reg.	No. of Agents	\$	%
1	7	636	4.9%
2	3	453	3.5%
3	3	1,751	13.5%
4	4	888	6.8%
5	4	688	5.3%
6E	2	357	2.7%
6W	6	296	2.3%
7E	5	218	1.7%
7W	5	488	3.8%
8	6	679	5.2%
9	8	976	7.5%
10	4	1,263	9.7%
11 & 1/ MSA's	10	4,290	33.0%
	67	12,983	99.9%

1/ Duluth, Rochester, Moorhead, & St. Cloud are grouped with the Region 11 metro area for allocation purposes.

REGIONAL DEVELOPMENT COMMISSIONS

MINNESOTA HOUSING FINANCE AGENCY
MORTGAGE PURCHASE PROGRAM

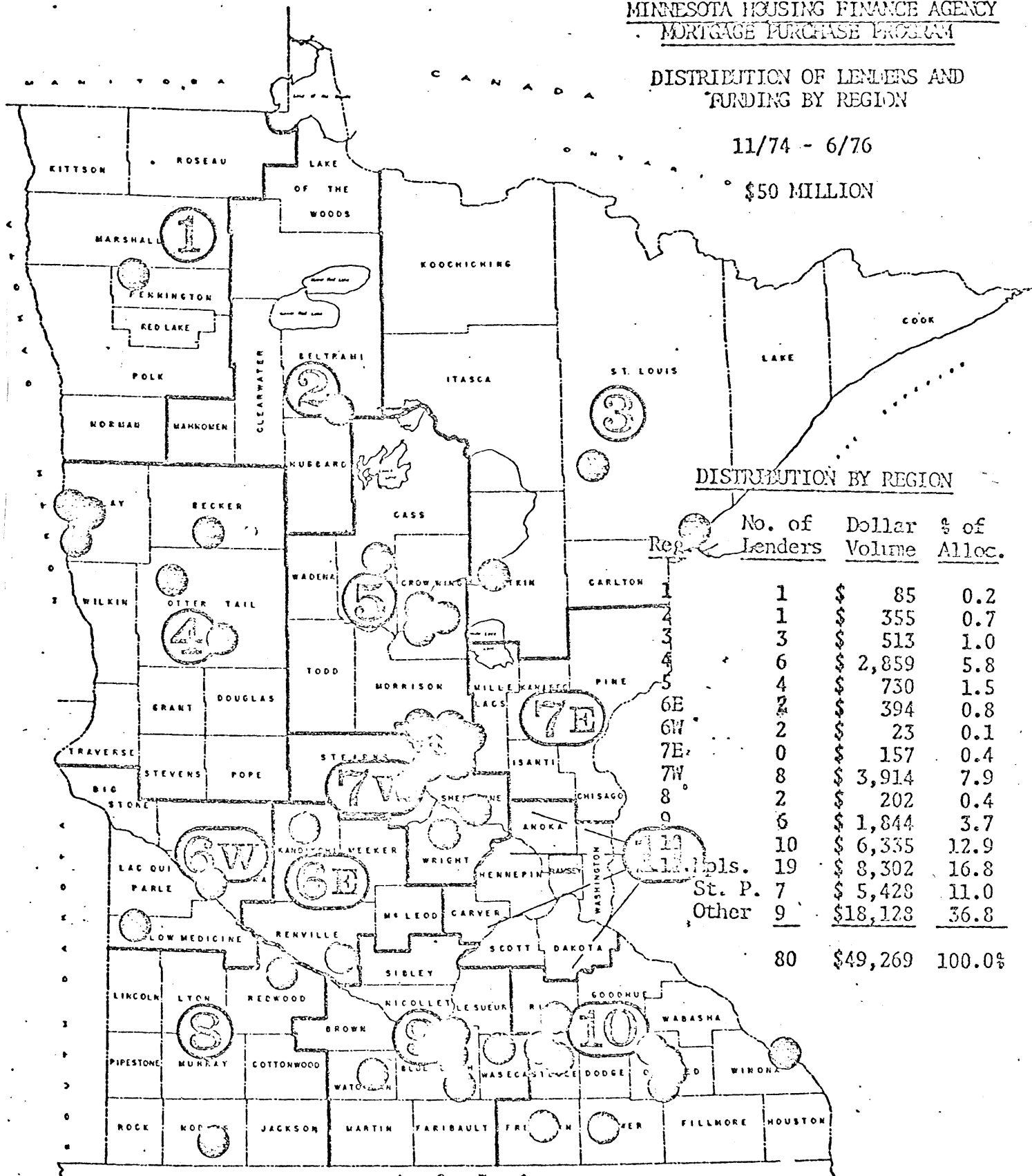
DISTRIBUTION OF LENDERS AND
FUNDING BY REGION

11/74 - 6/76

\$50 MILLION

DISTRIBUTION BY REGION

Reg.	No. of Lenders	Dollar Volume	% of Alloc.
1	1	\$ 85	0.2
2	1	\$ 355	0.7
3	3	\$ 513	1.0
4	6	\$ 2,859	5.8
5	4	\$ 730	1.5
6E	2	\$ 394	0.8
6W	2	\$ 23	0.1
7E	0	\$ 157	0.4
7W	8	\$ 3,914	7.9
8	2	\$ 202	0.4
9	6	\$ 1,844	3.7
10	10	\$ 6,335	12.9
11	19	\$ 8,302	16.8
Pls.	7	\$ 5,428	11.0
St. P.	9	\$ 18,128	36.8
Other			
	80	\$49,269	100.0%



HOMEOWNERSHIP MORTGAGE PURCHASE PROGRAM

SUMMARY OF RESULTS

TIME SPAN: November 1974 through September 1976

VOLUME : 1,900 Loans; \$49 Million; \$26,000 Average

INCOME DISTRIBUTION:

Up to \$8,000	65 Loans	3.5%
\$8,000 - \$10,000	294 Loans	15.5%
\$10,001 - \$12,000	551 Loans	29.0%
\$12,001 - \$14,000	570 Loans	30.0%
\$14,001 - \$16,000	420 Loans	22.0%

AVERAGE ADJUSTED INCOME: \$12,058

MINORITY GROUP BORROWERS: 76 - 4%

AVERAGE AGE OF BORROWERS: 28

OTHER: Previous Renters: 83%

New Construction: 57 - 3%

APARTMENT DEVELOPMENT PROGRAM

Apartment Development Program activities span four major areas:

- - LOAN UNDERWRITING
- - CONSTRUCTION ADMINISTRATION
- - HOUSING MANAGEMENT
- - DEVELOPMENTALLY DISABLED GROUP HOMES

APARTMENT DEVELOPMENT DIVISION

The Apartment Development Division administers a program which provides interim and permanent financing for the construction of multi-family rental housing for low and moderate income families. All loans are made directly by the Agency with funds generated through the sale of tax-exempt securities. The Division also administers the HUD Rent subsidy Program (Section 8) in which an allocation of Federal funds is made available for residents of MHFA-financed developments.

The activities of the Division are divided into three main areas: Loan Underwriting, Construction Administration, and Housing Management.

The first area, Loan Underwriting, involves the extensive review of all development proposals with respect to site, market, design, mortgage credit, development team qualifications, construction costs, operating costs, financial feasibility, and Federal rent subsidies.

During Fiscal 1977, the staff will be underwriting 80 development proposals consisting of approximately 6,000 apartments, representing \$150 million in mortgage funds and \$17.4 million in Federal Rent Subsidy funds.

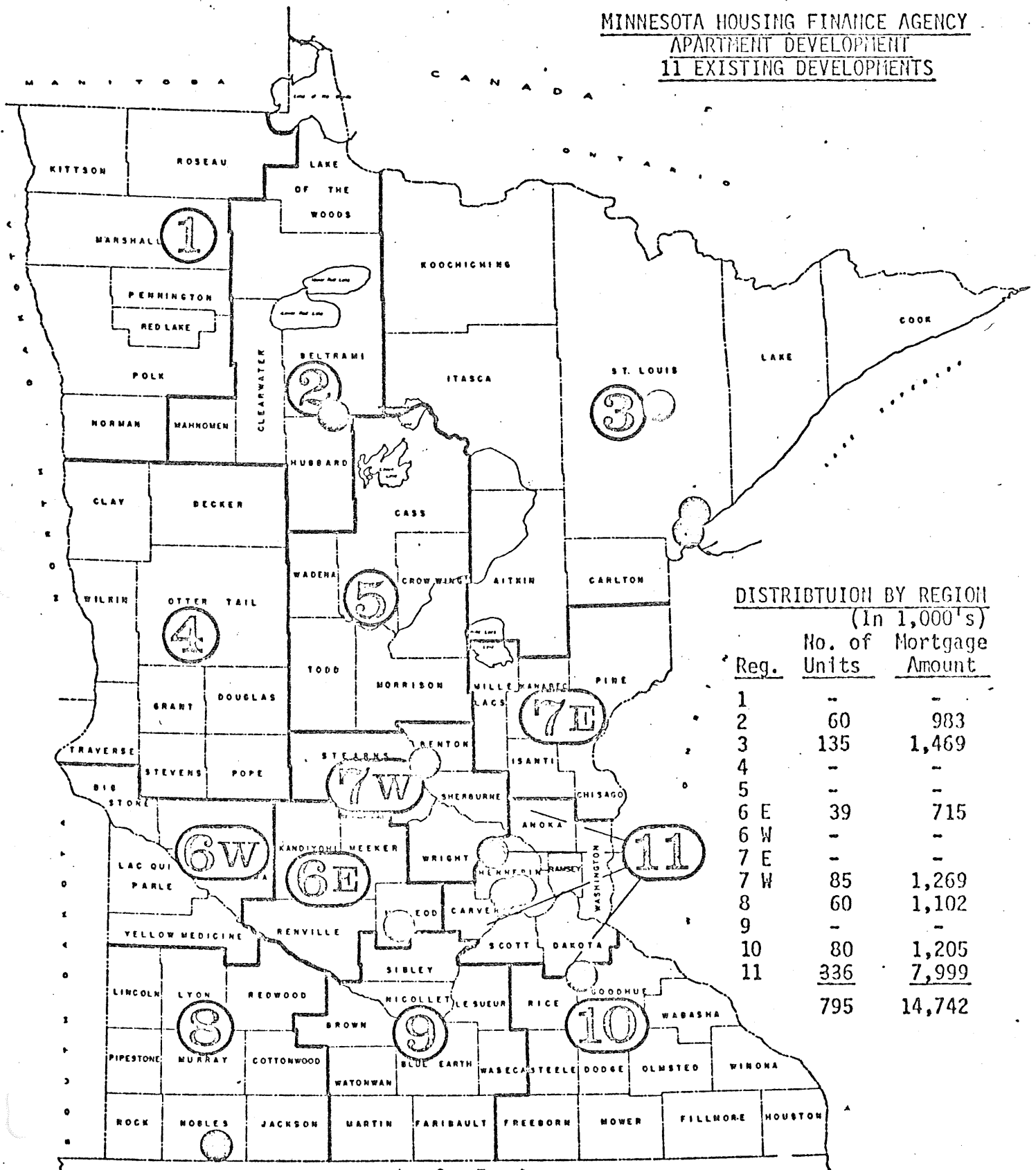
Construction Administration involves the inspection, twice a month, of all MHFA-financed developments during the construction period. This is done to assure that construction is proceeding on schedule; that the approved construction documents are being followed; that all codes, standards, and regulations are being complied with; that a high quality of workmanship is being maintained; and to verify that all disbursements of mortgage proceeds are for work actually completed. During Fiscal 1977, approximately 50 MHFA-financed developments will be in some phase of construction.

Housing Management activities involve the monitoring of all marketing and management operations of MHFA-financed developments. The staff reviews all tenant applications; monthly occupancy reports; monthly financial operating reports; compliance with Federal Affirmative Fair Housing Marketing Requirements; and applicable MHFA and HUD Tenant Eligibility Requirements. By June 30, 1977, approximately 35 developments, consisting of 2,941 units, will be in occupancy.

The Apartment Development Program also administers a program which provides permanent financing of community-based facilities for the developmentally disabled.

REGIONAL DEVELOPMENT COMMISSIONS

MINNESOTA HOUSING FINANCE AGENCY
APARTMENT DEVELOPMENT
11 EXISTING DEVELOPMENTS



DISTRIBUTION BY REGION (In 1,000's)

Reg.	No. of Units	Mortgage Amount
1	-	-
2	60	983
3	135	1,469
4	-	-
5	-	-
6 E	39	715
6 W	-	-
7 E	-	-
7 W	85	1,269
8	60	1,102
9	-	-
10	80	1,205
11	336	7,999
	795	14,742

APARTMENT DEVELOPMENT

11 EXISTING DEVELOPMENTS

SUMMARY

		<u>NO. OF UNITS</u>	<u>NO. OF MARKET RATE UNITS</u>	<u>NO. OF SUBSIDIZED UNITS</u>	<u>NO. OF UNITS OCCUPIED</u>	<u>%</u>
Milwaukee Avenue Townhouses	Minneapolis	12	0	12	12	100%
Town View Villas South	Duluth	27	0	27	27	100
Northwood Apts.	Glencoe	39	8	31	39	100
Viking Terrace Apts.	Worthington	60	20	40	60	100
Delton Manor Apts.	Bemidji	60	36	24	60	100
Summit Square	Duluth	77	77	0	76	99
Three Links Apts.	Northfield	80	0	80	80	100
Riverside Apts.	St. Cloud	85	60	25	85	100
2100 Bloomington Avenue Apts.	Minneapolis	90	0	90	90	100
Dover Hill	Golden Valley	234	38	196	234	100
Virginia Rotary	Virginia	<u>31</u>	<u>0</u>	<u>31</u>	<u>31</u>	<u>100</u>
TOTALS		795	239	556	794	99.8%

APARTMENT DEVELOPMENT

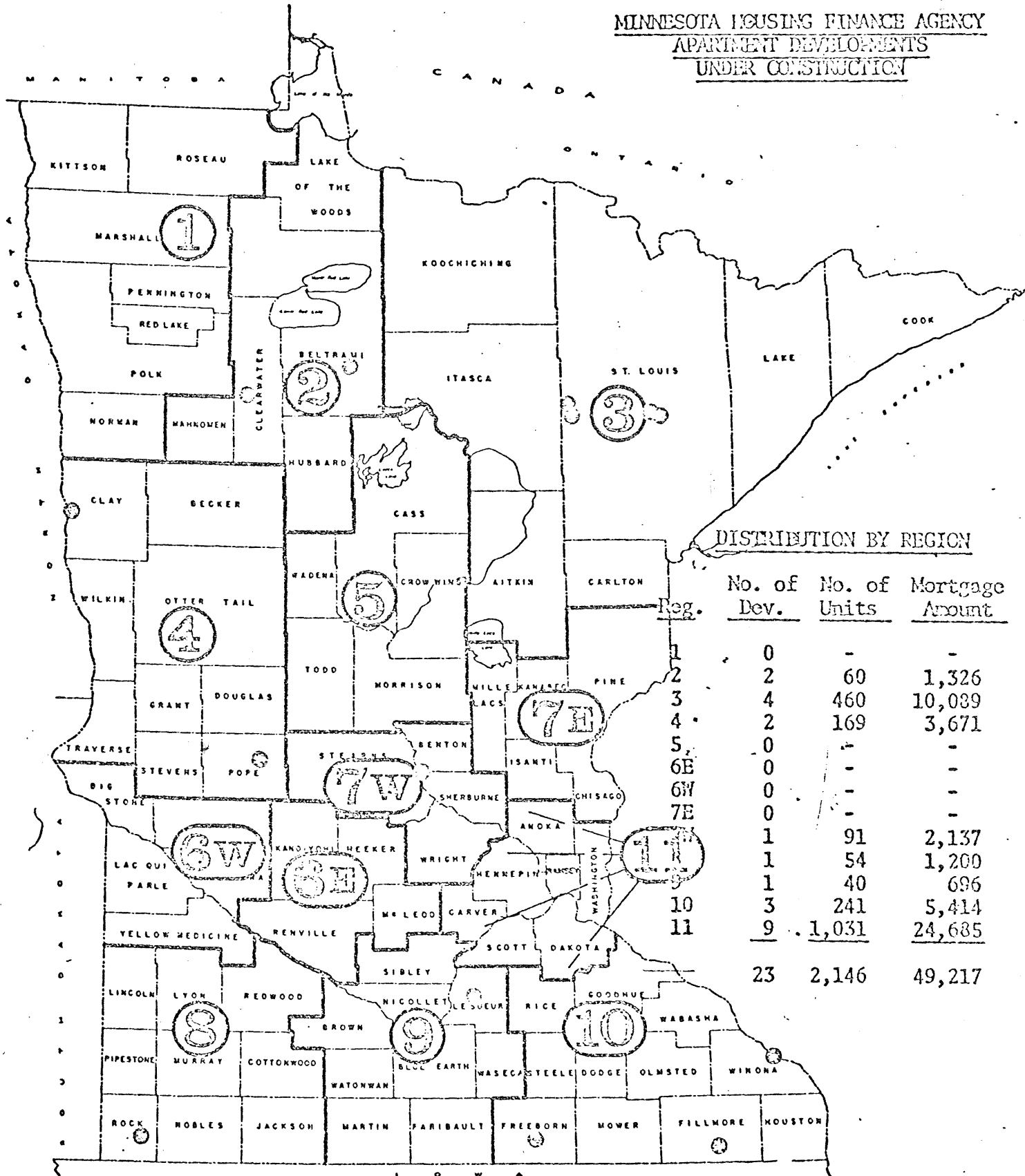
11 EXISTING DEVELOPMENTS

INCOME DISTRIBUTION

	<u>%</u> <u>SUBSIDIZED</u>	<u>%</u> <u>NON-SUBSIDIZED</u>	<u>%</u> <u>TOTAL</u>
\$1,000 - \$3,000	30.4	7.0	23.3
\$3,001 - \$5,000	33.9	12.1	27.2
\$5,001 - \$7,000	23.11	10.7	19.2
\$7,001 - \$9,000	7.8	8.7	8.1
\$9,001 - \$11,000	3.7	11.6	6.1
\$11,001 - \$13,000	.6	7.3	2.7
\$13,001 - \$16,000	0	8.2	2.5
\$16,001 and Over	0	12.1	3.7

REGIONAL DEVELOPMENT COMMISSIONS

MINNESOTA HOUSING FINANCE AGENCY
APARTMENT DEVELOPMENTS
UNDER CONSTRUCTION



DISTRIBUTION BY REGION

Reg.	No. of Dev.	No. of Units	Mortgage Amount
1	0	-	-
2	2	60	1,326
3	4	460	10,039
4	2	169	3,671
5	0	-	-
6E	0	-	-
6W	0	-	-
7E	0	-	-
8	1	91	2,137
9	1	54	1,200
10	1	40	696
11	3	241	5,414
	9	1,031	24,685
	23	2,146	49,217

APARTMENT DEVELOPMENTS UNDER CONSTRUCTION OR COMPLETED

<u>DEVELOPMENT NAME</u>	<u>LOCATION</u>	<u># OF UNITS</u>	<u># SEC. 8 UNITS</u>	<u>MORTGAGE AMOUNT</u>	<u>CONSTRUCTION CONTRACT AMOUNT</u>
Robbins Landing	Robbinsdale	110 E	110 E	\$2,541,220	\$2,057,863
*Centennial Plaza	LeCenter	40 E	40 E	695,613	567,622
*Glenview Housing	Glenwood	48 E	48 E	909,263	722,996
**Westgate Apts.	Hibbing	100 F	30 F	2,053,372	1,679,666
Alice Nettell Tower	Virginia	156 E	155 E	3,548,484	2,955,286
*Blackduck Apts.	Blackduck	30 E	30 E	661,655	537,090
*Matthews Park Townhouses	Minneapolis	24 F	24 F	633,715	515,930
Park View Terrace	Moorhead	121 E	121 E	2,761,720	2,220,750
Labor Retreat Apts.	Minneapolis	77 E	77 E	1,664,321	1,357,752
**Findley Place Townhouses	Minneapolis	89 F	89 F	2,152,618	1,744,577
Harmony Manor	Harmony	20 E	20 E	438,755	363,400
Airway Woods	Winona	111 F	22 F	2,436,602	2,005,500
Russell Arms (E) Northwood Villa (F)	Sauk Rapids	59 E 32 F	59 E 12 F	2,137,194	1,715,963
Southview Terrace	Hibbing	144 F	43 F	3,098,538	2,495,681
Otterkill Garden Apts.	Bagley	30 E	30 E	664,411	555,481
Hillsdale Apts.	St. Paul	216 F	43 F	4,947,522	3,948,732
The Winslow	St. Paul	121 E	121 E	2,959,004	2,441,098
Channel View Apts.	Albert Lea	50 E 60 F	50 E 30 F	2,538,660	2,123,779
Birchwood East Apts.	Virginia	60 F	30 F	1,388,285	1,154,230
Richfield Srs. Hsg.	Richfield	150 E	150 E	3,441,099	2,688,725
Windslope	Eden Prairie	168 F	168 F	3,809,946	2,975,072
Calhoun Beach Apts.	Minneapolis	76 F	15 F	2,535,093	883,232
Centennial Apts.	Luverne	54 E	54 E	1,200,195	990,640

*Completed and rented.

**Partially completed and in initial rent-up.

1/1/77

APARTMENT DEVELOPMENTS UNDER CONSTRUCTION OR COMPLETED

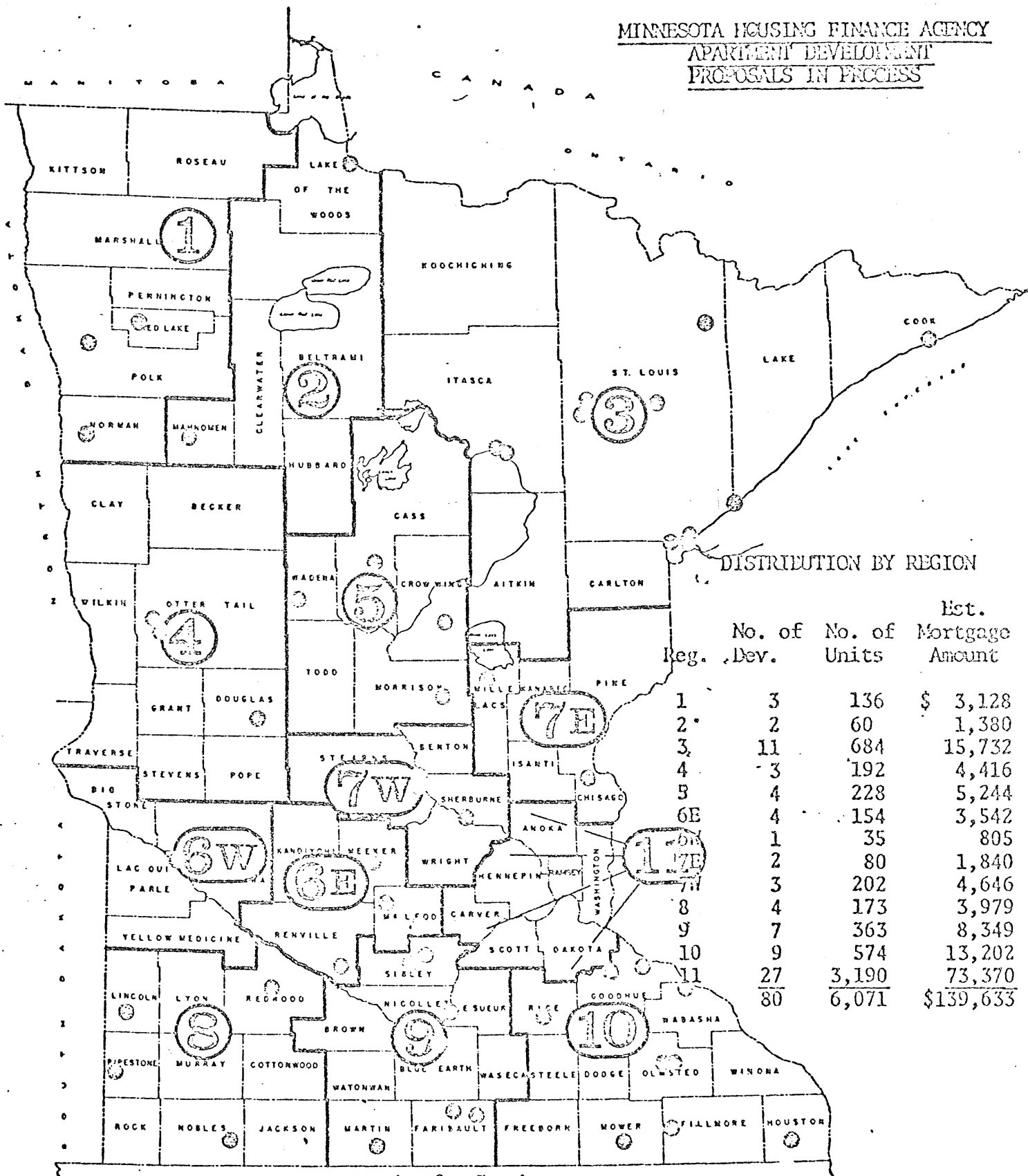
SUMMARY

23 PROJECTS

<u>TOTAL UNITS</u>	2,146
Total Elderly Units	1,066
Total Family Units	1,080
<u>TOTAL SECTION 8 UNITS</u>	1,571
Total Section 8 Elderly Units	1,065
Total Section 8 Family Units	506
<u>TOTAL MORTGAGE AMOUNT</u>	\$ 49,217,235
<u>TOTAL CONSTRUCTION CONTRACT AMOUNT</u>	\$ 38,701,065

REGIONAL DEVELOPMENT COMMISSIONS

MINNESOTA HOUSING FINANCE AGENCY
APARTMENT DEVELOPMENT
PROPOSALS IN PROCESS



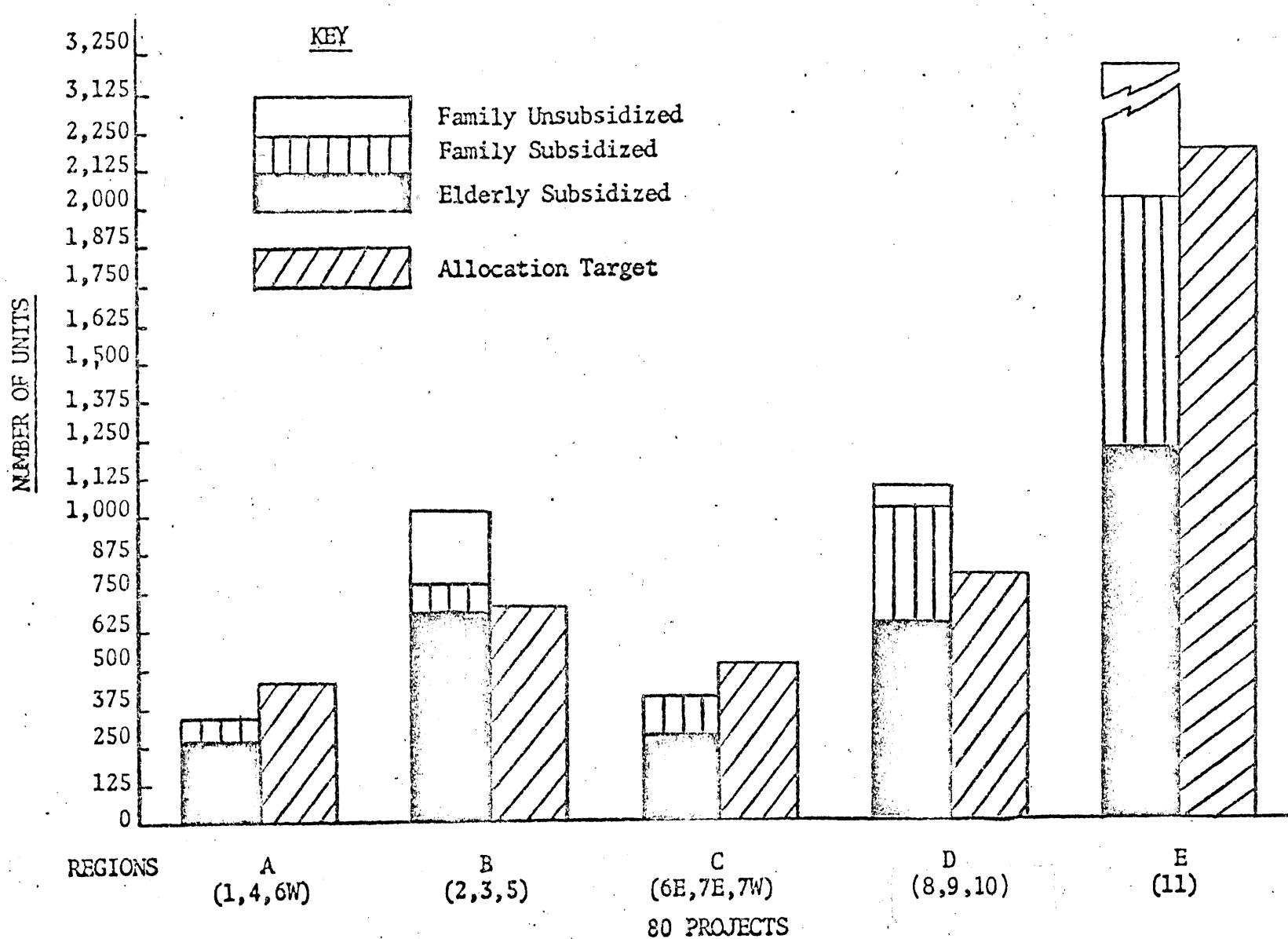
APARTMENT DEVELOPMENT PROPOSALS IN PROCESS

SUMMARY

<u>REGION</u>	<u>NUMBER OF DEVELOPMENTS</u>	<u>NO. UNITS</u>			<u>NO. UNITS</u>			<u>ESTIMATED MORTGAGE AMOUNT</u>
		<u>ELD.</u>	<u>FAM.</u>	<u>TOTAL</u>	<u>ELD.</u>	<u>FAM.</u>	<u>TOTAL</u>	
1	3	114	22	136	114	22	136	\$ 3,128,000
2	2	60	0	60	60	0	60	1,380,000
3	11	387	297	684	387	97	484	15,732,000
4	3	120	72	192	120	72	192	4,416,000
5	4	178	50	228	178	25	203	5,244,000
6W	1	35	0	35	35	0	35	805,000
6E	4	65	89	154	65	89	154	3,542,000
7W	3	150	52	202	150	52	202	4,646,000
7E	2	80	0	80	80	0	80	1,840,000
8	4	151	22	173	151	22	173	3,979,000
9	7	114	249	363	114	201	315	8,349,000
10	9	392	182	574	392	116	508	13,202,000
11	<u>27</u>	<u>1,245</u>	<u>1,945</u>	<u>3,190</u>	<u>1,245</u>	<u>820</u>	<u>2,065</u>	<u>73,370,000</u>
TOTALS	80	3,091	2,980	6,071	3,091	1,516	4,607	\$ 139,633,000

1/1/77

APARTMENT DEVELOPMENT PROPOSALS AND 1976 ALLOCATION PLAN



ECONOMIC IMPACT
APARTMENT DEVELOPMENT PROGRAM
STATE OF MINNESOTA

DIRECT

TAX REVENUE

F.Y. 1977 Tax Revenue*	-----	\$ 4,530,726	
F.Y. 1978 Tax Revenue	-----	\$17,926,500	
TOTAL TAX REVENUE	-----		<u>\$22,457,226</u>

EMPLOYMENT

F.Y. 1977 Construction Jobs	-----	686	
F.Y. 1978 Construction Jobs	-----	2,910	
TOTAL CONSTRUCTION	-----		<u>3,596</u>
F.Y. 1977 Permanent Jobs	-----	73	
F.Y. 1978 Permanent Jobs	-----	227	
TOTAL PERMANENT JOBS	-----		<u>300</u>
TOTAL EMPLOYMENT	-----		<u>3,896</u>

FEDERAL RENT SUBSIDIES

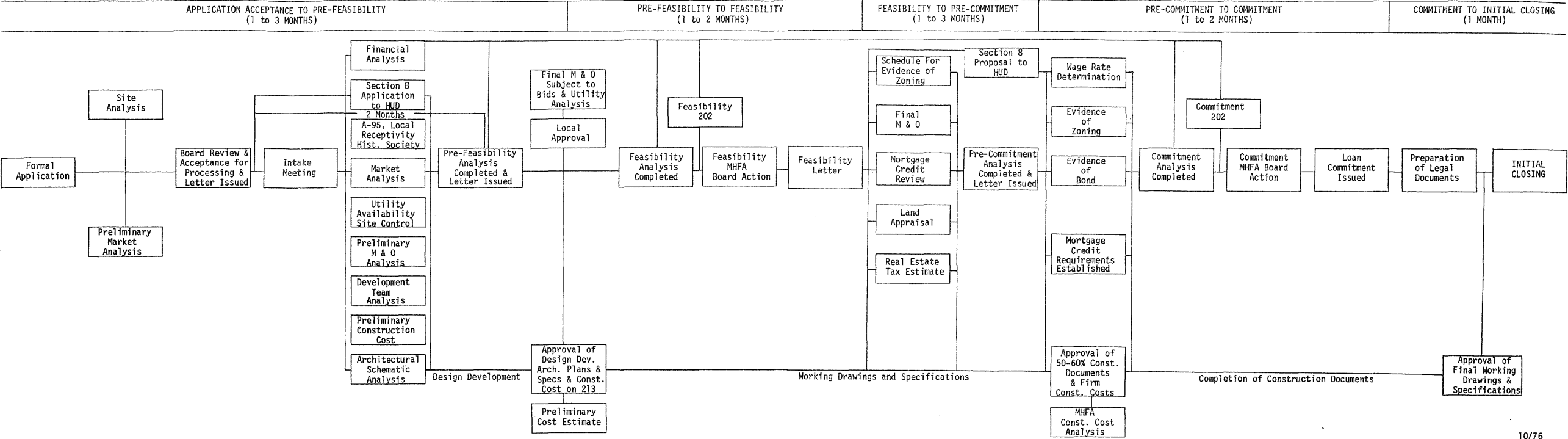
F.Y. 1975 236 Interest Reduction and Deep Subsidy	-----	\$ 1,054,744	
F.Y. 1976 Section 8	-----	\$ 6,300,000	
F.Y. 1977 Section 8	-----	\$17,400,000	
TOTAL SECTION 8	-----		<u>\$24,754,744**</u>

* Tax Revenue consists of Personal Income, Sales Tax and Real Estate Tax.

** Received annually for 40 years.

NOTE: Fiscal Year is July 1 through June 30.

MHFA APARTMENT DEVELOPMENT PROCESS



RESEARCH ACTIVITIES

Research Division activities span four major areas:

- - POLICY ANALYSIS
- - PROGRAM DEVELOPMENT AND IMPLEMENTATION
- - PROGRAM EVALUATION
- - POLICY AND PROGRAM RELATED RESEARCH

RESEARCH ACTIVITIES

Research Division activities span four major areas: Policy Analysis, Program Development and Implementation, Program Evaluation, and Policy and Program related research.

The first category, Policy Analysis, subsumes a broad range of activities. It involves working with the State Planning Agency, the Regional Development Commissions, and the Metropolitan Council in developing and coordinating housing plans and policies. Efforts in this area have included development of a statewide housing needs assessment and housing distribution plans. The Policy Analysis function also includes analysis of State and Federal policies, laws, programs, and litigation for their potential significance to the Agency.

The Research Division participates in program development and implementation to assure that Agency programs are developed and operated in a manner consistent with State and Agency policies. Major activities to date have included participation in phases of Home Improvement Grant and Affordable Home Program Development and the Project Selection Process for the Apartment Development Program.

The Research Division will be evaluating Agency programs on a periodic basis. An evaluation of the Home Improvement Grant Program is currently being designed, both to enable evaluation of that program and serve as a model for designing evaluations of other Agency programs.

The Minnesota Legislature has made an appropriation to the Agency for Research on housing alternatives for the elderly and the utilization of resources available to MHFA to assist mobile homes and alternative housing delivery systems. The Research Division is conducting this research which will result in reports to the Legislature including specific recommendations in each of these areas.

PROGRESS REPORT - RESEARCH APPROPRIATIONS

During the 1976 session, the Legislature made appropriations to the Housing Finance Agency for research in two areas. It requested that the Agency engage in research on the design, coordination and marketing of alternative housing delivery systems for senior citizens. It also requested that the Agency research the potential for utilization of resources provided in Minnesota Statutes, Chapter 462A, for the development, purchase, or rehabilitation of mobile homes and alternative housing delivery systems.

Research on housing alternatives for senior citizens encompasses a broad range of issues. A preliminary report "Housing Alternatives for the Elderly-- Background and Issues" has been completed. The report describes the demographic characteristics of Minnesota's elderly population, compares their housing needs and preferences with their current housing status, and sets forth housing alternatives for further consideration and analysis. It also outlines major policy areas related to the provision of housing for senior citizens.

Efforts are now proceeding to explore a number of options in depth. Among options being considered are congregate housing, housing annuities, and housing design compatible with the needs of elderly persons. Particular emphasis is being placed on developing options suitable for small towns; a task force with representatives from every division of the Agency is meeting to consider possible housing options for elderly persons in small towns.

An interim report will be available during the 1977 Legislative session. The final report and recommendations will be available for the 1978 Legislative session.

The research on mobile homes and alternative housing delivery systems is intended to result in recommendations concerning the utilization of state resources in financing mobile, modular, and panelized housing. Therefore, Agency staff is meeting with bond and legal counsel to explore the feasibility of alternative forms of state involvement in the finance of mobile homes and other manufactured housing forms. Simultaneously, efforts are underway to develop an accurate and informative body of information about mobile homes and other forms of manufactured housing which will assist the Legislature in policy development.

A preliminary report--"Mobile, Modular, and Panelized Housing: Preliminary Research Findings"--has been completed. The report discusses the manufactured housing industry nationwide and in Minnesota. It provides a demographic profile of manufactured housing residents, discusses government regulations affecting manufactured housing, and discusses manufactured housing finance. Work is proceeding to develop more detailed information in certain of these areas.

An interim report will be available during the 1977 Legislative session. The final report and recommendations will be available during the 1978 Legislative session.

MHFA RECEIPTS AND EXPENDITURES

The annual summary of receipts and disbursements for the Fiscal Year 1978-79 biennium is for General Reserve Account in the Agency's Housing Development Funds.

Each bond and note fund of the Agency is structured to be a self supporting unit. The interest rate charged on loans made by the Agency is set at the time of the bond sale at a level great enough to cover interest expense on the bonds, costs of servicing the loans, and provide a return to the General Reserve Account in the Housing Development Fund sufficient to cover operating expenses. Since it is impossible to accurately predict interest rates during the coming biennium, absolute dollars of receipts and expenditures are not shown. However, the anticipated dollar amount of bonds and notes to be sold and the corresponding anticipated loan volume are shown on separate schedules in this report. Also, receipts and expenditures of appropriated amounts are shown on separate schedules in this report.

HOME IMPROVEMENT LOANS

Fixed interest rate (without appropriation):

Loans purchased from September, 1975
through August 1976 (no additional
loans anticipated under this program) \$8,029,000

Sliding interest rate (leveraged with appropriated dollars):

	<u>Appropriated Money</u>	<u>Bond Proceeds</u>	<u>Total</u>
Loans purchased from July 1976 through 1-1-77	\$4,625,000	\$11,540,000	\$16,165,000
Anticipated purchases * through 6-30-77	3,000,000	12,000,000	15,000,000
Anticipated purchases F.Y. 1978	7,000,000	28,000,000	35,000,000
Anticipated purchases F.Y. 1979	7,375,000	29,500,000	26,875,000
	<u>\$22,000,000</u>	<u>\$81,040,000</u>	<u>\$103,040,000</u>

* \$12,000,000 appropriated in 1976

10,000,000 requested appropriation for F.Y. 1978-79 biennium

\$22,000,000

HOME IMPROVEMENT GRANTS

Grants made through 1-1-77	\$2,420,000
Anticipated grants from 1-1-77 to 6-30-77	<u>6,580,000</u>
Amounts appropriated in 1976	<u>\$9,000,000</u>
Anticipated grants F.Y. 1978	<u>\$7,000,000*</u>
Anticipated grants F.Y. 1979	<u>\$7,000,000*</u>

*Requested appropriations for the F.Y. 1978-79 biennium.

AFFORDABLE HOMES PROGRAM

Disbursements through 1-1-77	\$1,250,000
Anticipated disbursements from 1-1-77 to 6-30-77	\$2,500,000
Anticipated disbursements F.Y. 1978	\$1,250,000
Anticipated disbursements F.Y. 1979	-0-
	<hr/>
Amount appropriated in 1976	<u><u>\$5,000,000</u></u>

NATIVE AMERICAN PROGRAM

Disbursements through 1-1-77	\$ 112,000
Anticipated disbursements from 1-1-77 to 6-30-77	1,500,000
Anticipated disbursements F.Y. 1978	2,000,000
Anticipated disbursements F.Y. 1979	1,388,000
	<hr/>
Amount appropriated in 1976	<u><u>\$5,000,000</u></u>

SINGLE FAMILY MORTGAGE PROGRAMS

Loans purchased under the GNMA Program from September 1973 to September 1974	<u>\$29,600,000</u>
Loans purchased under the Single Family Mortgage Purchase Program from September 1974 to September 1976	<u>\$49,000,000</u>
Anticipated loan purchase under the new Home Mortgage Program from 1-1-77 to 6-30-77	<u>\$20,000,000</u>
Anticipated loan purchases under the Home Mortgage Program during F.Y. 1978	<u>\$50,000,000</u>
Anticipated loan purchases under the Home Mortgage Program during F.Y. 1979	<u>\$50,000,000</u>

APARTMENT DEVELOPMENT PROGRAM

	<u>Number of Developments</u>	<u>Number of Units</u>	<u>Mortgage Amount</u>
Developments under management at 1-1-77	11	795	\$16,000,000
Developments under construction or initial rent-up at 1-1-77	23	2,146	49,000,000
Anticipated new developments under construction from 1-1-77 to 6-30-77	26	1,973	45,000,000
Anticipated developments beginning construction during F.Y. 1978	54	4,098	95,000,000
Anticipated developments beginning construction during F.Y. 1979	42	3,187	75,000,000
	<hr/>	<hr/>	<hr/>
	156	12,199	\$280,000,000

STATEMENT OF ESTIMATED RECEIPTS AND EXPENDITURES

HOUSING DEVELOPMENT FUND--GENERAL RESERVE ACCOUNT

	<u>FISCAL YEAR</u>	
	<u>1978</u>	<u>1979</u>
<u>RECEIPTS:</u>		
Fee Income	\$2,600,000	\$2,050,000
Transfer of excess earnings from note and bond funds	400,000	600,000
Transfer from appropriated funds to cover the costs of running the programs established by the appropriations	400,000	320,000
Investment earnings	75,000	100,000
	<u>\$3,475,000</u>	<u>\$3,070,000</u>
<u>EXPENDITURES:</u>		
Salaries and fringe benefits	\$1,310,000	\$1,375,000
Non salary operating expenses	924,000	920,000
Equipment purchases	26,000	20,000
	<u>\$2,260,000</u>	<u>\$2,315,000</u>
Excess of receipts over expenditures	1,215,000	755,000
General reserve account balance, beginning of period	<u>1,000,000</u>	<u>2,215,000</u>
General reserve account balance, end of period	<u>\$2,215,000</u>	<u>\$2,970,000</u>

HOUSING ASSISTANCE PAYMENTS

SINGLE FAMILY: Funds to be committed during
F.Y. 1978 and 1979 * \$4,000,000

APARTMENT DEVELOPMENT: Funds to be committed
during F.Y. 1978 and 1979 * \$6,000,000

*Actual disbursement of funds will run for approximately
10 years. These amounts represent appropriation requests
for the 1978-79 biennium.

MHFA 1976 APPROPRIATION

\$34,200,000

(AS OF NOVEMBER 5)

HOME IMPROVEMENT LOAN PROGRAM - \$12,000,000

(To be leveraged with \$48 Million in Bond Proceeds equaling total program of \$60 Million.)

DOLLARS DISBURSED TO DATE-----	\$16,400,000
DOLLARS COMMITTED-----	\$ 2,500,000

(\$4,625,000 Appropriation combined with \$15,895,000 Bond.)

HOUSEHOLDS TO BE ASSISTED-----	12,000
HOUSEHOLDS ASSISTED TO DATE-----	3,700 (Phase II)

Program Ends June 1978

HOME IMPROVEMENT GRANT PROGRAM - \$9,000,000

DOLLARS ALLOCATED-----	\$ 9,000,000
DOLLARS DISBURSED TO DATE-----	\$ 2,567,000
HOUSEHOLDS TO BE ASSISTED-----	3,000
HOUSEHOLDS ASSISTED TO DATE-----	935

Program Ends August 1977

AFFORDABLE HOMES - \$5,000,000

DOLLARS DISBURSED TO DATE-----	\$ 1,300,000
PRELIMINARY RESERVATIONS TO DATE-----	\$ 6,386,836
HOUSEHOLDS TO BE ASSISTED-----	175
COMMITMENTS ISSUED TO DATE (99)-----	\$ 2,900,000

Program Ends August 1977

INDIAN HOUSING - \$5,000,000

DOLLARS DISBURSED TO DATE-----	\$ 112,000
DOLLARS COMMITTED-----	\$ 3,200,000
HOUSEHOLDS TO BE ASSISTED-----	300-400
HOUSEHOLDS ASSISTED TO DATE-----	N/A

Program End -

RESEARCH - \$200,000

Final Report - 1978 Legislative Session

DEBT RESERVE - \$3,000,000