Minnesota Housing Overview & Updates

Rachel Robinson, Deputy Commissioner

MINNESOTA HOUSING

mnhousing.gov

Our Mission: The Core Purpose

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

Housing Continuum

Homelessness Prevention

Supportive Housing

Rental Housing

Manufactured Housing

Homeownership

Agency Structure

Single Family
(Homeownership)

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

Multifamily
(Rental)

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

Housing Stability

- Homelessness Prevention
- Supportive Housing
- Targeted Rent Assistance

Local Government Housing Programs

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

Program Delivery

Minnesota Housing

- Community Organizations
- Developers
- Service Providers
- Lenders
- Tribal and Local Governments

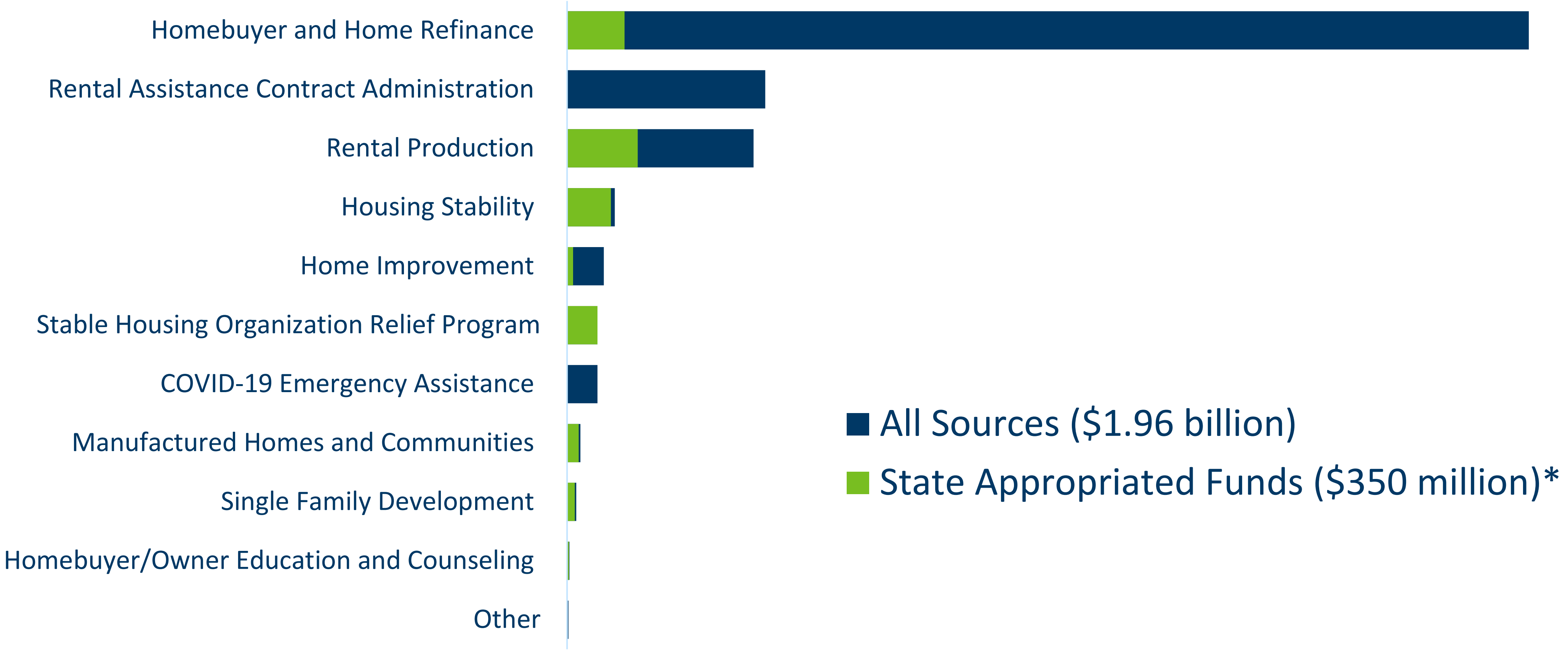
Minnesotans

Minnesota Housing Does Not:

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

FY 2024 Program Expenditures Totaled $1.96 billion

Minnesota Housing served more than 73,600 households in FY 2024



*appropriated funds come from multiple years

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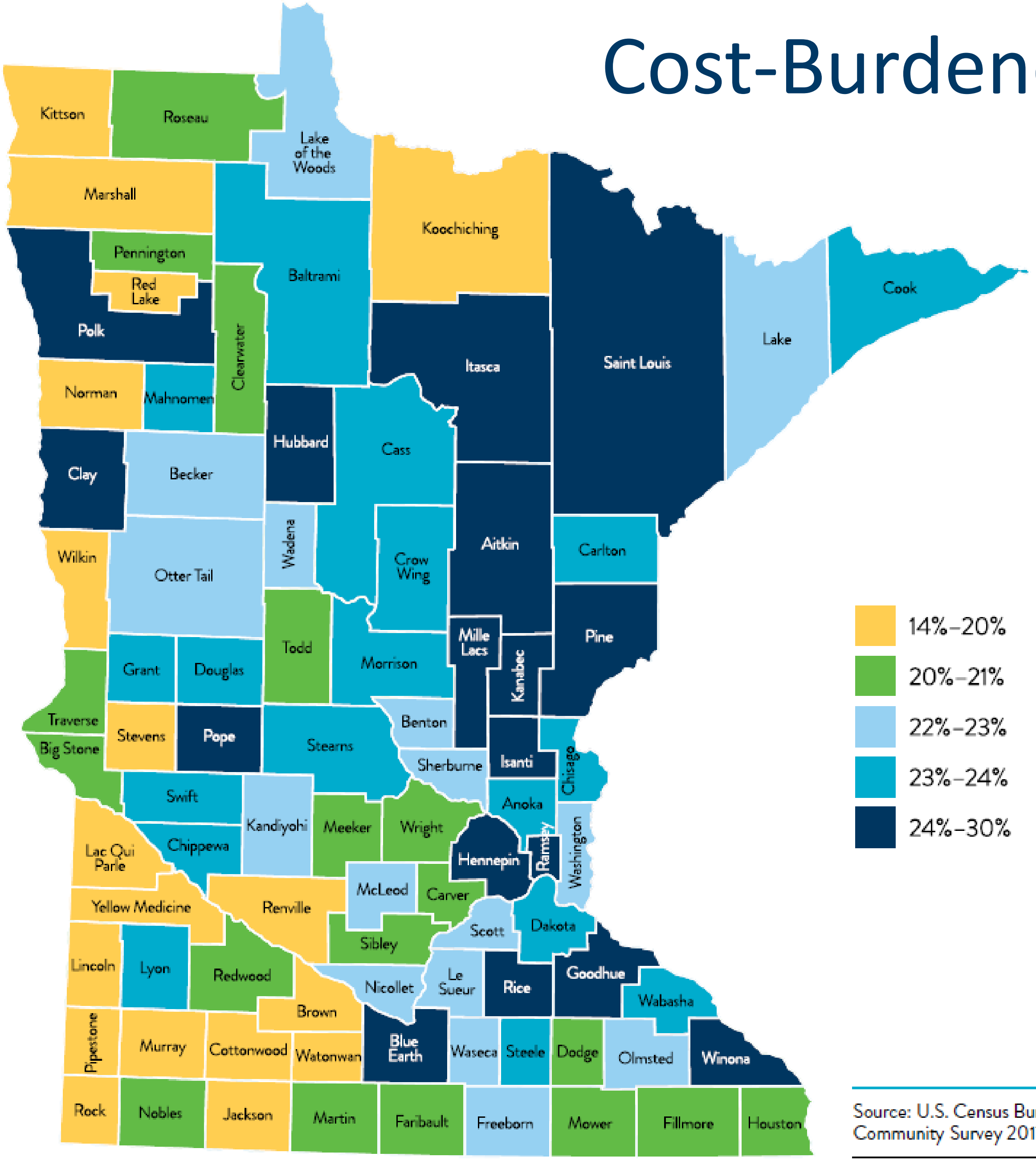
Greater Minnesota and West Central Region Overview

Cost-Burdened Households - 2023

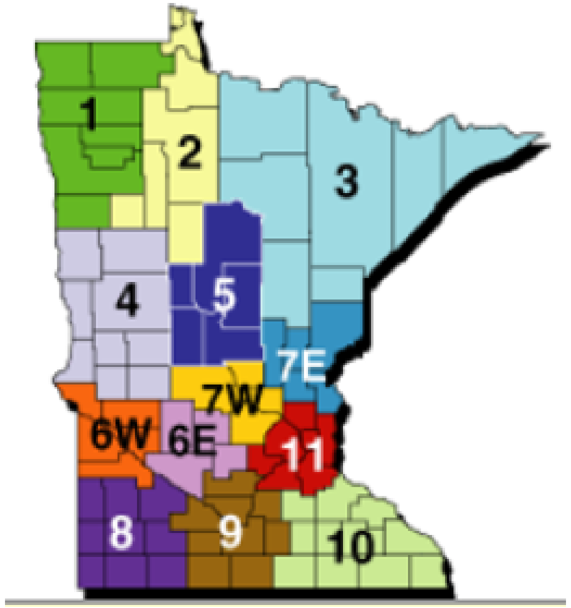


Source: U.S. Census Bureau, American Community Survey 2017–2023.

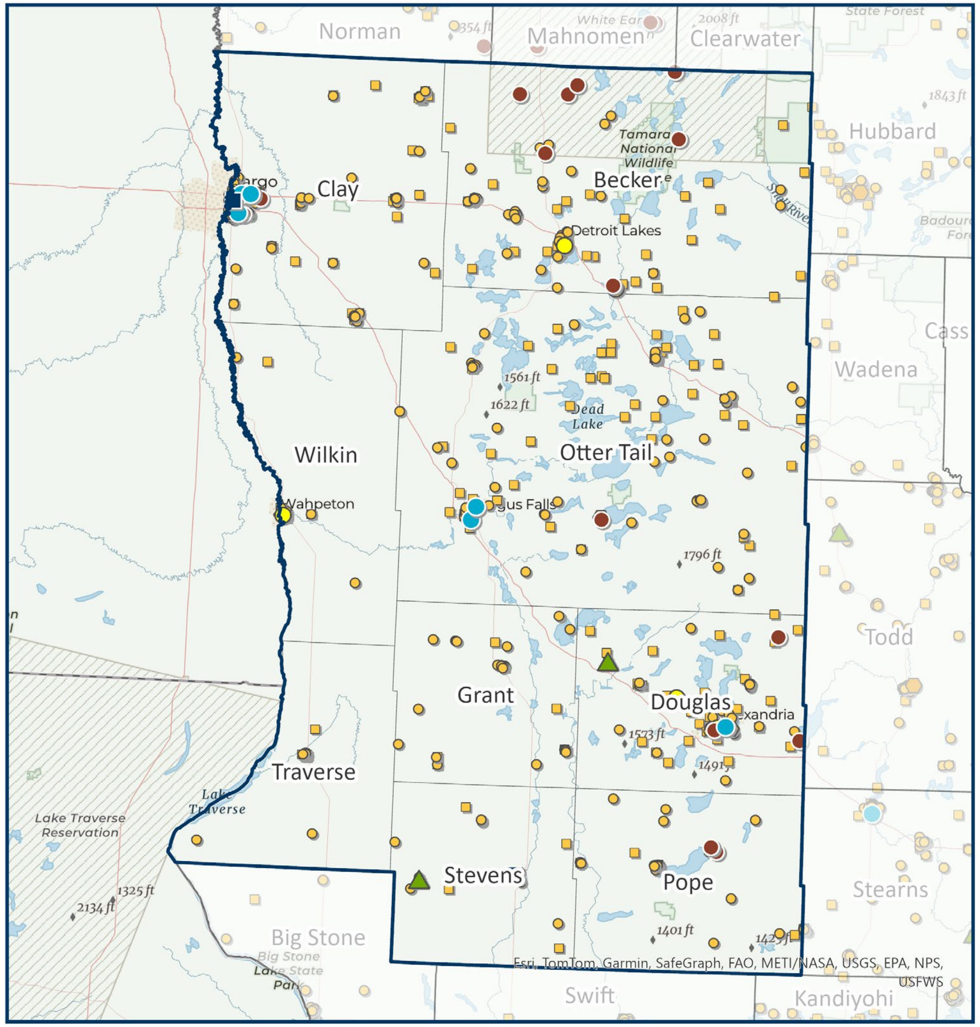
West Central Region Projected Growth

The West Central Region is projected to see some of the biggest population growth in the State: over 12% by 2050.

Economic Development Region	2024 Population	2035 Population	2050 Population	% Growth 2035	% Growth 2050
1	81,578	73,668	59,476	-10%	-27%
2	86,032	84,886	80,077	-1%	-7%
3	324,708	319,498	300,107	-2%	-8%
West Central	241,594	257,615	271,281	7%	12%
5	175,977	192,883	210,231	10%	19%
8	116,214	113,989	106,541	-2%	-8%
9	239,254	246,653	248,231	3%	4%
10	525,268	547,207	558,714	4%	6%
7-County Metro	3,191,646	3,325,116	3,395,259	4%	6%
6E	119,494	122,914	123,307	3%	3%
6W	43,690	44,710	44,538	2%	2%
7E	175,546	188,516	200,002	7%	14%
7W	456,994	499,094	541,917	9%	19%
Minnesota	**5,777,995**	**6,016,749**	**6,139,681**	**4%**	**6%**



Minnesota Housing Funded Projects 2020-24



- 5 Multifamily Projects – Preservation, Workforce, Supportive and Senior Housing
- 3 Market-Rate Workforce Rental
- 6 Manufactured Housing Infrastructure Awards
- 3 Publicly Owned Housing Preservation
- 2 Rural Rental Deferred Loan (USDA Preservation)
- Single Family Development: 2 developments built, 7 projects with affordability gap

Multifamily Consolidated RFP/ HTC
Publicly Owned Housing Program (POHP)
Workforce Housing Development Program
Rental Rehabilitation Deferred Loan (RRDL) Program
Manufactured Housing Program
Impact Fund Closed Loan
Homeownership Loans
Rehabilitation / Fix-Up Loans

Legislative Update

Where we are - as of May 6

- Housing bills have been passed in the House and Senate.

  Senate: SF 2298   **House**: SF 2298 (budget; source language is HF 2445) and HF 2309 (policy)

- Conference Committees have been appointed.

  Senate: Port, Boldon, Lucero   **House**: Howard, Kozlowski, Igo, Nash

- Initial budget targets: House, $75 million; Senate, $3 million, both one-time.

  Ongoing, House has funding for $100 million in Housing Infrastructure Bonds,
  and Senate has $1 million.

  Final amounts need to be agreed upon by the Governor, Senate leadership, and House Leadership.

- Bonding bill: has not been finalized.

  Governor Walz recommended $7 million for Publicly-Owned Housing Preservation.

Omnibus Bill Budget Priorities – Side by Side

Program	House (+$75m FY26-27, +$100m HIB)	Senate (+$3m FY26-27, +$1m FY28-29)
Workforce and Affordable Homeownership	$3m	
Challenge	$10m	
Greater MN Workforce Housing Development	$10m	
Manufactured Home Community Development	$2m	
Greater MN Infrastructure Grants	$20m	$2m in FY26-27, $1m in FY28-29
Family Homelessness Prevention	$30.6m	$10.15m
Statewide Tenant Hotline	$500k	
Task Force on Accessible Housing	$150k	
Community-Based First Generation DPA		$2m in FY26-27, $900k in FY28-29
Community Stabilization – Single Family		-$10m
Affordable Housing Task Force Recommendations	$100k	

Omnibus Bills Policy Priorities

House	Senate
• Long-Term Sustainability of Affordable Housing Task Force Recommendations • Community-based First Generation DPA Program • Accessible Housing Task Force • RAD-converted properties eligible for GO bond proceeds • Additional use allowed for HIB: adaptive reuse • Interaction between State Housing Tax Credit and Workforce Housing Development Program, allowing for income requirements to be waived. • Require agency to prioritize projects in jurisdictions that have made "pro-housing" zoning and land use reforms	• Long-Term Sustainability of Affordable Housing Task Force Recommendations • Community-based First Generation DPA Program • Task Force on Homeowners and Commercial Property Insurance • Additional rent restrictions in tax credit financed properties • Eviction moratorium/landlord reimbursement if HUD rental assistance is cut off

Minnesota Housing Development Resources

Rental Development

Affordable Rental Development: Income Levels Vary by Program

- New construction
- Adaptive reuse/conversion of existing building (school, hospital, etc.)

Workforce Housing:

- Rental housing development that's affordable to local workforce
- Market rate rental housing development in Greater Minnesota
  - Typically has fewer units

Senior Housing:

- Restricted - 55 years of age or older
- Incentivize serving lower-income seniors

Preservation and Rehab of Affordable Rental Housing

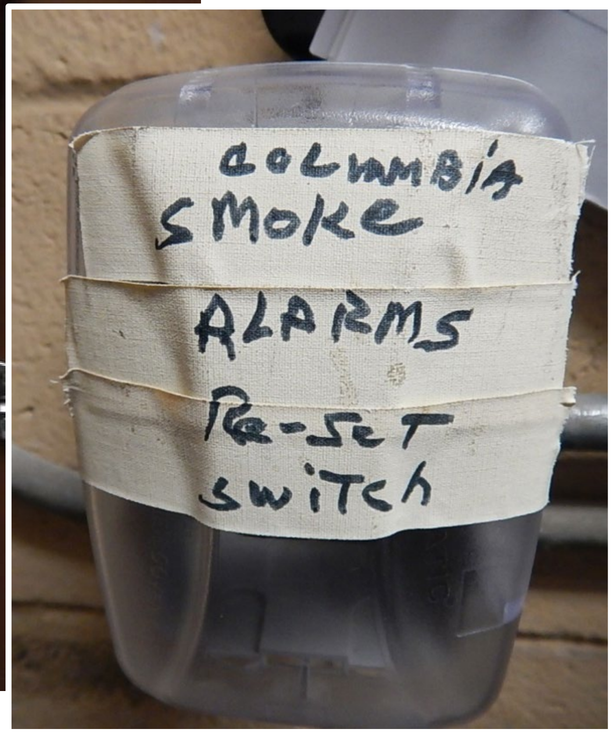
Funds to rehab existing affordable rental housing

- Available through the Multifamily Consolidated RFP

Funds to rehab aging public housing

- These are some of the most affordable housing options in rural communities
  - Preservation Funding Programs:
    - Publicly Owned Housing Program (HUD-funded)
    - Rural Rental Rehabilitation Deferred Loan Program (USDA-RD)

Virginia – Columbia/Rouchleau Apartments (before)



Virginia – Columbia/Rouchleau Apartments (after)

Supportive Housing

Supportive Housing is a proven, effective option on the homeless services continuum that combines **permanent, affordable housing and services** for people with histories of housing instability, trauma, systemic exclusion, disabilities and chronic health conditions.

Permanent, Safe, and Deeply Affordable Housing Units

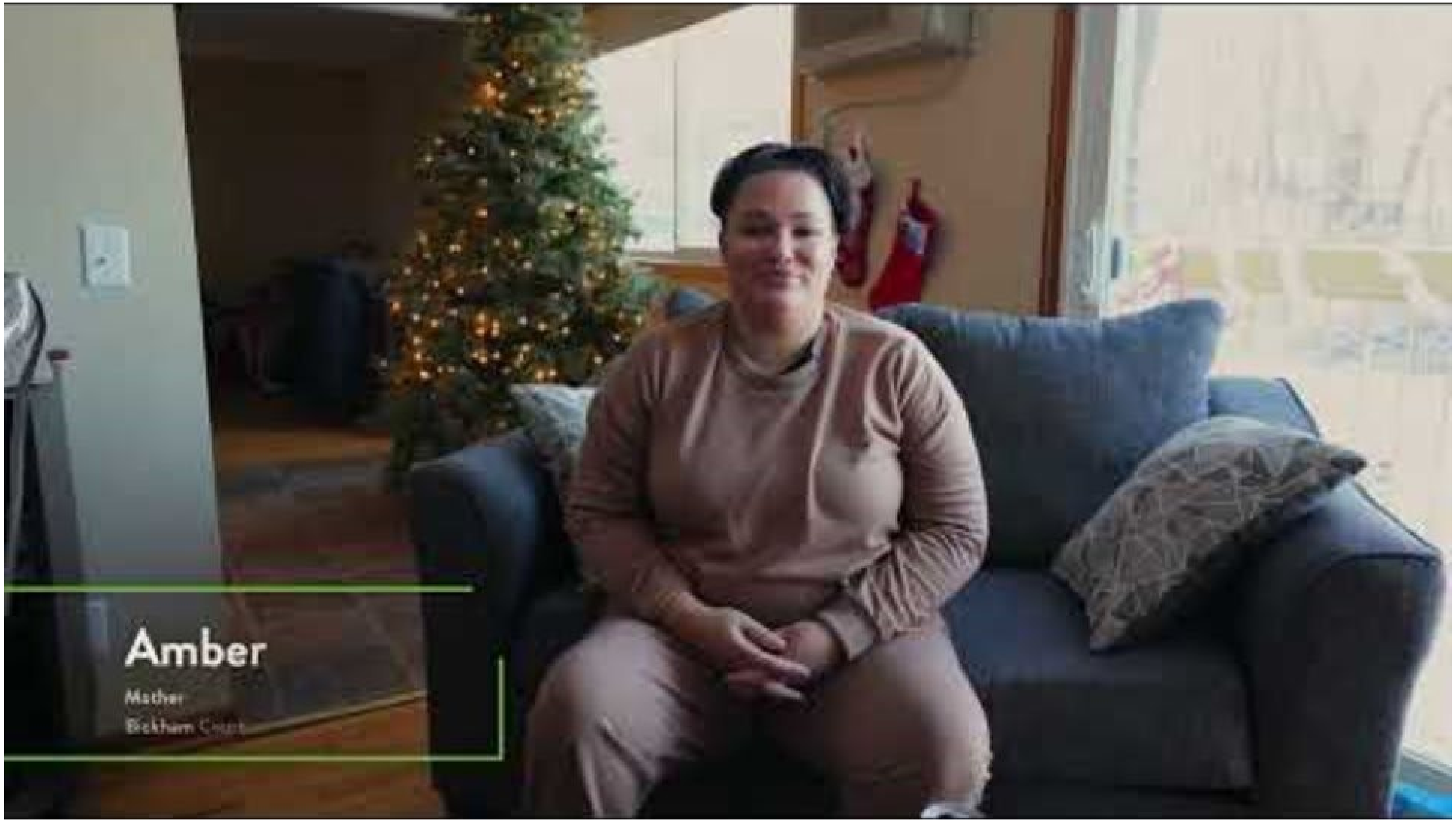
+

Voluntary, Flexible Tenancy Supports

=

Supportive Housing

Video: Bickham Court Apartments



Homeownership Development Resources

Single Family Development Uses: Up to 115% Area Median Income

- Acquire Land and Property
- Build new housing
- Purchase and rehab homes for resale
- Cover gaps between the cost to build and the cost to sell
- Cover gaps between the appraisal cost and what the homebuyer can afford
- Community Land Trusts
  - Nonprofit or local government owns the land in a trust to ensure permanent affordability
  - Homeowner purchases the home, not the land. Split the equity when they sell.
  - Must be sold to an income-qualifying buyer

Manufactured Housing

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Manufactured Housing Resources

Grants and financing to fund Manufactured Housing Infrastructure Needs

- Acquisition
- Conversion to cooperative ownership
- Manufactured Home Relocation Trust Fund:
  - Funds paid to homeowners in manufactured housing communities for relocation costs related to the closure of a community
  - Manufactured home homeowners apply through an appointed neutral third party

State Housing Tax Credit

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State Housing Tax Credit (SHTC)

Purpose: Helps finance multifamily and single-family housing throughout Minnesota

Funded by eligible Minnesota taxpayer contributions:

- Individual contributions: minimum $1,000/maximum $2 million
- Tax credit of 85% of contribution to reduce their tax obligation
- Can designate to specific project or general contribution pool
- Available through RFP

Maximum Total Annual Contributions: $9.9 million

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Local Government Housing Programs

Local Government Targeted Resources

Statewide Affordable Housing Aid

Affordable housing development projects and support organizations and individuals in maintaining stable, affordable housing.

Housing Trust Fund

State match of local housing trust fund (competitive process).

Greater Minnesota Housing Infrastructure

State-funded housing vouchers ("Bring It Home")

4,000 - 5,000 for cost-burdened renters or funding affordable units (project-based)

SAHA and Tier II Requirements

Use of Funds:

Any funds distributed under this program must be spent on a qualifying project.

- See Minnesota Housing's [Frequently Asked Questions] for more information on the housing aid programs, reporting and compliance.
- Additional requirements detailed in Minnesota Statutes 477A.35

Qualifying Projects:

- Emergency Rental Assistance
- Financial Support to Non-Profit Affordable Housing Providers
- Construction, acquisition, rehabilitation, demolition or removal of existing structures, construction financing, permanent financing, interest rate reduction, refinancing to provide affordable housing to those who earn less than 115% of AMI (homeownership) and 80% AMI (rental)
- Financing the operations and management of financially distressed residential properties (2024)
- Funding of supportive housing (2024)
- Costs of operating emergency shelter facilities, including services (2024)

Local Housing Trust Funds

Purpose

Incentivize local governments to create or fund Local Housing Trust Funds.

- Grants and loans for development, rehab or financing of housing
- Match other funds for housing projects
- DPA, HO counseling and rental assistance

Funding

- Matching up to 100% of new public revenue (up to $150,000)
- Additional funds available to match 50% of new public revenue (between $150,000 and $300,000)

$5.8 million

Greater Minnesota Housing Infrastructure

Purpose: Assist counties and cities with infrastructure costs to support new single family, multifamily and manufactured housing developments.

Funding: Up to 50 percent of the capital costs of public infrastructure necessary for an eligible workforce housing development project.

- **Grants limited to:**
  $40,000 per lot for 1-4 units
  $180,000 per lot for multifamily (5+ units/building)
  $60,000 per manufactured housing lot
    - Cities and counties limited to $500,000 over a two-year period; no maximum for manufactured housing.

$8 million

Greater Minnesota Housing Infrastructure

- **Request for Proposals Open Now!**
- Applications due no later than **5 p.m. Central time on Thursday, June 12, 2025**
- [Local Government Housing Programs]

Resources for Individuals

Homebuyers and Homeowners

- Short- and long-term homebuyer education and financial coaching
- Visit Find a Lender:
  - Mortgages
  - Rehab loans
  - Downpayment Assistance
- Temporary Mortgage payment assistance: Contact the Provider in your Area

Renters

- Temporary supportive services and financial assistance: Contact the Provider in your Area
- Rental Assistance, if experiencing or at risk of homelessness : Coordinated Entry System in your Area

Open and Upcoming RFPs

- Open Now:
  - Greater Minnesota Housing Infrastructure Grants (Due 6/12)
  - Multifamily Consolidated RFP (Intent to Apply due 5/8 at Noon CT)
  - Single Family RFP ("Impact Fund") (Due July 10^{th} at Noon CT)
  - Homeownership Education & Counseling Unified RFP (Due 5/12 at Noon CT)
- Coming Soon:
  - Naturally Occurring Affordable Housing – Multifamily Rental Housing Program
  - Community Stabilization Distressed Multifamily Rental Building Program

Stay in Touch

- Visit www.mnhousing.gov
- Sign up for eNews
- Questions:
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  - Local Government: Annie.Reierson@state.mn.us (Grant Programs)
    Dani.Salus@state.mn.us (Bring It Home)
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  - Single Family: Tal.Anderson@state.mn.us

Questions?

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Thank you!

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