

Minnesota Funding Opportunities for HRAs to Preserve & Produce Affordable Housing

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GOAL OF SESSION

- **Share LMC and GMHF services and resources**
- **Highlight key new resources for cities and HRAs to produce and preserve affordable and workforce housing, with an emphasis on new tools not covered in other sessions**
- **Identify what HRAs should be thinking about now to prepare to access resources**
- **Learn from the room – what housing challenges and opportunities could these resources help you address? What questions or concerns do you have about accessing/using these resources?**

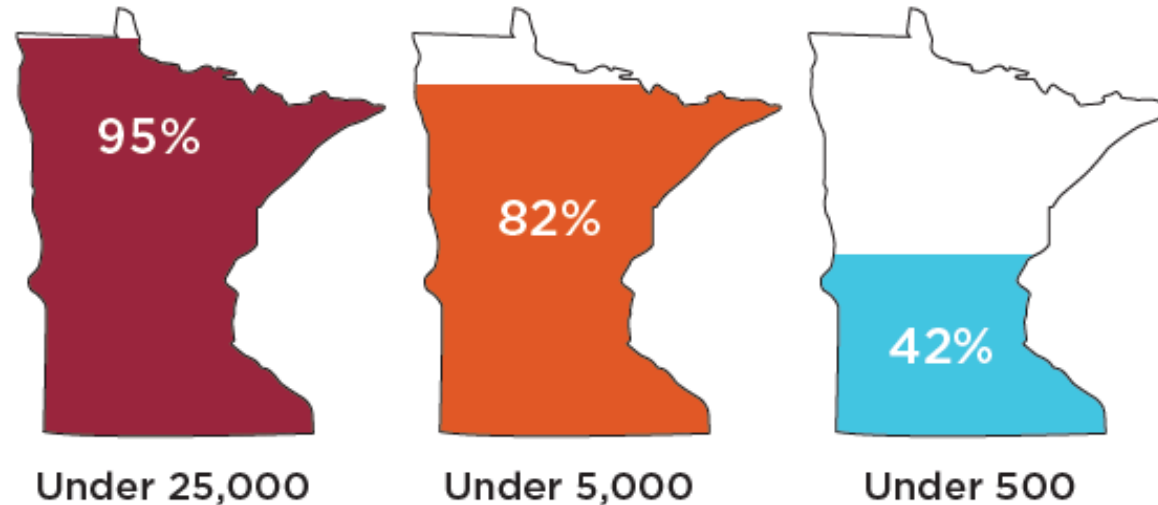
AGENDA

- **About LMC**
- **About GMHF**
- **Summary of new resources – both existing and new programs – for housing production and preservation (30,000’ view)**
- **Highlight key resources for cities/HRAs (not covered by other sessions)**
 - **Local affordable housing aid State matching grants**
 - **Greater Minnesota housing infrastructure**
 - **Community Stabilization (NOAH preservation)**
 - **State Housing Tax Credit Program and Contributions**
 - **Emerging “green” funding**
- **What are your housing challenges and opportunities in this context?**

The Nonpartisan Voice of All Minnesota Cities

The League of Minnesota Cities advocates on behalf of Minnesota cities, connecting the work of local governance to the legislative processes in St. Paul and Washington, D.C.

MINNESOTA'S 854 CITIES BY POPULATION

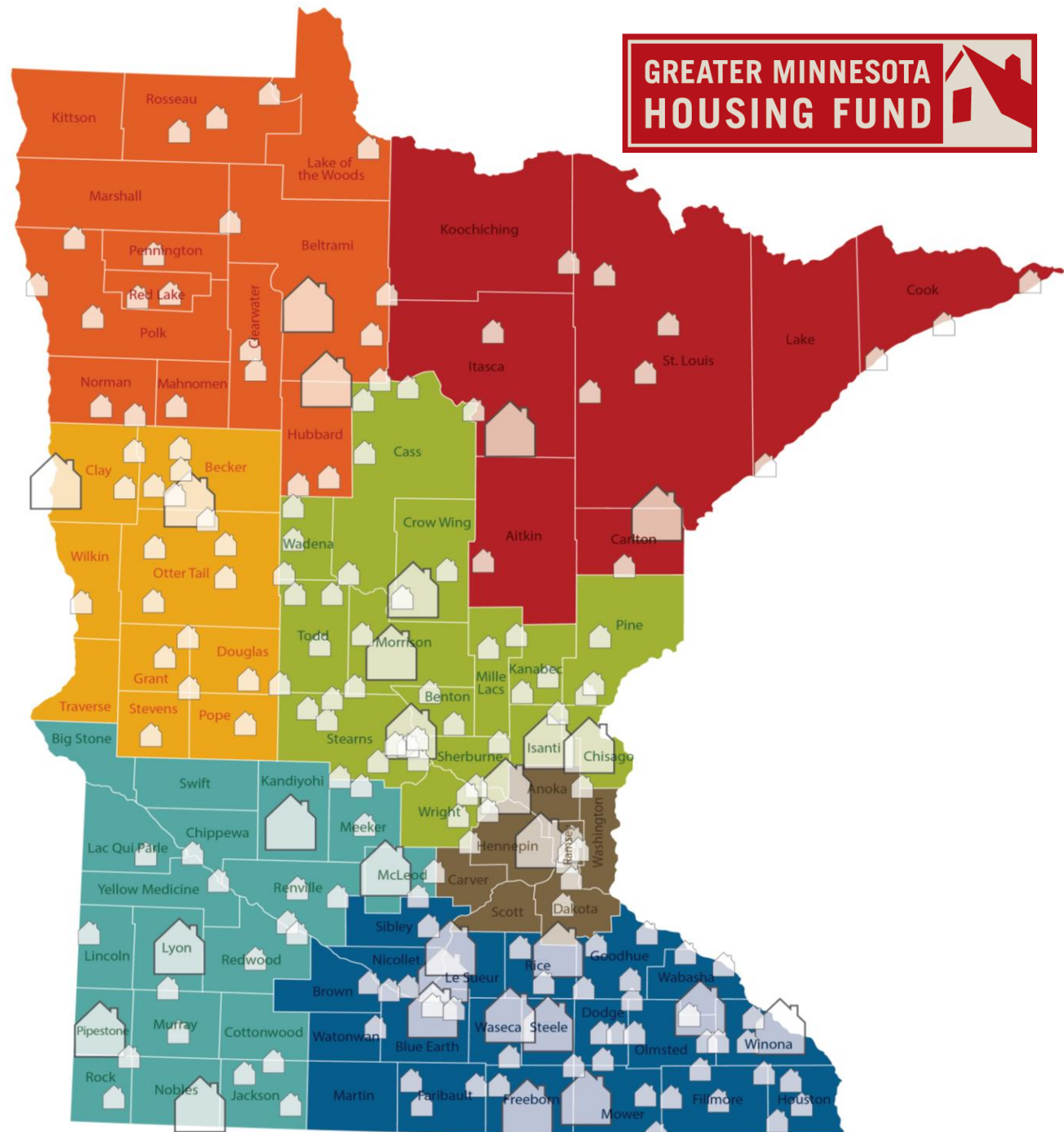


- Promote excellence in local government through advocacy, expert analysis, and trusted guidance for all Minnesota Cities
- 838 member cities, 11 townships, 1 joint powers entity, and 69 special districts
- Work closely with local government stakeholders

Greater Minnesota Housing Fund

Statewide Impact:


- ◆ \$1B invested
- ◆ 200+ Minnesota communities served
- ◆ 20,000 homes financed for families, children low & moderate income HH
- ◆ \$3B mobilized (leveraged)



GMHF SOCIAL IMPACT HOUSING FUNDS


\$100M+ Annual Funding

Via GMHF, MEF, NOAH & Grantmaking



**MINNESOTA
EQUITY FUND**

\$30M+
Tax Credit Equity
Invested Annually



**NOAH
IMPACT FUND**

\$10M-15M
Impact Capital
Invested Annually



**DEVELOPMENT
LENDING**

\$60M-\$80M
Interim & Permanent Loans
Awarded Annually



**GRANTMAKING
& TECHNICAL ASSISTANCE**

\$1M+ in Grants
& TA Provided Annually

Priorities of Greater Minnesota Housing Fund

GMHF invests in innovation by incubating emerging concepts, conducting research, developing models, market testing, launching new programs and financing products to:



Preserve existing
affordable housing



Support successful
homeownership



Build new
affordable housing



Prevent and
end homelessness

GMHF's innovations in successful regional approaches have become national models.



HANDBOOK: Models For Mergers & Collaborations Among HRAs & Other Housing Organizations

18 Case Studies From Across Minnesota!

GMHF TA & Funding Available!

7 ways nonprofits & HRAs can be more sustainable:

1. Collaboration
2. Administrative consolidation
3. Joint programming
4. Program transfer
5. Parent and subsidiary
6. Joint venture
7. Merger/acquisition

Most Recent Support: January 2023 \$50,000 Grant: To Support the Merger of Clay County HRA & Moorhead PHA in 2023!

Models for Mergers and Collaborations

among Minnesota's Regional Housing Organizations

PDF Download or Print Available from GMHF





PILOT RURAL CAPACITY BUILDING INITIATIVE

Itasca County and Leech Lake Area Communities

2023-2026

- 1. Invest in growing local housing organizational capacity**
- 2. Stimulate commitments by government & employers**
- 3. Engage and support local developers and builders**
- 4. Provide pre-development funding & planning assistance**
- 5. Provide financing and packaging of project funding**
- 6. Engage employers, electeds, civic leaders on shared goals**
- 7. Establish strong housing alliance to share knowledge, ideas, plans, and collaborate**
- 8. ...stay tuned**

GMHF Emerging Developer of Color Program

Goal: To Increase the number of developers of color engaged in housing development, provide improved access to the development industry, and build wealth among developers of color

- Grant funding support
- Low-cost predevelopment financing
- Low-cost first and second mortgages
- Technical assistance & Training
- Knowledge sharing via a "Community of Practice"



State Funds: \$2 Billion

- Largest single investment in housing in state history
- MN Housing budget = **\$1.313 billion** (increase of \$1 billion above base budget) for FY 2024-25
- Other housing related spending in HHS, Capital Investment, Tax, Environment and Climate, and Bonding bills, totaling more than \$2 billion for the biennium for housing and homelessness response
- Minnesota Housing presenting overview of all funding (Wednesday session)

Increase to Existing Programs

Deployment:	Existing MN Housing processes
Housing Infrastructure	\$200 million <i>(+\$200 million)</i>
Challenge Program	\$121 million <i>(+\$95 million)</i> <i>\$6.4 million set aside for projects serving American Indians;</i> <i>\$5 million for UHW; \$2 million for Rondo CLT</i>
Public Housing Rehab	\$87 million <i>(+\$87 million) (\$5 million for MPHA)</i>
Workforce Homeownership program	\$60.5 million <i>(+\$60 million)</i>
Greater MN Workforce Housing development	\$39 million <i>(+\$35 million)</i>
Rental Rehab	\$7.5 million
Single Family Rehab	\$5.5 million
Preservation (PARIF)	\$8.4 million

New Programs

Deployment:	Need additional staff, new program guides, and processes *New Local Government Housing Programs division
Community Stabilization program (NOAH Preservation)	\$90 million (<i>\$10 million Aeon</i>)
Homeownership Investment Grant program	\$40 million
High-Rise Sprinkler Grants	\$10 million (\$4 million for CommonBond's Seward Towers)
Greater MN Housing Infrastructure*	\$8 million
Lead Safe Homes*	\$4 million
Local Housing Trust Funds (LHTF)*	\$5.8 million (<i>\$1 million to Northland Initiative Foundation</i>)
State Housing Tax Credit Program and Contributions Fund (SHTC)	\$9.9 million
Local Affordable Housing Aid*	\$40.5 million

New: Statewide Local/Affordable Housing Aid

- **Grants to cities, counties, Tribes**
- **\$40.5 million**
 - Single family and multifamily
 - Homeownership – 115% AMI (priority at 80% AMI)
 - rental housing - 80% AMI (priority at 50% AMI)
 - Money considered spent if put into a LHTF (attend MHP sessions)
- **HRA preparation:**
 - Department of Revenue distribution information
 - Statewide: <https://www.revenue.state.mn.us/statewide-affordable-housing-aid>
 - Metro: <https://www.revenue.state.mn.us/local-affordable-housing-aid>
 - Establish LHTF (city/county with HRA as administrator)
 - MN Housing: New Local Government Housing Programs; process

New: State Matching Grants

- **Matching grants to incentivize local housing trust funds**
- **\$5.8 million (\$1 million to Northland Initiative Foundation)**
 - Single family and multifamily, homeownership and rental, up to 115% AMI
 - 1:1 match up to \$150k, plus 50% match up to \$300k
 - Spend within 8 years
- **HRA preparation:**
 - Establish LHTF (in partnership with city(ies)/county(ies) for HRA(s) administration)
 - Identify local source(s) (non-state) of match (e.g. HRA levy)
 - Northland Initiative and Minnesota Housing Partnership (MHP) provide assistance
 - MN Housing: New Local Government Housing Programs; process

New: Greater Minnesota Housing Infrastructure

- **Grants to cities to support affordable and workforce housing – Statewide**
- **\$8 million**
 - Single family and multifamily
 - Homeownership and rental housing
 - Up to \$500,000
 - No more than \$30,000 per lot (for 1-4 units) and \$180,000 for multifamily
 - Requires 1:1 match
- **HRA preparation:**
 - Identify sites, development opportunities, infrastructure needs and sources of matching funds
 - MN Housing: New Local Government Housing Programs; process

New: Community Stabilization

- **Grants or loans to preserve NOAH properties – Statewide**
- **\$90 million (incl \$10 million Aeon earmark)**
 - Multifamily acquisition and/or rehab – majority units affordable to HHS at or below 60% AMI
 - Owner-occupied housing in communities where market pressures or deferred maintenance needs may cause displacement
 - MN Housing may grant funds to a statewide intermediary to facilitate the acquisition and associated rehabilitation
- **HRA preparation:**
 - Identify data, inventory, owners, key stakeholders, preservation buyers
 - Small NOAH – potential opportunity for emerging developers (GMHF, MHP, LISC partners)
 - Consider local process for 4(d) Low Income Rental Classification (reduction to 0.25% in FY 26)

New: State Housing Tax Credit Program and Contributions Fund

- **Tax credits and contributions for development-specific proposals**
- **\$9.9 million**
 - Homeownership – 115% AMI
 - Rental - 80% AMI (set aside at 50% AMI)
 - Taxpayer can designate specific projects
 - Set asides:
 - 10% for cities/towns with 2,500 population or less
 - 35% for 50% AMI
 - 25% for single-family housing
- **HRA preparation:**
 - Information/education: stakeholders, employers (employer assisted housing), anchor institutions
 - Identify projects for designation
 - MN Housing process: existing MF/SF RFPs and/or parallel RFP process

New: Emerging “Green” Funding

- **New Minnesota Climate Innovation Finance Authority (“Green Bank”) which will oversee an initial \$45 million for projects related to clean energy, greenhouse gas emission reduction, and other projects (potential to leverage Inflation Reduction Act resources)**
 - MN Housing has a seat on the board of the Green Bank
- **\$39 million for pre-weatherization/weatherization**
- **\$4 million for lead safe homes**
 - Properties built before 1978 -lead assessments and abatements
- **Federal Greenhouse Gas Reduction Fund**
- **HRA preparation:**
 - HRA portfolio needs
 - Affordable housing/NOAH inventory

HRA Housing Challenges and Opportunities

Hear from you:

What housing challenges and opportunities could these resources help you address?

What questions or concerns do you have about accessing/using these resources?