



Minnesota Housing Overview

Tal Anderson

Manager, Community Initiatives, Single Family Division

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.

Why We're Here

- Housing impacts Minnesotans of all backgrounds in all corners of the state
- Housing touches all areas of life – education, health, jobs and more



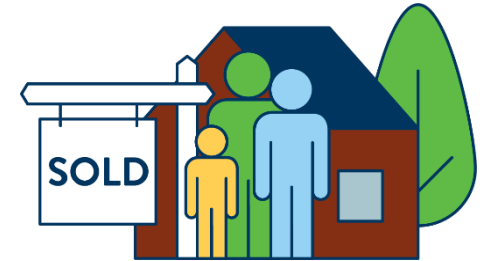
Housing Continuum



**Homelessness
Prevention**

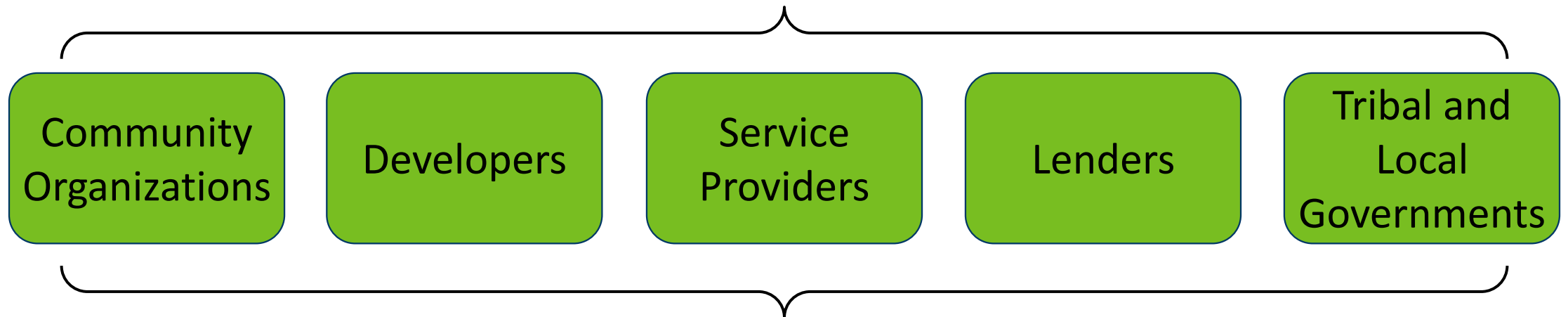


**Rental
Housing**



Homeownership

Minnesota Housing



Minnesotans

What We Do Not Do

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

- Programs that include home ownership components
 - Local government programs
 - New team at Minnesota Housing
 - Single Family programs
 - Manufactured housing programs
 - New area within Minnesota Housing within the last 5 years



Local Government Housing Programs

Annie Reiersen | Manager

Local Affordable Housing Aid (LAHA)

Purpose: Help metropolitan local governments meet local housing needs through affordable housing development projects and support for organizations and individuals in maintaining stable, affordable housing.

Eligibility: All counties and cities over 10,000 in population

Funding: Dedicated sales tax of .25 cents

- 25% to metropolitan city LAHA
- 50% to metropolitan county LAHA
- Department of Revenue will be collecting and determining funding
- First disbursement will be in July of 2024

Statewide Affordable Housing Aid (SAHA)

- **Purpose:** Help Tribes, Greater Minnesota counties, and cities meet local housing needs through affordable housing development projects and support organizations and individuals in maintaining stable, affordable housing.
- **Eligibility:** All counties, cities over 10,000 in population and 11 Tribal Nations
- **Available Funds:** \$22.5 Appropriation for 2023 and 2024
 - Department of Revenue determined funding
 - First round of funding was disbursed in late 2023

Role of Minnesota Housing for LAHA/SAHA

Role of Minnesota Housing:

- Collect reporting (in 2025)
- Support local governments
- Assist in coordination between housing programs and partners

NEW: Greater Minnesota Tier II Local Cities Grants

- Communities with population of less than 10,000 and not in a metropolitan county.
- \$25,000 minimum award size.
- Funds can be used for a range of rental, homeownership and housing stability activities.
- Competitive grant process, prioritizing based on proportion of cost-burdened households.



\$4.5 million

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

Lead-Safe Homes

Purpose: Support making homes safer through lead testing and hazard reduction.

Eligibility:

- Nonprofits and local units of government
- Multifamily properties: 50% of units must be occupied by renters at or below 60% AMI
- Priority for areas with high concentration of children with lead poisoning
- Up to 10% of award for administration, education and outreach about lead hazards

Funding:

- \$4 million, one time
- Risk assessment and remediation



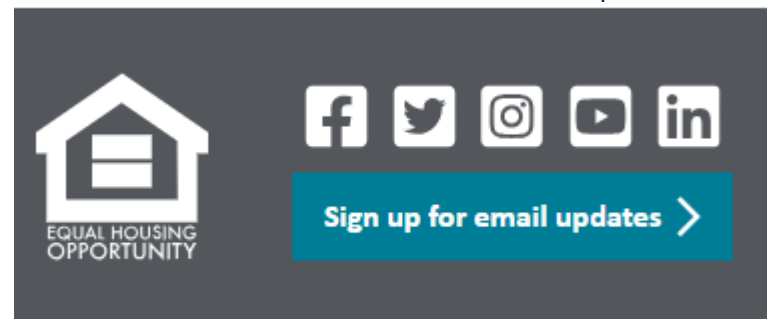
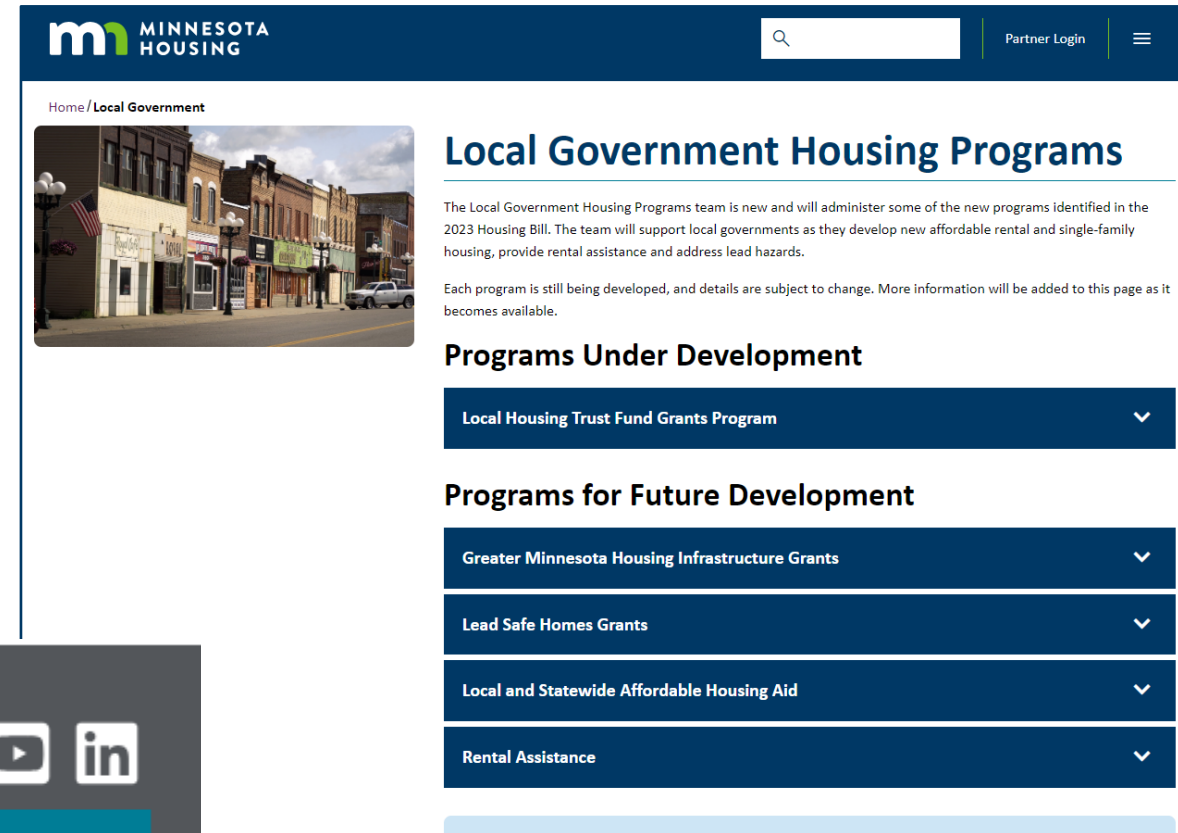
\$4 million

For more information

Minnesota Housing website (mnhousing.gov)

Local Government Housing Programs

<https://mnhousing.gov/local-government.html>



State Housing Tax Credit (SHTC)

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

Funded by eligible Minnesota taxpayer contributions:

- Between \$1,000 and \$2M
- Tax credit of 85% of contribution to reduce their tax obligation
- Can designate contribute to specific project or general contribution pool
- Available through RFP

[Learn more at SHTC webpage](#)



Single Family Programs

Tal Anderson Manager, Community Initiatives, Single Family Division

Community Homeownership Impact Fund

Funding for single-family, owner-occupied affordable housing activity throughout Minnesota

- New construction, including demolition or removal of existing structures with rebuild
- Acquisition, rehabilitation and resale of existing housing
- Construction financing and gap financing
- Lending products for individuals
- Email: [Email impact.fund.mhfa@state.mn.us](mailto:Email%20impact.fund.mhfa@state.mn.us)

[Learn more at Impact Fund webpage](#)

Impact Fund – Available Funding Sources



Minnesota Housing:

- Economic Development and Housing Challenge Funds (Challenge)
- Housing Infrastructure Bond Proceeds
- Housing Infrastructure Appropriations
- Workforce Affordable Housing Development
- Interim Construction Loans

Interim Loans

- 42-month deferred, repayable loans
- Below market interest rate
- Combine with other construction financing
- Use with value gap and affordability gap
- Interest accrues when funds are disbursed
- No prepayment penalty



Impact Fund: Fund Types

- Construction financing
 - Short-term, low-interest bearing
 - Assist with acquiring, demolishing, rehabilitating or constructing owner-occupied housing
- Deferred loans
 - Interest-free, deferred
 - Help homeowners bridge affordability gaps
- Grants
 - Bridge value gaps between project's total development costs and fair market value
 - For other eligible activities where recapture of funds is infeasible or unaffordable

Affordability Gap & Value Gap



Sell for Market Value

Total Unit Subsidy Scenario



Total Development
Cost:
\$325,000

Value Gap:
\$75,000

Fair Market
Sale Price:
\$250,000

**Affordability
Gap:**
\$50,000

Buyer's first
mortgage:
\$200,000

Value Gap subsidy	\$75,000
Affordability Gap subsidy	<u>(+) \$50,000</u>
Total Unit Subsidy	\$125,000

Impact Fund: Eligibility Details

- **Eligible Applicants**

- Cities and counties
- Housing and Redevelopment Authorities
- For-profit and nonprofit developers
- Indian Tribe and Tribal housing corporations
- Public Housing Agencies
- Joint power boards
- School districts

- **Homebuyer Income Limits**

- 115% area median income (AMI)
- \$143,700 in the 11-county metro area
- \$128,500 in Greater Minnesota outside Rochester

Note: Homebuyers are not eligible to apply.

Impact Fund: Selection Criteria

- Project feasibility
 - Cost must be reasonable and economically viable given market conditions
- Community need
 - Well-defined need in the area
 - Based on local demographic, workforce and economic factors
- Organizational capacity
 - Applicant's and applicant partner's housing experience
 - Capacity to undertake and complete proposal

Community Partnerships

- Partnerships establish connection to community
- Partners can include local government, lenders, contractors, homebuyer educators, realtors, etc.
- Strengthens organizational capacity
- Demonstrates project readiness



2024 Single Family Request for Proposals

2024 Single Family Request for Proposals

Important Dates	
April 30, 2024	Single Family RFP Virtual Information Session
July 11, 2024	Application deadline: 12:00 p.m. CST
December 19, 2024	Funding recommendations to Minnesota Housing Board of Directors
December 31, 2024	Applicants notified of funding decisions
April 1, 2025	Contracts go into effect and contract term begins

2024 Single Family Request for Proposals

Resources

- [Impact Fund Webpage](#)
- [2024 Single Family RFP Application Instructions](#)
- [2024 Single Family RFP Application Materials](#)
- One-on-one, project specific technical assistance and all other questions:
Impact.Fund.MHFA@state.mn.us



Homebuyer and Homeowner Opportunities & Resources

Homeownership Counseling and Financial Education

HECAT and Homeownership Capacity

- **Process:** Biannual Request for Proposals – Next Anticipated RFP Release: 2025
- **Eligible Uses:**
 - **HECAT:** Homebuyer Education Classes, One-on-One Homebuyer Education Services, Foreclosure Prevention Counseling and Home Equity Conversion Counseling
 - **Homeownership Capacity:** Financial Education, Financial Coaching and Post-Program Completion Services
- **Types of Funding:** Grants
- **Eligible Applicants:** Nonprofit Organizations, Local Units of Government and Indigenous Tribes or Tribal Entities

Questions? Contact:

- **HECAT:** Tal Anderson at Tal.Anderson@state.mn.us
- **Homeownership Capacity:** HomeownershipCapacity.MHFA@state.mn.us

Home Improvement

Fix Up Loan Program – up to 20-year repayable with fixed-rate interest and monthly payments

- **Loan amount:** Up to \$75,000
- **Income limits:** Up to \$185,700/year

Rehabilitation Loan Program/Emergency & Accessibility Loan Program – 0% interest, deferred, forgivable loans

- **Loan amount:** Up to \$37,500
- **Income limits:** Up to \$37,300/year for a 4-person household

Disaster Recovery Loan Program – 0% interest, deferred, forgivable loans

Contact a Lender: <https://mnhousing.gov/lender-directory.html>

These programs are available directly to consumers through network of lending partners.

First Mortgage Financing and Down Payment Asst (DPA)

First Mortgage Financing

- **Start Up:** First-time homebuyer program – Income limits: Up to \$142,800/year
- **Step Up:** Repeat Buyers or Home Refinance – Income limits: Up to \$185,700/year

Downpayment Assistance Programs – Must combine with a Start Up or Step Up first mortgage

- **Monthly Payment Loan:** 10-year repayable with interest and monthly payments – Loan Amount: Up to \$18,000
- **Deferred Payment Loan:** 0% interest, deferred, repayable – Loan Amount: Up to \$16,500
- **Deferred Payment Loan Plus:** 0% interest, deferred, repayable – Loan Amount: Up to \$18,000

Contact a Lender: <https://mnhousing.gov/lender-directory.html>

These programs are available directly to consumers through network of lending partners.

First Generation Down Payment Assistance (DPA)

- Community-based funding pool
 - \$100 million
 - Administered by Midwest MN Community Development Corporation (MMCDC)
 - Available through a network of 12+ non-profit lenders
 - Homebuyer education must be taken before signing the purchase agreement
 - www.firstgendpa.org
 - 6% of funds have been committed

First Generation Down Payment Assistance (DPA)

- Minnesota Housing pool
 - \$50 million
 - Available through Minnesota Housing's first mortgage lenders
 - 50% of funds have been committed
- Program Basics – Both Programs
 - 1st Generation Homebuyers only
 - Approx \$30,000 per household
 - Forgivable second mortgages



Manufactured Housing

Manufactured Housing Programs

- **Manufactured Home Community Redevelopment Program:**
 - Grant funds awarded to community owners to finance infrastructure redevelopment or acquisition of manufactured housing communities, available through a competitive annual Request for Proposals process (\$20 million in 2023)
- **Manufactured Home Community Financing:**
 - Financing for community owners to finance infrastructure redevelopment or acquisition of manufactured housing communities (available on a pipeline basis)

Manufactured Home Community Redevelopment

Manufactured Home Community Redevelopment Program

- **Eligible Uses**
 - Infrastructure improvements such as sewer systems, storm shelters, street improvements, electrical upgrades
 - Acquisition of manufactured home parks
- **Eligible Applicants – Manufactured home communities owned by:**
 - Indigenous Tribes or Tribal Entities such as Tribal Housing Redevelopment Authorities
 - Cooperatively Owned, Nonprofit Intermediaries, Individuals, Corporate Entities

Manufactured Home Community Redevelopment

Important Dates	
August 12, 2024	Applications & Intent to Apply Opens
August 30, 2024	Intent to Apply Deadline
September 19, 2024	Application Deadline: 12:00 p.m. CST
December 19, 2024	Funding recommendations to Minnesota Housing board of directors

Resources

- [Manufactured Home Community Redevelopment website](#)
- Contact:
 - Monica Tucker monica.tucker@state.mn.us and Colleen Meier colleen.meier@state.mn.us

Other Manufactured Home Programs

- **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
- **Manufactured Home Lending Grant:**
 - Resources to nonprofits to provide manufactured home financing, downpayment assistance, or repair, removal, or site preparation (\$10 million)
- **Manufactured Home Community Financing:**
 - Financing for community owners to finance infrastructure redevelopment or acquisition of manufactured housing communities (available on a pipeline basis)

Stay in Touch

- [Visit www.mnhousing.gov](http://www.mnhousing.gov)
- [Sign up for eNews](#)
- Questions:
 - Agency: Alyssa.Wetzel-Moore@state.mn.us
 - Housing Stability: Supportive.Housing@state.mn.us
 - Local Government: Annie.Reierson@state.mn.us (Grant Programs)
Debra.Shaff@state.mn.us (Bring It Home)
 - Manufactured Housing: MNHousing.ManufacturedHomes@state.mn.us
 - Multifamily: Sara.Bunn@state.mn.us
 - Single Family: Tal.Anderson@state.mn.us



Thank you!

Tal Anderson

651-296-2198

tal.anderson@state.mn.us