



MINNESOTA

NAHRO

2025

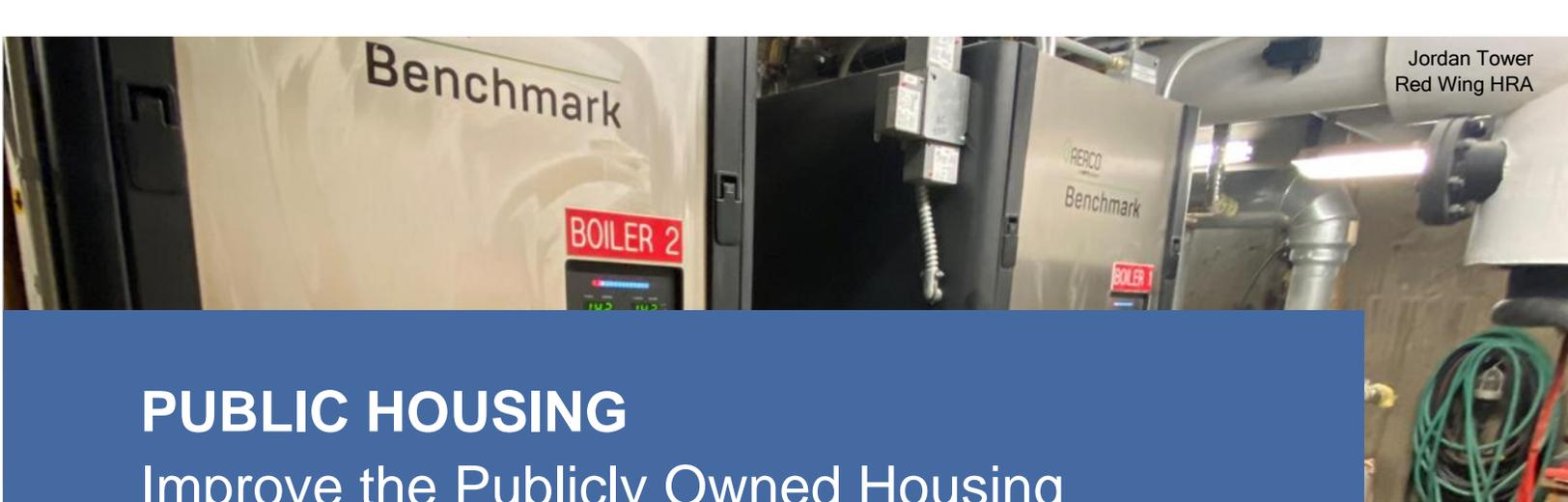
**LEGISLATIVE
PRIORITIES**

PUBLIC HOUSING

Fund and improve the Publicly Owned Housing Rehabilitation program.

LOCAL TOOLS & RESOURCES

Empower housing and redevelopment authorities with meaningful and impactful tools.



PUBLIC HOUSING

Improve the Publicly Owned Housing Rehabilitation program.

Preserve Minnesota's Public Housing.

Over the past 10 years, Minnesota has invested \$103 million in Public Housing rehabilitation loans. Even with the \$227 million of federal capital funds, there is a backlog of \$172 million of unmet capital needs. Minnesota's Publicly Owned Housing Program (POHP), funded with general obligation bonds and appropriations, has proven to be a successful investment. HUD does not allow housing authorities to take out debt to complete the capital repairs and improvements. Public Housing provides safe housing to our lowest income neighbors. The average annual income of Public Housing residents is \$17,781.

- Invest \$100 million in POHP to address health and safety issues, replace and repair major systems and energy conservation measures in publicly owned housing.

Review public ownership definition in General Obligation Bonds.

POHP was created prior to HUD's introduction of "repositioning" policies which also allow HRAs to leverage private funding to rehabilitate public housing units. Some policies require the HRA to transfer the property to a single asset entity wholly owned by the HRA. Minnesota Management and Budget, the state department issuing the program bonds, does not interpret that structure as public ownership, a requirement for the state's general obligation pledge to the bonds.

- Provide a consistent definition of public ownership across state programs and a transparent process with POHP for HRAs seeking to reposition their public housing assets.

Reduce time required to hold abandoned personal property.

When a tenant abandons a rental unit or is court-evicted from a unit, housing authorities must store and care for all personal property. Abandoned property must be stored for 28 days, and after a court eviction, items placed in expensive off-site storage must be stored for 60 days. Often publicly owned buildings have no money or space to store the property anywhere but inside the vacant unit. This delay takes these affordable apartments offline while people wait for this scarce and critically needed housing.

- Amend Minnesota Statutes §504B.271 and Minnesota Statutes §504B.365 to 14 days. These changes will reduce costs and make affordable housing more available.



LOCAL TOOLS & RESOURCES

Empower housing and redevelopment authorities with meaningful and impactful tools.

Include HRAs as entities authorized to create a Local Housing Trust Fund (LHTF).

There are many stand-alone and multicounty housing authorities in Minnesota who have levies or other local resources. However, housing authorities must rely on a county or city to establish a local housing trust fund. Allow HRAs to independently establish a local housing trust fund in the process outlined in statute. Doing so would maximize local investments in housing and leverage HRA levies and other local dollars.

- Amend Minnesota Statutes 462C.16 to add HRAs to the definition of “Local government” entities empowered to create LHTFs.

Improve the efficiency of the Bring It Home rental assistance.

Bring It Home prioritizes low-income families and allows program administrators to establish additional population priorities based on local need. However, households without minor children cannot be prioritized even if they are the greatest local need. There is an apparent error in the current statutory language that requires families to be terminated from the program when their income increases while they are receiving assistance even if they are still paying more than 30% of their income for rent. This discourages work and self-sufficiency. Eligibility should extend to when the family’s rent portion (30% of their income) is equal to or exceeds the statutorily allowed payment standard.

- Amend Minnesota Statutes §462A.2095 to distribute funds directly to program administrators, to allow adult only households, and to eliminate the benefit cliff.

Increase the allowable HRA levy rate.

Minnesota is experiencing a housing shortage, which has affected even those with moderate incomes, particularly those trying to buy single-family homes. However, the shortage of owned and rental homes is especially severe for lower income households. Fortunately, HRAs are empowered to develop affordable housing, support affordable housing construction, and attract redevelopment. HRAs are further empowered to fund those activities with a special benefit levy. State statute caps this special levy rate thereby limiting a community’s ability to fully address their local affordable housing challenges.

- Amend Minnesota Statutes 469.033 to increase the maximum HRA levy rate to 0.037% to allow local jurisdictions to increase local funding for affordable housing.



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