

CELEBRATING
40 YEARS OF
AFFORDABLE
HOUSING



Preserve existing affordable housing.

Finance new opportunities for affordable housing.

Prevent and end homelessness.

Mitigate foreclosure impact through prevention and remediation.



An overview of Minnesota's mission-driven financial institution.

Preserve existing affordable housing.

Preservation of existing affordable housing remains the most cost-effective means of providing affordable housing.

Minnesota Housing provides funds to rehabilitate, improve and preserve the affordability of owner and renter-occupied units through deferred and low-interest loans.

To preserve owner-occupied homes, Minnesota Housing provides home improvement loans to homeowners making basic repairs.

- Since 1998, preservation spending under Minnesota Housing programs has leveraged \$5.70 of federal investment in affordable rental housing for each dollar of the agency's deferred loan investment.
- Minnesota Housing assists owners of rental developments to extend participation in federal housing assistance programs, including 550 developments with more than 30,000 households receiving direct project-based Section 8 subsidy.
- Minnesota Housing partnered with the Department of Commerce to provide Energy Saver Rebates for borrowers who completed energy-saving home improvements.

Breathing easy at Viking Terrace

The health and wellbeing of Ann, a 14-year-old girl was drastically improved within six months upon moving into a supportive housing unit at Viking Terrace. Located in Worthington, Viking Terrace is a 60-unit, mixed-income housing tax credit development with four supportive housing units for individuals or families with long histories of homelessness. Prior to moving to Viking Terrace, Ann suffered from a long list of illnesses. Asthma compounded by pneumonia meant frequent hospitalizations and doctor visits and many missed schooldays. Six months after moving into Viking Terrace Apartments, neither Ann nor any of her five siblings got sick once. Today, the family has access to safe, decent and affordable housing and enjoys their life and new apartment. Ann enjoys playing basketball, volleyball and soccer without any shortness of breath.



Finance new opportunities for affordable housing.

Minnesota Housing provides new affordable housing opportunities through:

- financing first mortgages and entry cost assistance for homebuyers
- education and counseling for homebuyers and homeowners
- land banking
- federal housing tax credits
- deferred loans for the development of new rental housing

Agency programs provide assistance to households with a wide range of incomes.

- More than 78 percent of assisted renters had incomes of less than \$20,000.
- Among homebuyers and homeowners, more than 54 percent had incomes below \$40,000.

Homeownership allows Kendra to be a foster parent

After moving from apartment to apartment her entire adult life, Kendra wanted to become a homeowner. In addition to her job at a non-profit agency, she wanted to provide foster care for children in need, but this was difficult in her apartment.

After taking a first-time homebuyer workshop, Kendra approached Three Rivers Community Action to learn more about their foreclosure rehabilitation program. She had noticed their sign in the yard of a cute house in Zumbrota. The foreclosed home had been purchased and rehabilitated by Three Rivers Community Action using funding from Minnesota Housing. The home featured new energy efficient heating, cooling and appliances, complete weatherization and insulation upgrades, refurbished wood floor and was move-in ready.

Kendra qualified for a mortgage and purchased the home. The total rehab also eliminated Kendra's worries about home maintenance and allowed her to spend her money on other things like a new washer and dryer.

The three bedroom rambler fit her needs perfectly, and Kendra hopes to begin providing permanent foster care soon.





Prevent and end homelessness.

Each year, an estimated 4,900 households with long histories of homelessness- are homeless in Minnesota, including nearly 800 children. One in five homeless men are veterans; 60% have mental illness.

Minnesota Housing, Department of Corrections and Department of Human Services implemented a Business Plan to End Long-term Homelessness in 2004. Thanks to efforts to provide education, technical

assistance, and newly brokered partnerships with supportive service organizations, developers took a leap of faith and added supportive housing units to many of their mixed income housing tax credit developments.

To date, the private and public partnerships spearheaded by Minnesota Housing have created more than 3,300 supportive housing opportunities.

- 1,800 households have housing.
- Public funds are used more effectively.
- Emergency expenditures are reduced.
- People are achieving housing stability.
- Innovative and creative financing tools increased production of supportive housing.

More information on Minnesota’s initiative to end long-term homelessness is available, including a copy of the business plan, at: www.mnhousing.gov.

Outreach connects WWII veteran with housing

Ed Smith, an 83-year-old WWII veteran was living in his RV and paying more than half his monthly vet's pension for propane to heat the RV and stay warm. After being referred to St. Stephens, Ed was able to access his full VA benefits. Sixty-three years after his military discharge, he was awarded 100% disability benefits and is now living comfortably in senior housing. His income increased to a level where he is not dependent on subsidized housing.



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Mitigate foreclosure impact through prevention and remediation.

Over the last five years, Minnesota Housing has invested more than \$97 million to address foreclosure across the state. The agency works collaboratively to address foreclosure by utilizing creative solutions to stabilize communities and keep families in their homes. Solutions range from foreclosure prevention counseling to acquiring, rehabilitating, and re-selling vacant and foreclosed properties.

Prevention: The Agency provided \$16.6 million in funding for

counseling services, loans, and capacity building to more than 37,000 households

Remediation: Awarded \$67.9 million in funding for foreclosure recovery efforts:

- Allocated \$38.3 million in federal funds to stabilize neighborhoods disproportionately impacted by foreclosures statewide. More than 500 properties have been acquired and are in various stages of rehab, resale, or demolition.
- More than 218 homes have been purchased with Strategic Acquisition Funds. Of the homes purchased, nearly 123 have been rehabilitated and resold to low and moderate income households. The remainder will be demolished. When appropriate, affordable new homes will be built on cleared sites and sold to low and moderate income households.
- More than 182 properties have been acquired or financed by the Twin Cities Community Land Bank, totaling 230 units.

Mortgage Products: \$13.4 million made available for entry cost assistance to borrowers purchasing in areas affected by foreclosure.

Keeping a neighborhood business running

Joy ran a thriving home day care center. Her clients were her neighbors in the low-income south Minneapolis neighborhood where she'd been a homeowner since 1995.

Because her clients were struggling with job loss, Joy's enrollment and her income were down, and she'd fallen behind on her mortgage.

A foreclosure counselor sat down with Joy to rework her monthly budget and help her negotiate new terms with her lender, lowering her monthly payment to a level she can afford in the long run.

As a result, Joy and her daughter remain stable homeowners in a fragile community, and her day care business continues to serve her neighbors-- and will continue to exist as a resource for the neighborhood as the economy recovers and more are able to go back to work.



As the State's mission-driven financial institution, Minnesota Housing offers products and services to help Minnesotans buy and fix up homes, and supports the development and preservation of affordable rental housing. The Agency offers financing and on-going asset management of affordable rental housing developments.

In 2010

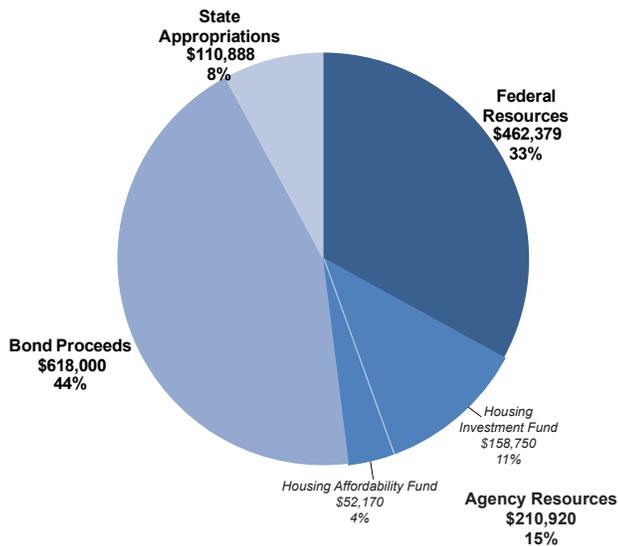
Minnesota Housing assisted more than 72,000 households in the amount of more than \$717 million:

- \$412 million for nearly 46,000 rental units or tenant households
- \$305 million for more than 26,000 homebuyers or homeowners

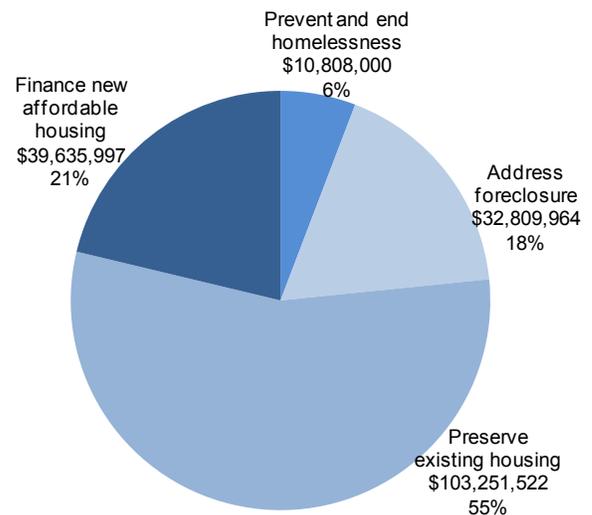
To advance affordable housing opportunities for low and moderate income people, Minnesota Housing:

- Financed nearly 12,000 new affordable housing opportunities
- Preserved more than 4,500 units of existing affordable housing and more than 30,000 units of Section 8 and Section 236 housing
- Addressed homelessness through rental assistance, capital financing, operating subsidies, and homelessness prevention assistance for nearly 13,000 households or housing units
- Addressed foreclosures through financial assistance, education, and counseling to more than 13,000 households

2010/2011 Program Sources



2010/2011 Program Uses—Discretionary Funds



Visit the Minnesota Housing website or contact the agency to learn more about the nature of its housing assistance programs, how to apply for assistance, or how to participate in Minnesota Housing programs as an administrator or partner: www.mnhousing.gov



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