2012 Affordable Housing Plan
Appendix C: Program Narratives

Table of Contents

Notes on reading the program narratives:

- "Housing Investment Fund" and "Pool 2" refer to the same resources.
- "Housing Affordability Fund" and "Pool 3/foundation" refer to the same resources.
- The projections for number of housing units or households assisted by programs during the Plan period exceed the total number of households projected to be served across all programs. This is because some households or housing units will receive assistance from multiple programs in order to achieve needed affordability levels.
- The projections for the number of households or units assisted generally are based on the average assistance per unit or per household for the last five years, by program, adjusted for inflation.
- Several programs have multiple funding sources which may necessitate some differences in program rules depending on the funding sources.
- The italicized text below the program name indicates the strategic priorities met by the program.
- Programs in run-off are programs for which there is no new funding available for FFY 2012. Activity for these programs during FFY2012 is limited to disbursement of prior plan commitments.

Minnesota Mortgage Program (MMP and CASA)

Provide New Opportunities for Affordable Housing • Mitigate Foreclosure Impact Through Prevention and Remediation

Under MMP, Minnesota Housing sells mortgage revenue bonds (MRB) to finance two mortgage programs. For purposes of the Plan, MMP refers to the Minnesota Mortgage Program and the Community Activity Set-Aside (CASA) program, both of which deliver first mortgages to eligible borrowers.

MMP provides a secondary market for below-market interest rate, fully amortizing first mortgage loans for low- and moderate-income first-time homebuyers. First mortgage lenders throughout the state originate the loans and sell them to a Master Servicer. The Master Servicer pools the loans into mortgage-backed securities purchased by Minnesota Housing. Mortgage interest rates for the program are determined regularly, based upon statewide mortgage market conditions, to provide a favorable rate to homebuyers while considering the Agency's borrowing costs. Under CASA, the Agency offers access to first mortgage and entry cost assistance funds for lenders and their community partners that form initiatives to address an Agency priority.

MMP, available statewide through participating lenders, typically serves the greatest number of borrowers with the largest amount of financing. In 2009 and 2010, due to a difficult housing market and with the availability of HAF and HOME HELP entry cost assistance, the number of CASA loans exceeded that of MMP.

Current income limits for 1-4 persons:

Property Location	MMP	CASA
Minneapolis/Saint Paul metro area	$82,700	$66,200
Rochester	$80,200	$64,200
Balance of State	$72,900	$58,350

Maximum loan amounts:
$298,125 in the Minneapolis/Saint Paul metropolitan area
$237,031 in the balance of the state

For the Program Assessment period of October 1, 2009 – September 30, 2010, Agency financing under MMP decreased to:

- 1,920 loans
- $234,246,890 loan amount
- $122,004 average loan
- median household income of borrowers was $40,884 or 55.9 percent of statewide median
- 31 percent of households served were households of color

Program Performance and Trends

Adverse capital markets in recent years have limited Minnesota Housing's ability to raise capital effectively. Between 2008 and 2010, Minnesota Housing purchased fewer loans than in the past and intentionally managed its financing of mortgages under MMP and CASA to the resources available.

Proposal for 2012
Based on resources available for new activity in 2012, Minnesota Housing expects to finance loans for over 2,000 households under this program.

An alternative to mortgage loan financing will be available in 2012 (under the Economic Development and Housing/Challenge program) to help reduce the for-sale inventory in neighborhoods stressed by foreclosures.

Sources and Uses

	10-11 Plan	2012 Plan
Sources		
Carry Forward of Undisbursed Bond Proceeds	$ -0-	$ 68,623,981
New Housing Investment Fund Allocation	7,500,000	-0-
New Bond Issues	550,000,000	250,000,000
Total Sources	$ 557,500,00	$ 318,623,981
Uses		
Program Disbursements for Prior Plan Commitments	$ -0-	$ 68,623,981
New Program Activity for Current Plan	557,500,000	250,000,000
Total Uses	$ 557,500,00	$ 318,623,981

Legal Authority: Minn. Stat. §462A.05, Subd. 3; Minn. Stat. §462A.073; Minn. Rules, Parts 4900.3200-3290; IRC §143

Homeownership Assistance Fund (HAF)

Provide New Opportunities for Affordable Housing • Mitigate Foreclosure Impact Through Prevention and Remediation

The Homeownership Assistance Fund (HAF) provides down payment and entry cost assistance to income eligible first-time homebuyers purchasing their homes through an Agency mortgage revenue bond program (i.e., the Minnesota Mortgage Program or the Community Activity Set Aside). A HAF loan is provided in the form of an interest-free, deferred second mortgage loan.

The current income limit is 60 percent of area or State median income unless participating under CASA where the limit is established at 80 percent of State or area median income; or a borrower can receive assistance if purchasing a home in a targeted area under MMP, where the limit currently is established at 100 percent of State or area median income.

Maximum loan amount: currently up to $3,000 in entry cost assistance under MMP and $4,500 under CASA

Program Performance and Trends

For the Program Assessment period of October 1, 2009 – September 30, 2010, Minnesota Housing financed:

- 813 loans
- $3,459,828 loan amount
- average loan was $ 4,256
- median household income of borrowers was $41,880 or 57.3 percent of statewide median
- 37.8 percent were households of color

Use of HAF has varied in recent years as the Agency has managed use of this limited resource. The percentage of MMP-assisted borrowers receiving HAF fluctuated from a high of 68 percent in 2002 to 42.3 percent in 2010. A variety of changes to HAF have been implemented, including the discontinued use of HAF monthly payment assistance in February 2009.

Proposal for 2012

Based on resources available for new activity in 2012, Minnesota Housing expects to fund loans for approximately 1,200 households under this program. Under the current structure of the HAF program, the demand should not exceed available funds; however, the Agency will continue to evaluate and respond to market conditions as necessary.

Sources and Uses

	10-11 Plan	2012 Plan
Sources		
Carry Forward of State Appropriations	$ 382,575	$ 18,425
Carry Forward of Housing Affordability Fund	568,525	1,620,244
Repayments of State Appropriations	2,000,000	1,150,000
New State Appropriations	1,720,000	797,000
New Housing Affordability Fund Allocation	4,500,000	3,200,000
Total Sources	$ 9,171,100	$ 6,785,669
Uses		
Program Disbursements for Prior Plan Commitments	$ 750,505	$ 1,626,194
New Program Activity for Current Plan	8,420,595	5,159,475
Total Uses	$ 9,171,100	$ 6,785,669

Legal Authority: Minn. Stat. §462A.21, Subd. 8; Minn. Rules, Parts 4900.1300-1359

HOME Homeowner Entry Loan Program (HOME HELP)

Provide New Opportunities for Affordable Housing • Mitigate Foreclosure Impact Through Prevention and Remediation

The HOME Homeowner Entry Loan Program (HOME HELP), which became available in May of 2008, provides down payment and closing cost assistance to qualifying low- and moderate-income first-time homebuyers. Funds are made available to borrowers and lenders participating in the Agency's Community Activity Set-Aside (CASA) program. To be eligible to participate in the program, lenders are required to demonstrate enhanced and effective targeting of program resources in accordance with Agency strategic goals.

HOME HELP is funded through the federal HOME program and must meet HOME requirements. Borrower assistance is provided in the form of an interest-free deferred loan, 70 percent of which is forgiven after the sixth anniversary of the loan. The remainder is repaid when the loan matures, the property is sold, or the property is no longer owner occupied.

Current income limit: 80 percent of county median income, adjusted for family size

Maximum loan amount: $8,500

Program Performance and Trends
For the period of October 1, 2009 – September 30, 2010 Minnesota Housing funded:

- 433 loans
- $4,989,863 loan amount
- average loan amount was $11,524
- median household income of borrowers was $37,251 or 51 percent of statewide median
- 49.4 percent of total households were of color

Proposal for 2012
Based on resources available for new activity in 2012, Minnesota Housing expects to fund approximately 530 loans under this program. Shortly after October 1, 2011, Minnesota Housing staff will likely seek Board approval to increase the maximum loan limit to $10,000.

Sources and Uses

	10-11 Plan	2012 Plan
Sources		
Carry Forward of Federal HOME Appropriations	$ 4,868,994	$ 4,880,918
Reallocation of previous Federal HOME Appropriations	823,945	-0-
New Federal HOME Appropriations	3,651,055	901,082
Total Sources	$ 9,343,994	$ 5,782,000
Uses		
Program Disbursements for Prior Plan Commitments	$ 2,574,833	$ 282,000
New Program Activity for Current Plan	6,769,161	5,500,000
Total Uses	$ 9,343,994	$ 5,782,000

Legal Authority: Title II of the Cranston-Gonzales National Affordable Housing Act; 42 U.S.C. 12701 et. seq.; 24 C.F.R 92

Single Family Interim Lending

Provide New Opportunities for Affordable Housing • Mitigate Foreclosure Impact Through Prevention and Remediation

The Single Family Interim Lending Program combines activities known as the Innovative Housing Loan Program and the Partnership for Affordable Housing. This is a revolving fund of short-term financing at reduced interest rates used to support increasing the affordable housing supply. The program is designed to encourage innovations in the development or rehabilitation of single family housing and is delivered through partnership arrangements between the Agency, nonprofit housing providers and local lenders. Both nonprofit and for-profit sponsors and/or developers may apply for the program

Program Performance and Trends

Data on interim lending are included in data provided for the Community Revitalization Fund, which is the umbrella program under which Minnesota Housing currently delivers the Challenge Program and interim construction financing. The Community Revitalization Fund (CRV) as a whole has proven to be a valuable resource for increasing the housing supply for low-and moderate-income households.

For the Program Assessment period of October 1, 2009 – September 30, 2010, under CRV Minnesota Housing funded:

- 301 loans
- $6,357,235 loan amount
- average loan was $21,120
- median household income of borrowers was $33,088 or 45.3 percent of statewide median
- 41 percent of total households served were households of color

Twenty-four percent of CRV units funded in 2010 were new construction.

Proposal for 2012

Based on resources available for new activity in 2012, Minnesota Housing could make an estimated 50 construction loans.

Sources and Uses

	10-11 Plan	2012 Plan
Sources		
Revolving State Appropriations	$ 1,000,000	$ 1,000,000
Revolving Housing Affordability Fund Allocation	7,000,000	5,965,000
Total Sources	$ 8,000,000	$ 6,965,000
Uses		
Program Disbursements for Prior Plan Commitments	$ -0-	$ -0-
New Program Activity for Current Plan	8,000,000	6,965,000
Total Uses	$ 8,000,000	$ 6,965,000

Legal Authority: Minn. Stat. §462A.05, Subd. 2 and Minn. Stat. §462A.05, Subd. 18; Minn. Rules, Parts 4900.1200-1210

Habitat for Humanity Initiative

Provide New Opportunities for Affordable Housing

The Habitat for Humanity Initiative (Habitat's Next 1,000 Homes Fund) provides a secondary market for interest-free loans originated by Habitat for Humanity Minnesota affiliates for households participating in the Habitat for Humanity Program throughout Minnesota.

Current income limit: Less than or equal to 50 percent of the greater of State or area median income. Limits are set by Habitat and are lower than those set by Minnesota Housing.

Maximum loan amount: Limits are set by Habitat and are lower than those set by Minnesota Housing.

Program Performance and Trends

For the Program Assessment period of October 1, 2009 – September 30, 2010, Minnesota Housing funded:

- 24 loans
- $1,995,461 loan amount
- average Minnesota Housing funding per household was $83,144
- median household income of borrowers was $33,770 or 46.2 percent of statewide median
- 83.3 percent of total households served were households of color

Proposal for 2012

Based on resources available for new activity in 2012, Minnesota Housing expects to fund loans for approximately 20 households under this program.

Sources and Uses

	10-11 Plan	2012 Plan
Sources		
New Housing Investment Fund Allocation	$ 2,000,000	$ 1,000,000
New Housing Affordability Fund Allocation	2,000,000	1,000,000
Total Sources	$ 4,000,000	$ 2,000,000
Uses		
Program Disbursements for Prior Plan Commitments	$ -0-	$ -0-
New Program Activity for Current Plan	4,000,000	2,000,000
Total Uses	$ 4,000,000	$ 2,000,000

Legal Authority: Minn. Stat. §462A.21, Subd. 5

Homeownership Education, Counseling and Training Fund (HECAT)

Provide New Opportunities for Affordable Housing • Preserve Existing Affordable Housing • Mitigate Foreclosure Impact Through Prevention and Remediation

The Homeownership Education, Counseling and Training Fund (HECAT) program provides financial support to eligible nonprofit organizations or public agencies offering comprehensive homebuyer/owner training on a pre- or post-purchase basis. It also assists individuals facing foreclosure due to a temporary financial crisis by providing counseling services (funded in part through the National Foreclosure Mitigation Counseling program). The Agency awards appropriations through a combined Request for Proposals in cooperation with the Family Housing Fund, the Greater Minnesota Housing Fund, and the Minnesota Home Ownership Center as funding partners.

Current income limit: none, but participants with incomes less than or equal to 60 percent of area median are encouraged.

Program Performance and Trends

Resources include State appropriations, contributions from funding partners, federal grant funds, and anticipated repayments. For the Program Assessment period of October 1, 2009 – September 30, 2010, Minnesota Housing funded:

- 21,661 households
- $5,258,293 funding amount
- average assistance per household was $243
- median household income of participants was $39,965 or 54.7 percent of statewide median
- 37.8 percent of total households served were households of color

Proposal for 2012

Based on resources available for new activity in 2012, Minnesota Housing expects to fund education or counseling for approximately 6,700 households under this program.

Sources and Uses

	10-11 Plan	2012 Plan
Sources		
Carry Forward of Federal Appropriations	$ 2,740,989	$ 2,007,482
Carry Forward of State Appropriations	731,263	130,040
Carry Forward of Housing Affordability Fund	-0-	18,721
Contributions from Funding Partners	1,500,000	750,000
Repayments	100,000	50,000
New State Appropriations	1,730,000	751,000
Total Sources	$ 6,802,252	$ 3,707,243
Uses		
Program Disbursements for Prior Plan Commitments	$ 3,349,459	$ 2,126,761
New Program Activity for Current Plan	3,452,793	1,580,482
Total Uses	$ 6,802,252	$ 3,707,243

Legal Authority: Minn. Stat. §462A.209

Fix-Up Fund and Community Fix-Up Fund (FUF and CFUF)

Preserve Existing Affordable Housing

The Fix-up Fund provides below-market interest rate, fully amortizing home improvement loans to assist low- and moderate-income homeowners in improving the livability and energy efficiency of their homes. Loan interest rates are determined based upon interest rates that are offered on similar products by lenders. Loans are delivered by a network of participating lenders throughout the State.

Loan-to-value limits for the program are at 110 percent of the after-improved value of the property. A component of the program waives the income and equity limits when the improvements will enable a resident with a disability to reside in the property.

The Community Fix-up Fund (CFUF) is a sub-program of the Fix-up Fund. The Community Fix-up Fund supports local initiatives and partnerships with a slightly lower interest rate and a higher lender processing fee than the Fix-Up Fund. Lenders participating in the Fix-up Fund may apply to access CFUF for targeted activities that meet locally defined home improvement needs and objectives. Eligible targeted activities may include matching funds and discount loan programs, nonprime loans in conjunction with credit and budget counseling, initiatives that focus funds on specific improvement types or older homes, or other home improvement needs determined within a community or neighborhood.

In 2010 and 2011, Minnesota Housing provided Energy Saver Rebates to eligible Fix-up Fund and CFUF borrowers in cooperation with the Department of Commerce. Rebates were funded with federal stimulus funds provided to Minnesota under the American Recovery and Reinvestment Act of 2009.

Current income limit: $95,150

Maximum loan amount: $35,000

Program Performance and Trends

For the Program Assessment period of October 1, 2009 – September 30, 2010, Minnesota Housing financed:

Fix-Up Fund

- 1,929 Fix-Up Fund loans
- $24,621,258 Fix-Up Fund loan amount
- average Fix-Up Fund loan was $13,801
- median household income of borrowers was $62,289 or 85.2% of statewide median
- 6.1% of total were households of color

Community Fix-Up Fund

- 320 CFUF loans
- $4,313,565 CFUF loan amount
- average CFUF loan was $13,480
- median household income of borrowers was $63,099 or 86.3% of statewide median
- 10.9% of total were households of color

Due to difficult economic conditions, in the two years prior to the availability of the Energy Saver Rebate, the Agency financed an average of 850 loans annually. Production increased 156 percent from 2009 to 2010 due to availability of the rebate. For the first nine months of FFY 2011 the Agency financed 1,126 Fix-Up Fund loans in the amount of $14,565,907; however, a decline in home improvement loan production is anticipated because rebate funds were exhausted late in 2011.

For the first nine months of 2011, the Agency financed 190 CFUF loans in an amount of $2,173,455. Availability of the Energy Saver Rebate Production resulted in a 59 percent increase in CFUF production from 2009 to 2010; however, a decline is anticipated going forward (production has declined annually since 2003 under CFUF).

In 2010, Minnesota Housing financed five non-prime CFUF loans (less than two percent of total) in the amount of $94,639 for an average loan amount of $18,928.

Proposal for 2012

Based on resources available for new activity in 2012, Minnesota Housing expects to finance loans for approximately 1,220 households under this program. If additional federal rebate funds became available to Minnesota, estimated loan production would increase.

With the continued effects of declining property values, many homeowners have been ineligible for home improvement loans due to negative equity. Minnesota Housing will make financing available in 2012 for owners with strong credit histories who need improvement loans with loan-to-value ratios in excess of 110 percent.

Sources and Uses

	10-11 Plan	2012 Plan
Sources		
Carry Forward of Housing Investment Fund	$ 1,724,820	$ 898,594
New Housing Affordable Fund Allocation	-0-	465,000
New Housing Investment Fund Allocation	45,500,000	20,000,000
New Federal Energy Stimulus Funds	7,650,000	-0-
Total Sources	$ 54,874,820	$ 21,363,594
Uses		
Program Disbursements for Prior Plan Commitments	$ 1,724,820	$ 898,594
New Program Activity for Current Plan	53,150,000	20,465,000
Total Uses	$ 54,874,820	$ 21,363,594

Legal Authority: Minn. Stat. §462A.05, Subd. 15; Minn. Rules, Parts 4900.0610-0700

Rehabilitation Loan Program

Preserve Existing Affordable Housing

The Rehabilitation Loan Program provides interest-free, deferred loans to low-income homeowners to finance home improvements directly affecting the safety, habitability, energy efficiency and accessibility of their homes. The program is administered by local agencies that contract to deliver the program in accordance with statute and program requirements. Federal HOME funds became the primary resource for this program in 2010-2011.

Current income limit: adjusted by household size ($24,850 for a 4-person household). Maximum loan amount: $24,999. $10,000 may be added to meet lead paint reduction requirements. Additional funds may also be available for emergency repairs or accessibility improvements.

Program Performance and Trends

Program terms changed due to federally mandated HOME rules, which resulted in a decrease in production as administrators became acquainted with new program rules and procedures. For the Program Assessment period of October 1, 2009 – September 30, 20010, Minnesota Housing funded:

- 190 loans
- $2,418,823 loan amount
- average loan was $12,731
- median household income of borrowers was $13,552 or 18.5 percent of statewide median
- 7.4 percent of total were households of color

Proposal for 2012

For administrative ease, the Rehabilitation Loan Program will be funded with uncommitted carry forward balances of state appropriations for 2012, rather than federal HOME funds. With less complicated rules and procedures, production should increase to 240 loans.

Sources and Uses

	10-11 Plan	2012 Plan
Sources		
Carry Forward of State Appropriations	$ 2,822,057	$ 4,205,107
Reallocation of Previous Federal HOME Allocations	3,175,000	-0-
Repayments of State Appropriations	1,500,000	750,000
New Affordability Fund Allocation	-0-	839,083
New Federal HOME Appropriations	6,447,022	-0-
Carry Forward of Federal HOME Appropriations	-0-	3,698,149
Total Sources	$ 13,944,079	$ 9,492,339
Uses		
Program Disbursements for Prior Plan Commitments	$ 2,822,057	$ 3,742,339
New Program Activity for Current Plan	11,122,022	5,750,000
Total Uses	$ 13,944,079	$ 9,492,339

Legal Authority: Minn. Stat. §462A.05, Subd. 14a; Minn. Rules, Parts 4900.0610-0700 and Title II of the Cranston-Gonzales National Affordable Housing Act; 42 U.S.C. §12701 et seq.; 24 C.F.R. Part 92

Low and Moderate Income Rental Program (LMIR)

Provide New Opportunities for Affordable Housing • Prevent and End Long-Term Homelessness • Preserve Existing Affordable Housing • Mitigate Foreclosure Impact Through Prevention and Remediation

The Low and Moderate Income Rental Program (LMIR) makes interest-bearing, amortizing first mortgages available for the refinance, acquisition, rehabilitation or new construction/conversion of rental developments that house low- and moderate-income Minnesotans. This program also includes bridge loans and equity take-out loans. Financing is available both through the RFP and on an open pipeline basis. Deferred loans under Flexible Financing for Capital Costs (FFCC) are available only in conjunction with LMIR loans.

Current tenant income limit: 40 percent of units must be at 60 percent area median income; or 20 percent of units must be at 50 percent area median income; and 25 percent of units may be unrestricted; balance may be up to 100 percent area median income.

Maximum loan amount: no set limit; minimum amount is two million dollars on tax-exempt bond loans and $350,000 on all others.

Program Performance and Trends

For the period of October 1, 2009 – September 30, 2010, Minnesota Housing financed:

- loans for nine developments
- $12,440,812 loan amount
- $1,382,312 average loan or $25,338 per unit
- median household income was $19,943 or 28.4 percent of statewide median
- 35.5 percent of households occupying LMIR units were of color

Proposal for 2012

The 2012 program will include $20 million for conduit financing to preserve federally-assisted housing with a focus on developments with minimal gap financing needs.

Based on resources available for new activity in 2012, Minnesota Housing expects to finance approximately 2,175 units under this program.

Sources and Uses

	10-11 Plan	2012 Plan
Sources		
Carry Forward of Undisbursed Bond Proceeds	$ -0-	$ 15,901,183
Carry Forward of Housing Investment Fund	32,038,922	58,345,860
New Bond Issues	30,000,000	40,000,000
New Housing Investment Fund Allocation	42,000,000	28,000,000
Total Sources	$ 104,038,922	$ 142,247,043
Uses		
Program Disbursements for Prior Plan Commitments	$ 32,038,922	$ 74,247,043
New Program Activity for Current Plan	72,000,000	68,000,000
Total Uses	$ 104,038,922	$ 142,247,043

Legal Authority: Minn. Stat. §462A.05, Subd. 3

Flexible Financing for Capital Costs (FFCC)

Provide New Opportunities for Affordable Housing • Prevent and End Long-Term Homelessness • Preserve Existing Affordable Housing • Mitigate Foreclosure Impact Through Prevention and Remediation

The Flexible Financing for Capital Costs (FFCC) program provides deferred loans at low or no interest to support the production, stabilization, and maintenance of multifamily rental housing. Funds are provided only in conjunction with Low and Moderate Income Rental (LMIR) first mortgage loans and may be used in conjunction with the refinancing of existing loans.

The current FFCC program is administered both through the Consolidated RFP and on a pipeline basis, allowing the Agency to act quickly to meet the immediate needs of a development that, if required to wait for a request for proposal (RFP), would be unnecessarily delayed and subjected to hardship.

Current tenant income limit: 40 percent of units must be at 60 percent area median income; or 20 percent of units must be at 50 percent area median income; and 25 percent of units may be unrestricted; balance may be up to 100 percent area median income

Maximum loan amount: no set limit, subject to funding availability

Program Performance, Trends and Evaluation

Data from the annual assessment report for 2010 show that Minnesota Housing financed $3,314,811 in FFCC loans for four developments. The average award was $828,703 per development or $18,114 per unit. This resource allowed the Agency to further assist 183 units of affordable housing (financed under LMIR) during the year.

FFCC is linked to the LMIR program and is part of the strategy and implementation of the LMIR first mortgage product.

Proposal for 2012

Based on resources available for new activity in 2012 Minnesota Housing expects to assist approximately 200 units under FFCC.

Sources and Uses

	10-11 Plan	2012 Plan
Sources		
Carry Forward of Housing Affordability Fund	$ 3,744,563	$ 3,918,571
New Housing Affordability Fund Allocation	8,530,000	4,500,000
Total Sources	$ 12,274,563	$ 8,418,571
Uses		
Program Disbursements for Prior Plan Commitments	$ 3,744,563	$ 3,918,571
New Program Activity for Current Plan	8,530,000	4,500,000
Total Uses	$ 12,274,563	$ 8,418,571

Legal Authority: Minn. Stat. §462A.05, Subd.3, and - Minn. Stat. §462A.21, Subd.8a.

Low Income Housing Tax Credits

Provide New Opportunities for Affordable Housing • Preserve Existing Affordable Housing • Prevent and End Long-Term Homelessness • Mitigate Foreclosure Impact Through Prevention and Remediation

The Housing Tax Credit (HTC) program provides a federal income tax credit to owners and investors for the construction or acquisition with substantial rehabilitation of eligible rental housing. Housing must meet income and rent restrictions for a minimum of 30 years. Tax credits are awarded in two competitive allocation rounds each year with Round 1 held concurrently with the Minnesota Housing Multifamily Consolidated Request for Proposals. The amount of tax credits allocated to each state is based upon the state population and a per capita amount which increases each year with the cost of living. A portion of the State's allocation is allocated by statute among seven cities and counties that are designated suballocating agencies. Some suballocators have entered into an HTC Joint Powers Agreement with Minnesota Housing under which Minnesota Housing performs certain functions related to the credit allocation and compliance monitoring. As a condition of the Joint Powers Agreement, the participating suballocator will apportion its entire annual tax credit distribution to Minnesota Housing to administer.

In February 2009, President Obama signed the American Recovery and Reinvestment Act (ARRA) to stimulate the economy and save or create millions of jobs. ARRA provided Minnesota with the resources necessary to bring "shovel ready" projects to production and close financing gaps in these projects created by reduced credit pricing and lack of syndicator equity.

Program Performance and Trends

For the Program Assessment period of October 1, 2009 – September 30, 2010:

- 1,142 HTC units in 22 developments
- $91,030,074 in syndication proceeds
- average syndication amount per unit was $76,428
- median income of households in HTC units previously funded by Minnesota Housing was $17,505 or 24.1 percent of statewide median
- 48.8 percent of total were households of color

For the Program Assessment period of October 1, 2009 – September 30, 2010, Minnesota Housing funded an additional 900 units in the amount of $56,736,673 using the ARRA appropriation. Minnesota Housing had committed or disbursed all ARRA funds as of the end of FFY 2010.

Proposal for 2012

Based on the available HTC credit ceiling, Minnesota Housing expects to allocate tax credits for approximately 700 units in 2012.

Sources and Uses

	10-11 Plan	2012 Plan
Sources		
Carry Forward of Housing Investment Fund	$ -0-	$ 2,564,583
Carry Forward of Tax Credit Exchange Funds		3,176,723
New Federal Housing Tax Credit Allocation	15,000,000	7,700,000
New Tax Credit Exchange Funds	40,653,927	-0-
New Gap Financing (TCAP)	19,249,159	-0-
New Housing Investment Fund Allocation	16,250,000	-0-
Total Sources	$ 91,153,086	$ 13,441,306
Uses		
Program Disbursements for Prior Plan Commitments	$ -0-	$ 5,741,306
New Program Activity for Current Plan	91,153,086	7,700,000
Total Uses	$ 91,153,086	$ 13,441,306

Legal Authority: Minn. Stat. §462A.221-225; IRC §42

Affordable Rental Preservation

Preserve Existing Affordable Housing • Prevent and End Long-term Homelessness • Mitigate Foreclosure Impact Through Prevention and Remediation

This program will include activity formerly funded under the Affordable Rental Investment Fund – Preservation (PARIF). It is a statewide program that provides deferred loans to help cover the costs of preserving permanent affordable rental housing with long-term, project-based federal subsidies that are in jeopardy of being lost. Program funds may also be used to preserve existing supportive housing developments. The program provides funds to help with the costs of acquisition, rehabilitation, and debt restructuring, as well as equity take-out. Federal HOME dollars are an added funding source for this preservation activity.

Current tenant income limit: subject to Federal guidelines of assistance being preserved

Maximum assistance amount: None

Program Performance and Trends

For the Program Assessment period of October 1, 2009 – September 30, 2010, Minnesota Housing funded:

- loans for 11 developments
- $9,337,735 loan amount
- average loan amount was $848,885 or an average of $24,066 per unit
- median household income of tenants was $10,320 or 14.1 percent of statewide median
- 50.4 percent of total assisted were households of color

This program continues to be a critical tool in the long-term preservation of expiring project-based Section 8 contracts as well as other project-based federally assisted housing. It also has been an effective tool in advancing the business plan to end long-term homelessness with the addition of preserving existing supportive housing in 2012 as an eligible activity.

As of April 2011, Minnesota Housing estimates the present value of Federal assistance preserved through deferred funding, approximately 80 percent of which is PARIF, to be nearly $840 million.

Proposal for 2012

Based on resources available for new activity in 2012, Minnesota Housing expects to fund approximately 1,260 units under this program.

Sources and Uses

	10-11 Plan	2012 Plan
Sources		
Carry Forward of State Appropriations	$ 17,803,760	$ 7,094,986
Repayments	200,000	500,000
New State Appropriations	17,642,000	7,313,000
Carry Forward of Prior Years Federal HOME Funds		6,280,847
New Federal HOME Funds		6,956,138
Total Sources	$ 35,645,760	$ 28,144,971
Uses		
Program Disbursements for Prior Plan Commitments	$ 16,692,067	$ 5,831,787
New Program Activity for Current Plan	18,953,693	22,313,184
Total Uses	$ 35,645,760	$ 28,144,971

Legal Authority: Minn. Stat. §462A.21, Subd. 8b and 14a; Minn. Stat. §462A.05, Subd. 3b; Laws of Minnesota 2009, Chap. 17, Art. 1, Sec. 6; Minn. Rules, Parts 4900.3500-3550, 2700-2707, 4900.0610-0700 and Title 11 of the Cranston-Gonzales National Affordable Housing Act; 42 U.S.C. §12701 et seq; 24 CFR Part 92

Rental Rehabilitation Loan Program

Preserve Existing Affordable Housing

The Rental Rehabilitation Loan (RRL) Program provides property improvement amortizing loans to residential rental property owners through local participating lenders. Loans are interest bearing and fully amortizing for 1-15 year terms. Financing is available statewide.

Current tenant income limit: 80 percent of statewide median income

Maximum loan amount: $25,000 for 1-2 units; or $10,000 per unit up to $100,000

Program Performance and Trends

For the Program Assessment period of October 1, 2009 – September 30, 2010, Minnesota Housing financed:

- 15 loans for the rehabilitation of 143 units of rental housing
- $441,237 loan amount
- average loan size was $29,416 or $3,086 per unit
- median household income of tenants was $22,000 or 30.1 percent of statewide median
- 45.5 percent of total were households of color

Proposal for 2012

Based on resources available for new activity in 2012, Minnesota Housing expects to finance approximately 270 units under this program.

Sources and Uses

Sources	**10-11 Plan**	**2012 Plan**
Carry Forward of Housing Investment Fund	$ -0-	$ 111,000
Carry Forward of Federal HOME Appropriation (HOME Rental Rehabilitation Program)	8,322,151	3,526,678
Carry Forward of State Appropriations	-0-	-0-
New Housing Investment Fund Allocation	2,500,000	1,000,000
New Federal Appropriations	2,000,000	-0-
New State Appropriations	-0-	-0-
Total Sources	$ 12,822,151	$ 4,637,678
Uses		
Program Disbursements for Prior Plan Commitments	$ 10,322,151	$ 3,637,678
New Program Activity for Current Plan	2,500,000	1,000,000
Total Uses	$ 12,822,151	$ 4,637,678

Legal Authority: Minn. Stat. §462A.05, Subd. 14

Rental Rehabilitation Deferred Loan (RRDL) Pilot Program

Preserve Existing Affordable Housing

A new Rental Rehabilitation Deferred Loan (RRDL) Pilot Program will launch in October 2011. This new pilot program will preserve existing affordable rental housing stock throughout Greater Minnesota and is intended to serve owners of smaller properties not applying through the competitive Request for Proposals process.

The program will provide rental property owners a streamlined, moderate rehabilitation deferred loan program at no interest that will be accessible through a local administrative network. The RRDL Program may serve all areas of the state with the exception of HOME entitlement areas.

Current tenant income limit: 80 percent of statewide median income

Maximum loan amount: $300,000. Minimum loan amount: $25,000

Program Performance and Trends

None

Proposal for 2012-2013

Based on resources available for new activity in 2012, Minnesota Housing expects to finance approximately 400 units under this program.

Sources and Uses

	10-11 Plan	2012 Plan
Sources		
New Housing Affordable Fund Allocation	$ -0-	$ 597,585
Carry Forward of State Appropriations	3,046,595	7,062,000
New State Appropriations	8,062,000	2,449,000
Total Sources	$ 11,108,595	$ 10,108,585
Uses		
Program Disbursements for Prior Plan Commitments	$ -0-	$ -0-
New Program Activity for Current Plan	11,108,595	10,108,585
Total Uses	$ 11,108,595	$ 10,108,585

Legal Authority: Minn. Stat. §462A.33; Minn. Rules, Parts 4900.3600-3652

Section 8 – Performance Based Contract Administration (PBCA)

Preserve Existing Affordable Housing

Effective August 1, 2000 the Agency entered into an agreement with the U.S. Department of Housing and Urban Development (HUD) to administer Section 8 contracts (348 contracts, more than 18,000 units) that are not part of the Agency's first mortgage portfolio. This agreement provides for an efficient, statewide administration of Federal project-based Section 8 rental assistance. The Agency's primary responsibilities are performing management and occupancy reviews, processing contract renewals and annual rent adjustments, processing monthly payment vouchers, and following up on Real Estate Assessment Center (REAC) physical inspections. These activities assist the Agency in identifying and planning for the preservation needs of the HUD or privately-mortgaged Section 8 developments.

The contract with HUD to administer these Section 8 contracts was rebid in 2011 and Minnesota Housing was awarded the new contract, which extends from October 1, 2011 through September 30, 2013.

Program Performance and Trends

Geographic distribution of developments is important in understanding differences in assistance (and tenants assisted) between Traditional Contract Administration (TCA - Minnesota Housing-financed Section 8) and Performance Based Contract Administration (PBCA – other Section 8). An estimated 33 percent of PBCA units are located in the cities of Minneapolis and Saint Paul; an estimated 16 percent of TCA units are located in the center cities.

As of the end of 2010, the median income of the nearly 18,000 households served under PBCA was $10,470 (14.3 percent of statewide median at that time). Among assisted households reporting, 36.4 percent were households of color.

Proposal for 2012

Housing Assistance Payments will be made under 351 Section 8 contracts covering 18,503 units.

Sources and Uses

	10-11 Plan	2012 Plan
Sources		
New Federal PBCA Allocation	$ 190,000,000	$ 105,000,000
Total Sources	$ 190,000,000	$ 105,000,000
Uses		
New Program Activity for Current Plan	$ 190,000,000	$ 105,000,000
Total Uses	$ 190,000,000	$ 105,000,000

Legal Authority: Minn. Stat. §462A.05, Subd. 11; 42 U.S.C. §1437f (Section 8 of the Housing and Community Development Act of 1937, as amended)

Section 8 – Traditional Contract Administration (TCA)

Preserve Existing Affordable Housing

The Section 8 program was enacted in 1974 to provide decent, safe, and sanitary affordable housing for households with a range of incomes. For all developments, at least 40 percent of new households must have incomes at or below 30 percent of the area median income. In developments built before 1981, all new tenant households must have incomes at or below 80 percent of the median income. In developments built since 1981, all new tenant households must have incomes at or below 50 percent of the area median income. The U.S. Department of Housing & Urban Development (HUD) allows exceptions for developments that are experiencing vacancy problems.

Minnesota Housing provided permanent mortgage financing for these Section 8 developments from 1975 to the mid-1980s.

Program Performance and Trends

As of the end of 2010, these Minnesota Housing-financed rental developments housed nearly 12,000 low income households.

Geographic distribution of developments is important in understanding differences in assistance (and tenants assisted) between Traditional Contract Administration (TCA - Minnesota Housing-financed Section 8) and Performance Based Contract Administration (PBCA – other Section 8). An estimated 33 percent of PBCA units are located in the cities of Minneapolis and Saint Paul; an estimated 16 percent of TCA units are located in the center cities.

Median income of households in TCA developments was $11,679 (16.0 percent of statewide median) as of the end of 2010. Among these Section 8 tenants, 22.8 percent were households of color.

Proposal for 2012

Minnesota Housing will make Housing Assistance Payments under 215 Section 8 contracts covering 12,418 units in developments financed by Minnesota Housing.

Sources and Uses

	10-11 Plan	2012 Plan
Sources		
New Federal Section 8 Allocation	$ 150,000,000	$ 75,000,000
Total Sources	$ 150,000,000	$ 75,000,000
Uses		
New Program Activity for Current Plan	$ 150,000,000	$ 75,000,000
Total Uses	$ 150,000,000	$ 75,000,000

Legal Authority: Minn. Stat. §462A.05, Subd. 11; 42 U.S.C. §1437f (Section 8 of the Housing and Community Development Act of 1937, as amended)

Section 236 Program

Preserve Existing Affordable Housing

The Section 236 program, which was used to fund low-income housing in the late 1960s and early 1970s, was predominately a program between the Federal government, private lenders, and private for-profit and nonprofit developers. Under the Section 236 program, the Federal government subsidized the interest rate on the mortgage from the then current market rate to a rate of one percent in order to reduce rents and make housing more affordable. The Section 236 program was a predecessor to the Section 8 program.

Program Performance and Trends

This program provides 548 units of affordable housing in eight developments to residents with incomes at or below 80 percent of median income adjusted for family size. In 2010, the Agency disbursed $1,616,246 in interest reduction payments for Section 236 housing. We do not report separately on the demographics of tenants of Section 236 housing.

Proposal for 2012

This funding will assist eight developments including 548 housing units.

Sources and Uses

	10-11 Plan	2012 Plan
Sources		
New Federal Section 236 Allocation	$ 3,250,000	$ 1,625,000
Total Sources	$ 3,250,000	$ 1,625,000
Uses		
New Program Activity for Current Plan	$ 3,250,000	$ 1,625,000
Total Uses	$ 3,250,000	$ 1,625,000

Legal Authority: Minn. Stat. §462A.05, Subd. 11; 12 U.S.C. §1715z-1 (Housing and Urban Development Act of 1968)

Housing Trust Fund (HTF)

Prevent and End Long-Term Homelessness • Preserve Existing Affordable Housing

The Housing Trust Fund (HTF) can be used for three types of activities:

- Capital financing for acquisition, construction, rehabilitation of affordable and/ or permanent supportive housing.
- Operating subsidies for unique costs associated with operating a low-income or supportive housing development or for revenue shortfall to help reduce the difference between the costs of operating a low-income housing development and the rents that the tenants can afford to pay.
- Rental assistance in the form of a tenant-based, sponsor-based, or project-based contract. Rental Assistance is intended to be temporary in nature and provide assistance to individual households.

Funds can be provided as grants or deferred with no or low interest. Funding priority is given to housing proposals that serve tenants with incomes at 30 percent of the median family income for the Minneapolis/Saint Paul metropolitan area. Priority also is given to proposals serving households experiencing long-term homelessness.

Current tenant income limit: 60 percent of Minneapolis/Saint Paul Metropolitan Statistical Area median with priority for proposals affordable at 30 percent

Maximum loan amount: none beyond funding availability

Program Performance and Trends

For the Program Assessment period of October 1, 2009 – September 30, 2010, Minnesota Housing funded capital or operating expenses for:

- Loans for 11 developments
- $17,552,234 loan amount
- average per loan was $866,612 or a per unit average of $31,913
- median household income of tenants was $8,328 or 11.4 percent of statewide median
- 46.1 percent of total were households of color

For the Program Assessment period of October 1, 2009 – September 30, 2010, Minnesota Housing funded HTF rental assistance for:

- 2,106 households
- $10,618,666 assistance amount
- average monthly assistance amount of $562 per household per month
- median household income was $7,276 or 10 percent of statewide median
- 65.3 percent of total were households of color

In 2010, 62 percent of HTF funds were spent for capital and operating expenses and 38 percent for rental assistance vouchers.

Proposal for 2012

It is expected that 100 percent of HTF funds in the 2012 AHP will be used to renew funding for existing rental and operating subsidy grants. Based on resources available for new activity in 2012, Minnesota Housing expects to fund approximately 1,900 households or units under this program.

The State Legislature made no provisions for affordable housing to be developed through the capital bonding process in 2012.

Sources and Uses

	10-11 Plan	2012 Plan
Sources		
Carry Forward of State Appropriations	$ 21,227,450	$ 11,283,894
Pohlad Foundation Contribution	2,400,000	-0-
Real Estate Brokerage Account Earnings	375,000	50,000
501 (c) (3) Bonds	30,000,000	17,000,000
New State Appropriations	21,610,000	9,555,000
Total Sources	$ 75,612,450	$ 37,888,894
Uses		
Program Disbursements for Prior Plan Commitments	$ 18,357,857	$ 27,816,903
New Program Activity for Current Plan	57,254,593	10,071,991
Total Uses	$ 75,612,450	$ 37,888,894

Legal Authority: Minn. Stat. §462A.201; Minn. Rules, Parts 4900.3700-3769

Ending Long-Term Homelessness Initiative Fund (ELHIF)

Preserve Existing Affordable Housing • Prevent and End Long-Term Homelessness

The Ending Long-Term Homelessness Initiative Fund (ELHIF) is used for permanent supportive housing for persons experiencing long-term homelessness, and operates under the Housing Trust Fund (HTF) statute and program rules. Please refer to the HTF program for a more complete description.

In addition to the uses described under HTF, funds have been used for non-bondable development costs in general obligation bond-funded (GO) supportive housing projects and Homeless Management Information System (HMIS) to collect data for efforts under this initiative.

Program Performance and Trends

The Business Plan to End Long-Term Homelessness has a goal of funding 4,000 housing opportunities by the end of 2015 for persons experiencing long-term homelessness. As of June 29, 2011, 3,582 new opportunities have been created with a variety of resources, including ELHIF.

Minnesota Housing has budgeted $96 million of state appropriations and Agency resources to meeting this goal and committed $87 million as of June 2011. In addition to committing funds for capital, Minnesota Housing also uses ELHIF as a funding resource for operating subsidies and rental assistance vouchers.

For the Program Assessment period of October 1, 2009 – September 30, 2010, Minnesota Housing funded these capital and operating expenses:

- loans for 17 developments
- $8,472,964 loan amount
- average loan amount was $498,410 or an average of $10,947per unit
- median household income of tenants was $10,020 or 13.7 percent of statewide median
- 80.3 percent of total were households of color

Proposal for 2012

Based on resources available for new activity in 2012, Minnesota Housing expects to assist approximately 300 households or units under this program.

Sources and Uses

	10-11 Plan	2012 Plan
Sources		
Carry Forward of Housing Affordability Fund	$ 17,194,807	$ 10,912,475
New Housing Affordability Fund Allocation	7,500,000	1,598,600
Total Sources	$ 24,694,807	$ 12,511,075
Uses		
Program Disbursements for Prior Plan Commitments	$ 17,194,807	$ 10,912,475
New Program Activity for Current Plan	7,500,000	1,598,600
Total Uses	$ 24,694,807	$ 12,511,075

Legal Authority: This fund will be operated under the Housing Trust Fund Rules. Minn. Stat. §462A.201; Minn. Rules, Parts 4900.3700-3769

Bridges

Preserve Existing Affordable Housing

Bridges is a statewide program, operated in selected counties, which provides grants for temporary rental assistance payments and security deposits paid directly to landlords. Assistance is provided on behalf of participants with serious mental illness who are on a waiting list for a permanent rent subsidy, typically a Section 8 Housing Choice Voucher. The program is administered by local housing organizations in communities in which eligible applicants live. Referral to the program must be made by a mental health professional.

The Minnesota Department of Human Services and Minnesota Housing collaborate in the administration of the program. The Department of Human Services operates a similar program that provides housing assistance to people with serious mental illness in crisis situations.

Current tenant income limit: 50 percent of area median income

Maximum assistance amount: none beyond funding availability

Program Performance and Trends

For the Program Assessment period of October 1, 2009 – September 30, 2010, Minnesota Housing funded:

- 664 households
- $2,680,913 assistance amount
- average monthly assistance amount was $448 per household per month
- median household income of participants was $9,300 or 12.7 percent of statewide median
- 27.5 percent of total were households of color

Proposal for 2012

Based on resources available for new activity in 2012, Minnesota Housing expects to assist approximately 500 households under this program.

Sources and Uses

	10-11 Plan	2012 Plan
Sources		
Carry Forward of State Appropriations	$ 335,178	$ 84,285
New State Appropriations	5,276,000	2,638,000
Total Sources	$ 5,611,178	$ 2,722,285
Uses		
Program Disbursements for Prior Plan Commitments	$ 226,237	$ 15,889
New Program Activity for Current Plan	5,384,941	2,706,396
Total Uses	$ 5,611,178	$ 2,722,285

Legal Authority: Minn. Stat. §462A.2097; Minn. Rules, Parts 4900.3000-3050

Family Homeless Prevention and Assistance Program (FHPAP)

Preserve Existing Affordable Housing • Prevent and End Long-Term Homelessness

The Family Homeless Prevention and Assistance Program (FHPAP) provides grants to encourage and support innovations at the county, region, or local level in establishing a comprehensive homelessness response system or in redesigning an existing one. Funds are used for a broad range of purposes aimed at preventing homelessness, shortening the length of stay in emergency shelters or length of homelessness, and assisting individuals and families experiencing homelessness to secure transitional or permanent affordable housing.

Grant funds are awarded through a competitive application process for the State biennium. In the Minneapolis/Saint Paul metropolitan seven-county area, a county is the only eligible applicant. In Greater Minnesota, eligible applicants include a county, a group of contiguous counties jointly acting together, or a community-based nonprofit organization with a sponsoring resolution from each of the county boards of the counties located within its operating jurisdiction.

Current household income limit: lacking sufficient resources to maintain or obtain housing; eligibility criteria set locally

Maximum assistance amount: none beyond funding availability

Program Performance and Trends

For the Program Assessment period of October 1, 2009 – September 30, 2010, Minnesota Housing funded:

- 9,653 households
- $6,251,827 funding amount
- average assistance was $648 per household
- median household income was $9,420 or 12.9 percent of statewide median
- 51.2 percent of total were households of color

FHPAP grantees have implemented a variety of homeless prevention and stabilization activities including rent or mortgage assistance, utility assistance, and an array of support services to assist people to stay in their homes or secure housing. As of the end of 2010, 42.1 percent of funds distributed to providers for the biennium had been used for direct cash assistance including rent and mortgage assistance, security deposits, and transportation and utility assistance; 48.9 percent of funds were used for support services; and 9 percent of funds were used for program administration.

FHPAP is an important resource in the effort to end homelessness. The program assists extremely low-income people at a low assistance per household cost, primarily with short-term tenant-based assistance (limited to 24 months, most typically less than three months). Data collected through the Homeless Management Information System (HMIS) indicate that less than five percent of assisted household returned to shelter within six months of exiting this program.

Proposal for 2012

Based on resources available for new activity in 2012, previous levels of activity, and an increase in maximum assistance available per household, this program is expected to assist approximately 10,260 households during the year.

Sources and Uses

	10-11 Plan	2012 Plan
Sources		
Carry Forward of State Appropriations	$ 55,290	$ 50,095
New State Appropriations	14,930,000	7,465,000
Total Sources	$ 14,985,290	$ 7,515,095
Uses		
Program Disbursements for Prior Plan Commitments	$ 55,000	$ 26,599
New Program Activity for Current Plan	14,930,290	7,488,496
Total Uses	$ 14,985,290	$ 7,515,095

Legal Authority: Minn. Stat. §462A.204

Housing Opportunities for Persons with AIDS (HOPWA)

Preserve Existing Affordable Housing • Prevent and End Long-Term Homelessness

The Housing Opportunities for Persons with AIDS (HOPWA) program provides grants that can be used to meet the housing needs of persons with Acquired Immune Deficiency Syndrome (AIDS), HIV-positive status or related diseases, and their families. The program authorizes grants for both housing assistance and services. HOPWA funds are appropriated by Congress to the U.S. Department of Housing and Urban Development. The City of Minneapolis receives and administers a direct grant for the 13-county Minneapolis/Saint Paul Metropolitan Statistical Area. Minnesota Housing receives a direct award of funds for the portion of the State not covered by the City of Minneapolis grant and contracts with the Minnesota AIDS Project Greater Minnesota Emergency Program to administer these funds in the given geographical area.

Current tenant income limit: 80 percent of area median income adjusted for family size.
Maximum assistance amount: none beyond funding availability.

Program Performance and Trends
For the Program Assessment period of October 1, 2009 – September 30, 2010, Minnesota Housing funded:

- 155 households
- $112,376 assistance amount
- median household income was $13,648 or 18.5 percent of statewide median
- average rental assistance per household per month was $725
- 40 percent of total were households of color

Proposal for 2012
Based on resources available for new activity in 2012, Minnesota Housing expects to assist approximately 160 households under this program.

Sources and Uses

	10-11 Plan	2012 Plan
Sources		
Carry Forward of Federal Appropriations	$ 154,515	$ 150,890
New Federal Appropriations	249,050	139,821
Total Sources	$ 403,565	$ 290,711
Uses		
Program Disbursements for Prior Plan Commitments	$ 154,515	$ 150,890
New Program Activity for Current Plan	249,050	139,821
Total Uses	$ 403,565	$ 290,711

Legal Authority: Cranston-Gonzales National Affordable Housing Act 1990; 42 U.S.C. §12901-12921; 24 C.F.R. Part 574

Asset Management

Preserve Existing Affordable Housing

The Asset Management account is used to make interest and non-interest bearing amortizing and deferred loans as well as rent subsidy grants and is an important resource for preserving the stock of affordable rental housing. Minnesota Housing-financed first mortgage developments may be eligible for funding from this account if reserves are inadequate to fund capital improvements. Loans from this provide funding necessary for repairs and maintenance to protect the Agency's assets and ensure the development is decent, safe and sanitary. A property needs analysis tool is used to project physical needs and operating deficiencies.

Minnesota Housing can also use these funds to pay for costs incurred when a property goes into default and eventually becomes Real Estate Owned (REO) by the Agency. Costs of legal representation for the Agency, taxes and insurance, other operating costs, capital improvements necessary to market the property, and loan losses are paid with resources allocated to this program. The funds are also used to stabilize troubled developments that, had they become REO, would have cost the Agency more in losses than the total cost of stabilizing them.

Program Performance and Trends

For the period of October 1, 2009 – September 30, 2010, the Agency provided four loans to developments in the amount of $2,794,456. Loans averaged $698,614 or $27,356 per unit. Developments receiving asset management funds are generally required to extend any applicable Section 8 contracts for 10 additional years. The present value of extending the Section 8 contracts during the above timeframe was $8 million.

Proposal for 2012

Based on resources available for new activity in 2012, Minnesota Housing expects to fund 235 units under this program. The property needs analysis tool identified at least 16 properties that will need asset management loans in the next two years.

Sources and Uses

	10-11 Plan	2012 Plan
Sources		
Carry Forward of Housing Affordability Fund	$ 3,400,733	$ 509,183
Carry Forward of Rental Housing 2004C Bond Proceeds	-0-	610,000
Rental Housing 2004C Bond Proceeds	8,000,000	0-
New Federal Appropriation	7,700,000	-0-
New Housing Affordability Fund Allocation	7,300,000	3,500,000
Total Sources	$ 26,400,733	$ 4,619,183
Uses		
Program Disbursements for Prior Plan Commitments	$ 3,400,733	$ 1,119,183
New Program Activity for Current Plan	23,000,000	3,500,000
Total Uses	$ 26,400,733	$ 4,619,183

Legal Authority: Minn. Stat. §462A.05, Subd. 3

Financing Adjustment Factor (FAF) / Financing Adjustment (FA)

Preserve Existing Affordable Housing

Financing Adjustment Factor (FAF) and Financing Adjustment (FA) savings come to the Agency as a result of an agreement between the U.S. Department of Housing and Urban Development (HUD) and Minnesota Housing to share in the savings resulting from refunding high interest rate bonds originally issued in 1980 and 1982 to finance Section 8 developments. These funds are used to pay for deferred maintenance and operating subsidies of previously funded Minnesota Housing multifamily projects to enable the projects to continue to serve low-and extremely low-income families. This account is used to make interest-and non-interest-bearing, amortizing and deferred loans or grants as well as rent subsidy grants. A property needs analysis tool is used to project physical needs and operating deficiencies.

Program Performance and Trends

From October 1, 2009 – September 30, 2010, Minnesota Housing closed three FAF/FA loans in the amount of $1,726,231 for an average loan amount of $575,410. The present value of extending the Section 8 contract for 10 years was $5 million.

Proposal for 2012

Based on resources available for new activity in 2012, Minnesota Housing expects to finance approximately 60 units under this program.

Sources and Uses

	10-11 Plan	2012 Plan
Sources		
Carry Forward of Federal FAF/FA Account	$ 1,831,943	$ 3,293,192
New FAF/FA Account Allocation	8,500,000	875,015
Total Sources	$ 10,331,943	$ 4,168,207
Uses		
Program Disbursements for Prior Plan Commitments	$ 1,831,943	$ 3,293,192
New Program Activity for Current Plan	8,500,000	875,015
Total Uses	$ 10,331,943	$ 4,168,207

Legal Authority: Minn. Stat. §462A.05, Subd. 11

Economic Development and Housing/Challenge Program

Provide New Opportunities for Affordable Housing • Preserve Existing Affordable Housing • Prevent and End Long-Term Homelessness • Mitigate Foreclosure Impact Through Prevention and Remediation

The Economic Development and Housing/Challenge Program (Challenge Fund) provides grants or loans for the purposes of construction, acquisition, rehabilitation, construction or permanent financing, interest rate reduction, refinancing and gap financing. Funds are used to support economic development or job creation activities within a community or region by meeting locally identified housing needs for both renter and owner-occupied housing. As of 2010, funds also may be used for the conversion of manufactured home parks to cooperative ownership, e.g., resident-owned.

The program is designed to provide housing affordable to the local workforce based upon the wages of the jobs being created or retained in the area, fastest growing jobs in the local area, and jobs with the most openings in the local area, or wages of the workforce employed by organizations making contributions under the program.

These deferred loans are typically provided at no or low interest for a term of 30 years. Minnesota Housing requires that most affordability gap financing awards be provided in the form of loans repayable to the Agency.

Challenge Fund loans may be made to cities, private developers, tribal and urban Indian housing authorities, nonprofit organizations or owners of housing, including individuals, for both multifamily and single family projects.

The Challenge Fund requires that 50 percent of the funds be used for projects that have leveraged funds from non-state resources. Preference is given to proposals with the greatest portion of costs covered by non-state resources. Preference is also given to proposals with contributions from local units of government or private philanthropic organizations.

Current income limit: 115 percent of the greater of area or State median income for owner-occupied housing and 80 percent of the greater of area or State median income for rental housing.

Maximum loan amount: None beyond funding availability

Program Performance and Trends

Program Assessment data for the owner-occupied housing funds under Economic Development and Housing/Challenge Program is included in data provided for the Community Revitalization Fund (CRV), which is the umbrella program under which Minnesota Housing currently delivers the Challenge Fund, and two interim construction financing programs for homeownership activities. Information on the Challenge Fund is not available separately given current database constraints; however, the Community Revitalization Fund as a whole has proven to be a valuable resource for increasing the housing supply for low and moderate-income households.

For the program assessment period October 1, 2009 – September 30, 2010, the Agency provided funding for owner-occupied housing 23.9 percent of which was new construction:

- 301 loans
- $46,357,235 loan amount
- average loan amount of $21,120
- median household income of borrowers was $33,088 or 45.3 percent of statewide median
- 41 percent of total were households of color

For the program assessment period October 1, 2009 – September 30, 2010, the Agency provided funding for affordable rental housing:

- 10 rental housing developments
- $7,391,815 loan amount
- average loan was $739,182 or $15,272 per unit
- median household income of tenants was $19,500 or 26.7 percent of statewide median income
- 60.5 percent of total were households of color.

Proposal for 2012
Based on resources available for new activity in 2012, Minnesota Housing expects to fund approximately 625 units under this program (465 in Single Family and 170 in Multifamily).

Funding includes $6 million for manufactured park conversions, $10.4 million for Community Recovery Financing (alternative financing for buying foreclosed homes), and $3 million for MyHomeSource.

For 2012, the Challenge Fund includes a set-aside for the first 11 months of the appropriations for both Tribal and Urban Indian Housing.

Sources and Uses

	10-11 Plan	2012 Plan
Sources		
Carry Forward of Housing Investment Fund	$ 10,000,000	$ 28,000,000
Carry Forward of State Appropriations	31,039,726	29,149,463
Repayments of State Appropriations	500,000	250,000
New Housing Affordability Fund	7,700,000	-0-
New Housing Investment Fund	38,000,000	19,400,000
New State Appropriations	14,786,000	6,955,000
Total Sources	$102,025,726	$ 83,754,463
Uses		
Program Disbursements for Prior Plan Commitments	$ 39,327,699	$ 55,921,969
New Program Activity for Current Plan	62,698,027	27,832,494
Total Uses	$102,025,726	$ 83,754,463

Legal Authority: Minn. Stat. §462A.33; Minn. Rules, Parts 4900.3600-3652

Technical Assistance and Operating Support

The Agency Technical Assistance and Operating Support Fund provides organizational support funding to entities providing affordable housing and housing-related services. The Agency contracts with intermediary organizations to deliver a large portion of the program funds to eligible organizational recipients. It also provides grants for projects that have an important State or regional impact and are consistent with the Minnesota Housing's mission. Grants may be used for projects that are research-oriented, that require external expertise to supplement existing staff, or that develop or support infrastructure related to the Agency's strategic priorities.

Program Performance and Trends

Examples of expenditures include contributions to the statewide counseling network through the Home Ownership Center, the Wilder Statewide Survey of Homelessness, the maintenance of and expansion of the database and processing system by HousingLink to provide affordable rental housing vacancy information statewide, the State's Homeless Management Information System (HMIS), regional Continuum of Care planning, the evaluation of updated national Green Communities criteria, and assistance with the refinement and implementation of new initiatives.

Proposal for 2012

Under the 2012 Plan, funds will be made available for a variety of operating support and technical assistance needs including continued support for the Minnesota Home Ownership Center, HMIS, the Regional Housing Advisory Groups, Continuum of Care regions, and HousingLink. Twin Cities LISC, Duluth LISC and the Minnesota Housing Partnership will provide operating support to other housing providers. In addition, this Affordable Housing Plan includes a newly developed CHDO Operating Support Program. Approximately 69 percent of the fund will be allocated for operating support and the balance will support research and other technical assistance needs.

Sources and Uses

	10-11 Plan	2012 Plan
Sources		
Carry Forward of Housing Affordability Fund	$ 767,850	$ 217,369
Carry Forward of Federal HOME Funds	-0-	462,189
Carry Forward of State Appropriated Funds	-0-	144,666
New Housing Affordability Fund Allocation	3,000,000	2,217,000
New Federal HOME Funds	-0-	462,189
New State Appropriated Funds	-0-	125,000
Total Sources	$ 3,767,850	$ 3,628,413
Uses		
Program Disbursement for Prior Plan Commitments	$ 909,350	$ 322,369
New Program Activity for Current Plan	3,732,573	3,306,044
Total Uses	$ 4,641,923	$ 3,628,413

Legal Authority: Minn. Stat. §462A.07, Subd. 6; Minn. Stat. §462A.21, Subd. 3b; Minn. Rules, Parts 4900.1931-1937; 42 U.S.C. §12701 et seq.; 24 C.F.R. Part 92;

Non-Profit Capacity Building Loan Program

Provide New Opportunities for Affordable Housing • Preserve Existing Affordable Housing • Prevent and End Long-term Homelessness

The Nonprofit Capacity Building Loan Program assists nonprofit organizations and local units of government in the development of housing projects for low-and moderate-income persons. The 0 to 3 percent interest-deferred loan funds are to be used for pre-development costs such as architect fees, attorney fees, options on land and buildings, and other costs associated with the processing or preparations of a housing project proposal. The program is a revolving loan fund delivered through administrators. Greater Metropolitan Housing Corporation and the Local Initiatives Support Corporation (Minneapolis/Saint Paul metropolitan) serve the seven-county Twin Cities area while the Minnesota Housing Partnership and the Local Initiatives Support Corporation (Duluth) serve the balance of the State.

Individual loans are selected and underwritten by the administrators with results reported to Minnesota Housing on a quarterly basis. These short-term loans are often used in conjunction with Minnesota Housing deferred assistance or permanent mortgage financing.

Current tenant income limit: 80 percent of statewide median income. Maximum loan amount: varies by administrator.

Program Performance and Trends

Minnesota Housing typically provides financing averaging approximately $125,000 per loan. This program, which achieves nearly a 1:1 match from our administrators, was established as a revolving loan program with repayments supporting new loan production.

The program supports the Agency's interest in the development or expansion of the capacity of nonprofit housing providers. Per the Memorandum of Understanding (MOU) in place, all interest earnings from the funds that have been allocated to the administrators are used for new loan production.

Proposal for 2012

Based on resources available for new activity in 2012, Minnesota Housing expects to fund approximately 1,000 units under this program.

Sources and Uses

	10-11 Plan	2012 Plan
Sources		
Revolving Housing Affordability Fund Allocation	$ 4,320,000	$ 5,320,000
Total Sources	$ 4,320,000	$ 5,320,000
Uses		
New Program Activity for Current Plan	$ 4,320,000	$ 5,320,000
Total Uses	$ 4,320,000	$ 5,320,000

Legal Authority: Minn. Stat. §462A.21, Subd. 3a; Minn. Rules, Parts 4900.1925-1930

Administrative Expenses (HOME)

Build our Organizational Capacity to Excel and Achieve our Vision

The HOME program regulations allow Minnesota Housing to recover the costs incurred in administering the program, subject to certain Federal restrictions regarding what constitutes allowable costs and subject to the restriction that reimbursed administrative costs cannot exceed 10 percent of the Federal appropriation. Agency administrative expenses are limited to Agency overhead and administrative fees paid to local administrators.

Program Performance and Trends

The Agency allocated 10 percent ($924,000) of its HOME allocation in Federal Fiscal Year 2011 to overhead. With more precise cost coding over the past several years and the successful negotiation and implementation of an indirect cost rate in fiscal year 2002, Minnesota Housing has increased the amount of expenses that are recovered under the HOME program from less than $300,000 in 1996 to an estimated $1,100,000 in 2011. The Agency's allocation of HOME funds to additional activities in recent years (e.g., bringing monitoring of HOME rental developments in-house) have contributed to increased administrative costs.

Proposal for 2012

New allocations of HOME funds will not occur until the annual appropriations are decided which will most likely be in the spring of 2012. This Affordable Housing Plan assumes that the new appropriations are the same as the total 2011 appropriation of $9.2 million; this is subject to change pending receipt of the actual funds. Administrative costs are budgeted at 10 percent for this Affordable Housing Plan.

Sources and Uses

	10-11 Plan	2012 Plan
Sources		
Carry Forward of Federal HOME Appropriations	$ 1,798,902	$ 902,588
New Federal HOME Appropriations	2,214,957	924,378
Total Sources	$ 4,013,859	$ 1,826,966
Uses		
Program Disbursements for Prior Plan Commitments	$ 476,890	$ 379,726
New Program Activity for Current Plan	3,536,969	1,447,240
Total Uses	$ 4,013,859	$ 1,826,966

Legal Authority: Title II of the Cranston-Gonzales National Affordable Housing Act 1990; 42 U.S.C. §12701, et. seq.

Manufactured Home Relocation Trust Fund

Preserve Existing Affordable Housing

The Manufactured Home Relocation Trust Fund requires owners of manufactured home parks to pay $12 per licensed lot into the Trust Fund each year. The owner of the manufactured housing park is authorized to recoup the $12 from the manufactured homeowner either monthly or in a lump sum. The Trust Fund is available to manufactured home owners who have to relocate because the park they are living in is being closed. The statute sets out the process for determining how much money a homeowner is eligible for and maximum amounts. Only those home owners who paid into the Trust Fund are eligible to receive payment. Funds are paid to Minnesota Management and Budget (formerly Department of Finance) for deposit in the Trust Fund held by Minnesota Housing. Minnesota Housing's role is to make payments as directed by a neutral third party for the costs of relocation.

Program Performance and Trends

No claims were filed or funds disbursed to satisfy existing claims during 2010. As of June 30, 2011 the relocation fund was $940,459.

Proposal for 2012

It is difficult to predict the level of demand for these funds given the limited experience to date. Minnesota Housing is not responsible for paying claims if there are insufficient funds in the Trust Fund.

Sources and Uses

	10-11 Plan	2012 Plan
Sources		
Carry Forward of State Appropriated Receipts	$ 276,479	$ 938,761
Receipts Received	200,000	300,000
Total Sources	$ 476,479	$ 1,238,761
Uses		
Program Disbursements for Prior Plan Commitments	$ -0-	$ -0-
New Program Activity for Current Plan	476,479	1,238,761
Total Uses	$ 476,479	$ 1,238,761

Legal Authority: Minn. Stat. §327C.095

Flood Economic Development and Housing/Challenge Program

Preserve Existing Affordable Housing

Minnesota Housing implemented the Flood Economic Development and Housing/Challenge Program to address flood damage in southeastern Minnesota that occurred in August of 2007. Subsequent Minnesota Legislature appropriations have been $2.7 million to address the 2009 Red River Valley flood and $4 million for the 2010 southern Minnesota flood.

The goal of this program is to provide funding for repair/replacement of real property damaged by federally declared disasters in Minnesota. These legislative appropriations are administered through the Quick Start Disaster Recovery Program.

Since 2007, Minnesota has experienced a natural disaster approximately every 15 to 18 months.

Program Performance and Trends

For the program assessment period October 1, 2009 – September 30, 2010, the Agency provided funding for:

- 17 loans
- $294,321 in loans
- average loan amount was $17,313
- median household income was $13,686 or 18.7 percent of statewide
- 11.8 percent of total were households of color

Proposal for 2012

Total resources for new activity are not known until the event of a federally declared disaster.

Sources and Uses

	10-11 Plan	2012 Plan
Sources		
Carry Forward of State Appropriations	$ 378,084	$ 1,028,718
New State Appropriations	2,700,000	-0-
Total Sources	$ 3,078,084	$ 1,028,718
Uses		
Program Disbursements for Prior Plan Commitments	$ 378,084	$ 735,897
New Program Activity for Current Plan	2,700,000	292,821
Total Uses	$ 3,078,084	$ 1,028,718

Legal Authority: Minn. Stat. §462A.33; Minn. Rules, Parts 4900.3600-3652

Disaster Relief Contingency Fund

Preserve Existing Affordable Housing

This fund was established by the 2001 Minnesota Legislature as the account into which the Agency would deposit all repayments of previously made disaster relief loans or grants. Funds deposited in this account are to be used to assist with rehabilitation or replacement of housing that is damaged by a natural disaster in areas that are covered by a presidential declaration of disaster. The terms and conditions under which the funds are made available are at the Agency's sole discretion.

Program Performance and Trends

The Contingency Fund was used to finance the Flood Insurance Recovery Program in 2008, which provided up to two years of flood insurance coverage for victims of the 2007 Southeastern Minnesota flood disaster. In 2011, the fund provided $1 million through the Quick Start Disaster Recovery Program to aid victims of the North Minneapolis tornado with home repair.

Proposal for 2012

Resources available for new activity in 2012 are. New program terms will determine the number of households to be assisted with contingency fund resources.

Sources and Uses

	10-11 Plan	2012 Plan
Sources		
Carry Forward of State Appropriations	$ 475,664	$ 1,617,461
Repayments	99,748	-0-
Total Sources	$ 575,412	$ 1,617,461
Uses		
Program Disbursements for Prior Plan Commitments	$ 99,748	$ 1,494,586
New Program Activity for Current Plan	475,664	122,875
Total Uses	$ 575,412	$ 1,617,461

Legal Authority: Minn. Stat. §462A.21, Subd. 29; Laws of Minnesota 2003, Chap. 128, Art. 10, Sec. 4, Subd. 2

Neighborhood Stabilization Program (NSP)

Mitigate Foreclosure Impact Through Prevention and Remediation

The Neighborhood Stabilization Program (NSP) funds targeted emergency assistance to states and local governments to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight. Minnesota Housing received funds under the first and third allocation rounds: $38.8 million in 2009 (NSP1) and $5 million in 2011 (NSP3).

Program Performance and Trends

There is no performance history for this federally funded program. Minnesota Housing allocated its NSP1 funding award in 2009 among nine agencies in the Twin Cities area and 12 in Greater Minnesota. All funds received under NSP1 have been committed to local projects. Minnesota Housing allocated funds received under NSP3 to five agencies in the Twin Cities area and one in Greater Minnesota.

Proposal for 2012

This program is in run-off.

Sources and Uses

	10-11 Plan	2012 Plan
Sources		
Carry Forward of Federal Appropriations	$ 36,177,272	$ 12,764,569
Total Sources	$ 36,177,272	$ 12,764,569
Uses		
Program Disbursements for Prior Plan Commitments	$ 36,177,272	$ 12,764,569
Total Uses	$ 36,177,272	$ 12,764,569

Legal Authority: Title III of Division B, section 2301 of the Housing and Economic Recovery Act of 2008 (HERA)

Tribal Indian Housing Program

Provide New Opportunities for Affordable Housing • Preserve Existing Affordable Housing

The Tribal Indian Housing Program provides funds to support homeownership and rental opportunities to American Indian families throughout the State. Funds have been provided pursuant to housing plans to address the unique housing needs. Program terms and conditions are proposed by each tribe subject to review and approval by the Agency.

To facilitate the most effective use of resources the Minnesota Legislature redirected Tribal and Urban Indian Housing funds to the Economic Development and Housing/Challenge Fund. Tribal and urban Indian organizations will apply for funds on a competitive basis under the Challenge program in 2012.

Program Performance and Trends

For the Program Assessment period of October 1, 2009 – September 30, 2010, the Tribal Indian Housing Program (included under the Economic Development and Housing/Challenge Program activity shown in the 2010 annual report) provided:

- 28 loans
- $2,307,600 loan amount (including Minnesota Housing disbursements and revolving funds)
- average loan per household was $82,414
- median household income was $40,767 or 55.8 percent of statewide median
- 100 percent were households of color

Proposal for 2012

This program is in run-off.

Sources and Uses

	10-11 Plan	2012 Plan
Sources		
Carry Forward of State Appropriations	$ 2,565,806	$ 888,256
New State Appropriations	-0-	-0-
Total Sources	$ 2,565,806	$ 888,256
Uses		
Program Disbursements for Prior Plan Commitments	$ 2,565,806	$ 888,256
New Program Activity for Current Plan	-0-	-0-
Total Uses	$ 2,565,806	$ 888,256

Legal Authority: Minn. Stat. §462A.07, Subd. 14; Minn. Rules, Parts 4900.0900-1080

Publicly Owned Housing Program (POHP)

Preserve Existing Affordable Housing

The Publicly Owned Housing Program (POHP) provides zero percent interest loans to eligible public entities to acquire, construct, or rehabilitate permanent supportive rental or transitional housing. Funds are from proceeds of State general obligation bonds and may be used only for eligible capital costs such as land, buildings, and related soft costs. Operational expenses are not eligible uses. Public ownership is required. A public entity may own and operate the rental housing or may contract with a nonprofit organization or another city to manage the development. Loans may be forgiven after 20 years.

Current tenant income limit: 50 percent of the greater of area or statewide median income

Maximum loan amount: none beyond funding availability

Program Performance and Trends

For the Program Assessment period of October 1, 2009 – September 30, 2010, Minnesota Housing financed:

- loans for two developments
- $44,066,068 loan amount
- an average of $78,194 per unit
- median household income of tenants was $8,724 or 11.9 percent of area median
- 33.7 percent of total were households of color

Proposal for 2012

The State Legislature made no provisions for affordable housing to be developed through the capital bonding process in 2012.

Sources and Uses

	10-11 Plan	2012 Plan
Sources		
Carry Forward of State Appropriations	$ 16,670,719	$ 9,764,382
New State Appropriations	2,000,000	-0-
Total Sources	$ 18,670,719	$ 9,764,382
Uses		
Program Disbursements for Prior Plan Commitments	$ 16,670,719	$ 9,764,382
New Program Activity for Current Plan	2,000,000	-0-
Total Uses	$ 18,670,719	$ 9,764,382

Legal Authority: Minn. Stat. §462A.202; Minn. Rules, Parts 4900.3100-3130

HUD's Sustainable Communities Regional Planning Grant

Provide New Opportunities for Affordable Housing • Preserve Existing Affordable Housing

The Sustainable Communities Regional Planning Grant Program supports regional planning efforts that integrate housing, land use, economic and workforce development, transportation, and infrastructure investments in a manner that empowers jurisdictions to consider the interdependent challenges of economic competitiveness and revitalization; social equity, inclusion, and access to opportunity; energy use and climate change; and, public health and environmental impacts. Minnesota Housing received from the Metropolitan Council three subgrants totaling $220,000 for the following projects:

- Improving energy efficiency in multi-family rental housing
- Furthering Fair Housing
- Enhancing HousingLink services

Proposal for 2012
This program is in run-off.

Sources and Uses

	10-11 Plan	2012 Plan
Sources		
Carry Forward of Federal Appropriations	$ -0-	$ 220,000
New Federal Appropriations	-0-	$ -0-
Total Sources	$ -0-	$ 220,000
Uses		
Program Disbursements for Prior Plan Commitments	$ -0-	$ 220,000
New Program Activity for Current Plan	-0-	$ -0-
Total Uses	$ -0-	$ 220,000