

The Legislature met beginning in January, working with a \$1.6 billion surplus, to enact a two-year, \$46 billion budget. The Legislature also worked on capital investment, transportation and tax bills, none of which were enacted in the 2016 Legislative Session.

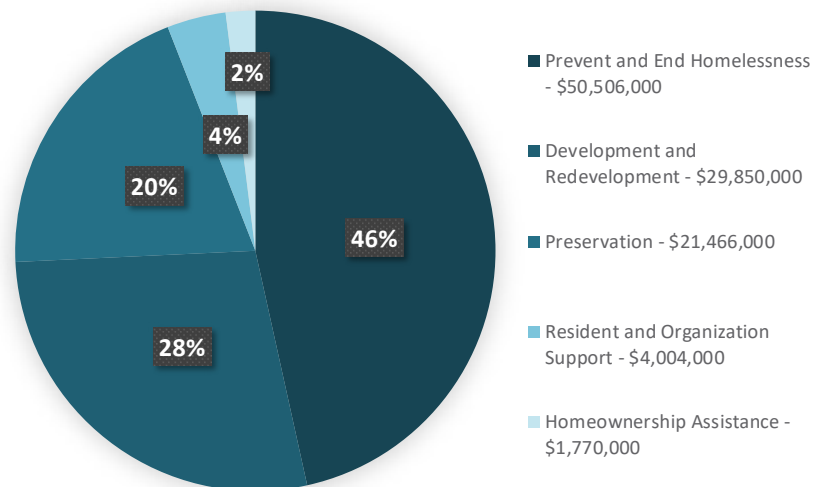
The 2017 Regular Session ended on May 22 without final agreement on all of the major spending bills, capital investment, transportation or a tax bill. The Legislature immediately convened in a Special Session to complete its work. Minnesota Housing’s budget passed during the Regular Session as part of the Omnibus Jobs and Energy Bill.

Omnibus Jobs and Energy Bill (2017 Regular Session, Chapter 94) Minnesota Housing Budget (Article 1, Section 3)

The bill provides \$107,596,000 in total spending for Minnesota Housing programs, which includes one-time initiatives as well as a new base program for workforce housing development.

The budget includes \$2 million in one-time funding for **Homework Starts With Home**, which is an initiative to provide rental assistance to families with school-aged children that are homeless or highly mobile. This initiative builds on the success of the Rental Assistance for Highly Mobile Families pilot funded in the previous two budgets by the Legislature.

The bill moves the **Workforce Housing Development Program** from the Department of Employment and Economic Development (DEED) to Minnesota Housing. The program received \$4 million in base funding for FY2018-19. Funding for this program will be awarded outside of the agency’s consolidated Request for Proposal (RFP) process in a separate RFP process. We will work closely with DEED to gain a good understanding of how the program has been run over the past two years.



Capital Investment Bill (2017 Special Session, Chapter 8)

The Capital Investment bill was the final bill passed during the special session that ended on May 26. The bill authorizes Minnesota Housing to issue \$35 million in Housing Infrastructure Bonds. The bill also allows Minnesota Housing to issue up to \$20 million in Housing Infrastructure Bonds using existing debt service appropriations from the 2014 and 2015 bonding authorizations.

The bill authorizes \$10 million in General Obligation bonds for public housing rehabilitation, which will be used to fund the Publicly Owned Housing Program (POHP).

State Appropriated Programs

Budget Program	Description	FY2018-19 Base	FY2018-19 Leg Session
Economic Development and Housing Challenge (Challenge)	Funds both multifamily rental and single family homeownership new construction and redevelopment. Challenge leverages federal, private and local government funds.	\$25,850,000	\$25,850,000
Greater Minnesota Workforce Housing Program	This competitive program offers financial assistance to build market-rate and mixed-income residential rental properties in Greater Minnesota.	\$0	\$4,000,000
Housing Trust Fund	Provides rental assistance for individuals and families, many of whom have experienced homelessness.	\$23,292,000	\$23,292,000
Highly Mobile Students Pilot/Homework Starts with Home	Provides rental assistance and other short-term housing services to highly mobile families with school-aged children.	\$0	\$2,000,000
Family Homeless Prevention	Provides short-term assistance to families at risk of homelessness. Types of assistance may include one-time rental payments, assistance with first or last month's rent, or one-time mortgage payments.	\$17,038,000	\$17,038,000
Bridges	Provides rental assistance for families in which at least one adult household member has a serious mental illness.	\$8,176,000	\$8,176,000
Preservation (PARIF)	Used to assist with the repair, rehabilitation and stabilization of federally assisted rental housing that is at risk of aging out of federal assistance programs.	\$8,436,000	\$8,436,000
Rental Rehabilitation Loans	Used to preserve naturally occurring affordable rental housing in Greater Minnesota.	\$7,486,000	\$7,486,000
Rehab Loans (Single Family)	Helps low income homeowners make basic health and safety improvements to their homes. One-third of the homeowners served by the program are seniors and nearly forty percent of households served have someone in the home with a disability.	\$5,544,000	\$5,544,000
Homeownership Assistance Fund (HAF)	Provides funding for the agency's downpayment and closing cost assistance program. This program serves low- to moderate-income first time homebuyers throughout the state.	\$1,770,000	\$1,770,000
Homeownership Education, Counseling and Training Fund (HECAT)	Provides both pre-purchase homebuyer counseling and foreclosure prevention counseling. The state appropriated dollars are paired with federal and private funds to serve thousands of homeowners each year.	\$1,714,000	\$1,714,000
Capacity Building	Provides support to organizations for regional coordination and planning. It helps to leverage federal funds for regional Continuum of Care organizations that coordinate and implement housing and services to meet the needs of households experiencing homelessness.	\$1,290,000	\$1,290,000
Build Wealth	Direct appropriation	\$1,000,000	\$1,000,000
TOTAL		\$101,596,000	\$107,596,000