

# Budget for One Minnesota



## HOUSING

**Total Investment: \$283.6 million**

### INCREASE HOME STABILITY



#### **Provide Housing Stability to Families with Children**

On any given day more than 8,600 children are identified as homeless or highly mobile in school districts across the state. **Homework Starts with Home** is an evidence-based initiative that provides assistance to highly mobile families with school-aged children. An additional \$6 million will serve 375 additional families, providing housing stability and improved school attendance.



#### **Prevent Family Homelessness**

When families become homeless or are at imminent risk of homelessness, the **Family Homeless Prevention and Assistance Program** steps in to provide support services, short-term rent assistance, security deposits, utility assistance and more. This helps make homelessness rare, brief and one-time. A \$4 million increase will serve 3,100 additional households around the state through counties, tribal nations and nonprofit organizations.



#### **Support People with Serious Mental Illness**

A \$1 million increase to the state's rental assistance program, **Bridges**, will help people with serious mental illness live in integrated settings in their communities with housing stability that improves access to supportive mental health services. The resources will provide rental assistance to 80 additional households, and help Minnesotans with a mental illness stay out of homelessness and institutions.



#### **Homeless Management Information System**

This \$2 million investment will support the Homelessness Management Information System, a local information technology system that supports data-driven decision making to improve outcomes for those experiencing homelessness.

### BUILD MORE HOMES



#### **Create Workforce Housing Opportunities**

The affordability of homes has been a competitive advantage for Minnesota and our employers, but a growing shortage of homes and other market conditions are pushing prices beyond the reach of many individuals and families. With a \$10 million increase to the **Economic Development and Housing Challenge** program, we will develop 150-350 new rental housing and single family housing opportunities throughout the state. We also help communities redevelop existing sites to create housing that better serves low- to moderate-income homeowners, homebuyers and renters.



### **Incentivize Local Housing Trust Funds**

Local Housing Trust Funds allow communities to attract additional resources from public and private organizations and jump start housing initiatives that generate investment and jobs. Administered by local jurisdictions, these Trust Funds enable communities to prioritize developments that maximize benefit to the local community. A one-time appropriation of \$2 million for a **Local Housing Trust Fund Match** will provide state matching funds to incentivize 7-13 communities to dedicate resources to a Housing Trust Fund.

## **SUPPORT AND STRENGTHEN HOMEOWNERSHIP**



### **Set Future Homebuyers Up for Success**

Minnesota has one of the nation's highest rates of homeownership, while at the same time it has the worst disparity in homeownership rates between white households and households of color. The **Homeownership Capacity Program** is working to close that gap by helping households of color increase their probability of becoming successful homeowners through comprehensive homebuyer and financial training. The \$2 million increase will allow nonprofit organizations to support 1,667 additional households in traditionally underserved communities and communities of color.

## **PRESERVE THE HOMES WE HAVE**



### **Keep Low-Income Families in their Homes**

The **Rehabilitation Loan Program** provides deferred, forgivable loans for health, safety and energy efficiency improvements for very low-income homeowners, including owners of manufactured homes. More than 40 percent of households served by this program are seniors who want to stay in their home and age in place and nearly one-third of households have a family member with a disability. A \$1 million increase will allow 40 more families to improve and stay in their homes each year. These targeted increases along with other programs identified below will help address housing needs of individuals and families across the state, as well as support communities and their unique housing needs.

## **BONDING BILL**



### **Preserve and Expand Access to Affordable Housing for all Minnesotans**

Governor Walz's capital budget will direct \$150 million to the preservation of existing housing and to create new homes for Minnesotans across all incomes and in all areas of the state. This recommendation will create a full range of housing choices, including supportive housing for people experiencing homelessness, senior housing, family housing, and new homeownership opportunities. To accomplish this, Governor Walz supports authorizing \$120 million in Housing Infrastructure Bonds, which will leverage additional private development funds and preserve federal dollars for rental assistance, and an additional \$30 million in general obligation bonds that would preserve 3,000 units of publicly-owned housing across the state for the lowest-income Minnesotans.

## TOTAL RECOMMENDED PROGRAM BUDGET

State Appropriated Program	Description	FY2020-21 Gov Rec
<b>Economic Development and Housing Challenge (Challenge)</b>	Funds both multifamily rental and single family homeownership new construction and redevelopment. Leverages federal, private and local government funds.	<b>\$35,850,000</b>
<b>Greater Minnesota Workforce Housing Program</b>	Provides competitive financial assistance to build market-rate and mixed-income residential rental properties in Greater Minnesota.	\$4,000,000
<b>Housing Trust Fund</b>	Provides rental assistance for individuals and families, many of whom have experienced homelessness.	\$23,292,000
<b>Local Housing Trust Fund Match</b>	Provides state matching funds to incentivize local governments to dedicate local resources to a housing trust fund to meet their local housing needs.	<b>\$2,000,000</b>
<b>Family Homeless Prevention</b>	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.	<b>\$21,038,000</b>
<b>Homework Starts with Home</b>	Provides rent and other housing assistance to families with school-aged children that lack housing stability. On any given day more than 9,000 children are identified as homeless or highly mobile in school districts across the state.	<b>\$6,000,000</b>
<b>Bridges</b>	Provides rental assistance for families in which at least one adult household member has a serious mental illness.	<b>\$9,176,000</b>
<b>Preservation (PARIF)</b>	Assists with repair, rehabilitation and stabilization of federally assisted rental housing that is at risk of aging out of federal assistance programs.	\$8,436,000
<b>Rental Rehabilitation Loans</b>	Preserves naturally occurring affordable rental housing.	\$7,486,000
<b>Rehab Loans (Single Family)</b>	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	<b>\$6,544,000</b>

<b>Homeownership Capacity</b>	Provides intensive homebuyer and financial education to prospective low- to moderate- income homebuyers, with an emphasis on serving households of color.	<b>\$2,000,000</b>
<b>Homeownership Assistance Fund (HAF)</b>	Provides funding for the agency's downpayment and closing cost assistance program. Serves low- to moderate-income first time homebuyers throughout the state.	\$1,770,000
<b>Homeownership Education, Counseling and Training Fund (HECAT)</b>	Provides both pre-purchase homebuyer counseling and foreclosure prevention counseling. State appropriated dollars are paired with federal and private funds to serve thousands of homeowners each year.	\$1,714,000
<b>Capacity Building</b>	Provides support to organizations for regional coordination and planning.	\$1,290,000
<b>Homeless Management Information System</b>	Funding to the Department of Human Services to support a local information technology system that supports data-driven decision making to improve outcomes for those experiencing homelessness.	<b>\$2,000,000</b>
<b>Build Wealth</b>	Direct appropriation	\$1,000,000
<b>TOTAL</b>		<b>\$133,596,000</b>

## **CAPITAL BUDGET RECOMMENDATIONS**

<b>Bond Type</b>	<b>Description</b>	<b>Recommended Amount</b>
<b>Housing Infrastructure Bonds</b>	<ul style="list-style-type: none"> <li>• Preserve federally-assisted housing</li> <li>• Build and preserve permanent supportive housing</li> <li>• Purchase land for community land trusts</li> <li>• Build and preserve affordable senior housing</li> <li>• Manufactured home community infrastructure</li> </ul>	\$120,000,000
<b>General Obligation Bonds</b>	Public Housing Preservation	\$30,000,000
		<b>TOTAL \$150,000,000</b>