

m1 MINNESOTA
Budget for One Minnesota



2019 LEGISLATIVE SUMMARY: HOUSING

Total Investment: \$180.6 million

Success in life starts at home for all ages and all people. When we have safe, secure places to live, parents earn more, kids learn better, health and well-being improve, communities prosper, and we all thrive. Our homes are the foundation of our flourishing communities; they fuel the engine of our economy. Yet the affordability of homes in Minnesota, relative to our ability to pay for them, has been declining for years as rising costs for homes, transportation, health care, education and other basic goods outpace the increase in average incomes. This investment will provide opportunities across the housing continuum for individuals and families throughout the state.

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.



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.



Support People with Serious Mental Illness

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 help Minnesotans with a mental illness stay out of homelessness and institutions.

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. Through the **Economic Development and Housing Challenge** program, we will develop 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.

SUPPORT AND STRENGTHEN HOMEOWNERSHIP



Create and Preserve Homeownership Opportunities

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 **Workforce Affordable Homeownership** program provides \$500,000 for development costs and manufactured home work infrastructure. Eligible recipients include nonprofit organizations, cooperatives, community land trusts.

PRESERVE THE HOMES WE HAVE



Keep Low-Income Families in their Homes

The **Manufactured Home Park Redevelopment program** provides grants for improvements in manufactured home parks and infrastructure. In 2019 Legislative Session, \$2,000,000 was provided to the program. This is the first appropriation since the program was created in 2001. The acquisition of manufactured home parks was added as an eligible use of the program.

HOUSING INFRASTRUCTURE BONDS



Preserve and Expand Access to Affordable Housing for all Minnesotans

The authorization to issue \$60 million in Housing Infrastructure Bonds will preserve existing housing and create new homes for Minnesotans across all incomes and in all areas of the state. This resource finances the full range of housing choices, including supportive housing for people experiencing homelessness, senior housing, family housing, and new homeownership opportunities. Housing Infrastructure Bonds leverage additional private development funds and preserve federal dollars for rental assistance. These resources will be available in Minnesota Housing's 2019 Request for Proposal.

FY 2020-21 BUDGET

State Appropriated Program	Description	FY2020-21 Amount	Increase from Base
Economic Development and Housing Challenge (Challenge)	Funds both multifamily rental and single family homeownership new construction and redevelopment. Leverages federal, private and local government funds.	\$30,850,000	\$5,000,000
Greater Minnesota Workforce Housing Program	Provides competitive financial assistance to build market-rate and mixed-income residential rental properties in Greater Minnesota.	\$4,000,000	-
Housing Trust Fund	Provides rental assistance for individuals and families, many of whom have experienced homelessness.	\$23,292,000	-
Workforce and Affordable Homeownership	Provides state matching funds to incentivize local governments to dedicate local resources to a housing trust fund to meet their local housing needs.	\$500,000	\$500,000
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.	\$20,538,000	\$3,500,000
Homework Starts with Home	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.	\$3,500,000	\$3,500,000
Bridges	Provides rental assistance for families in which at least one adult household member has a serious mental illness.	\$8,676,000	\$500,000
Preservation (PARIF)	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	-
Rental Rehabilitation Loans	Preserves naturally occurring affordable rental housing.	\$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	-

Manufactured Home Park Redevelopment	Provides grants for manufactured home park acquisition, improvements and infrastructure. This is the first time this has been funded since 2001.	\$2,000,000	\$2,000,000
Homeownership Assistance Fund (HAF)	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	-
Homeownership Education, Counseling and Training Fund (HECAT)	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	-
Capacity Building	Provides support to organizations for regional coordination and planning.	\$1,290,000	-
Build Wealth	Direct appropriation	\$1,000,000	-
TOTAL		\$120,596,000	\$15,000,000

Bond Type	Description	Recommended Amount
Housing Infrastructure Bonds	<ul style="list-style-type: none"> • Preserve federally-assisted housing • Build and preserve permanent supportive housing • Purchase land for community land trusts • Build and preserve affordable senior housing • Manufactured home community infrastructure and acquisition 	\$60,000,000
TOTAL		\$60,000,000