



MEETINGS SCHEDULED FOR MARCH

Date: 03/27/25, 1 p.m.

HYBRID OPTION AVAILABLE:

In Person: Minnesota Housing, Mille Lacs Conference Room, 400 Wabasha Street N. Suite 400 St. Paul, MN 55102

Conference Call: Toll Free: 1.877.309.2071 Access Code: 738-693-449

NOTE:

The information and requests for approval contained in this packet of materials are being presented by Minnesota Housing staff to the Minnesota Housing Board of Directors for its consideration on Thursday, March 27, 2025.

Items requiring approval are neither effective nor final until voted on and approved by the Minnesota Housing Board.

The Agency may conduct a meeting by telephone or other electronic means, provided the conditions of Minn. Stat. §462A.041 are met. In accordance with Minn. Stat. §462A.041, the Agency shall, to the extent practical, allow a person to monitor the meeting electronically and may require the person making a connection to pay for documented marginal costs that the Agency incurs as a result of the additional connection.

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Agenda: Minnesota Housing Board Meeting

Date: 03/27/2025, 1 p.m.

Our Mission and Vision

Mission: Housing is foundational to a full life and a thriving state, so we equitably collaborate with individuals, communities and partners to create, preserve and finance housing that is affordable.

Vision: All Minnesotans live and thrive in a stable, safe and accessible home they can afford in a community of their choice.

1. Call to Order

2. Roll Call

3. Agenda Review

4. Approval of Minutes

- a. (page 5) Regular meeting of February 27, 2025

5. Reports

- Chair
- Commissioner
- Committee

6. Consent Agenda

- A. (page 11) Board Delegation Modifications from Chief Financial Officer to Executive Finance Officer

7. Action Items

- A. (page 19) Forgiveness, Urban Indian Housing Program (UIHP), Little Earth of United Tribes, D0871, Minneapolis
- B. (page 25) Approval, Waivers to the Workforce Housing Development Program (WHDP) Guide, City of Sandstone, D8321
- C. (page 29) Approval, Funding Modification, Workforce Housing Development Program, City of Plainview, D8484
- D. (page 33) New Auditor Recommendation

8. Discussion Items

- A. (page 35) Second Quarter FY25 Financial Update

9. Information Items

- A. (page 45) Single Family Annual Report of Actions Taken under Delegated Authority for CY2024
- B. (page 49) Multifamily Annual Report of Actions Taken under Delegated Authority for CY2024
- C. (page 65) Housing Stability Annual Report of Actions Taken under Delegated Authority for CY2024
- D. (page 69) Update FY 2024 Corrective Action Plans-Audit Findings

10. Other Business

None.

11. Adjournment

None.



Draft Meeting Minutes: Minnesota Housing Board Meeting

Date: Thursday, February 27, 2025, at 1 p.m.

1. Call Attendance

Chair DeCramer called to order the regular meeting of the Board of Minnesota Housing Finance Agency at 1:02 p.m.

2. Roll Call

Members present via hybrid: Auditor Julie Blaha, Chief Melanie Benjamin, Eric Cooperstein, Chair John DeCramer, Stephanie Klinzing, and Terri Thao.

Minnesota Housing staff present via hybrid: Arin Adebayo, Tal Anderson, Tom Anderson, Ryan Baumtrog, Jennifer Bergman, Susan Bergmann, Judd Berthiaume, Scott Beutel, Laura Bolstad Grafstrom, Sondra Breneman, Sarah Broich, Stacie Brooks, Cassandra Busch, Deran Cadotte, Eric Chapin, Cindy Diel, Matt Dieveney, Michelle Doyal, Peter Elwell, Kathy Engstrom, Jennifer Finesgard, Sarah Foley, Jessica Fowler, Rachel Franco, Mark Freeman, Emily Fulton-Foley, Shannon Gerving, Jody Hanson, Vanessa Haight, Amanda Hedlund, Anne Heitlinger, Darryl Henchen, Kang Her, Adam Himmel, Jennifer Ho, Jon Holmseth, Karin Holmstrand, John Hudson, Shawn James, Kinzy Janssen, Will Jensen-Kowski, Hannah Jirak, Irene Kao, Angel Kimbel, Greg Krenz, Kristen Kvalsten, Sue Ladehoff, Debbi Larson, Ger Lee, Song Lee, James Lehnhoff, Ed LeTourneau, Sarah Matala, Dylan Mato, Eric Mattson, Jillian Mazullo, Amy Melmer, Benjamin Miles, Jonathan Moler, Gary Mortensen, Michael Nguyen, Tenzin Nordon, John Patterson, Melissa Pugh, Rinal Ray, Brittany Rice, Paula Rindels, Cheryl Rivinius, Rachel Robinson, Danielle Salus, Joel Salzer, Kayla Schuchman, Katie Seipel-Anderson, Kim Stuart, Jodell Swenson, Tonya Taylor, Susan Thompson, Mike Thone, Mike Tobias, Monica Tucker, Ted Tulashie, Kayla Vang, Teresa Vaplon, Amanda Welliver, Lakisha Whitson, Beverly Wilharm, Carole Wohlk, and Kristy Zack.

Others present via hybrid: Ramona Advani, Office of the Legislative Auditor; Anne Mavity, Minnesota Housing Partnership; Leslie Powell, Kutak Rock.

3. Agenda Review

None.

4. Approval

A. Regular Meeting Minutes of January 23, 2025

Motion: Stephanie Klinzing moved to approve the January 23, 2025, Regular Meeting Minutes Seconded by Eric Cooperstein. Roll call was taken. Auditor Blaha was not present for the vote. Motion carries 5-0. All were in favor.

5. Reports

Chair

None.

Commissioner

Commissioner Ho shared the following with the Board:

- Welcome new employees
- Meetings
- Program Updates

Committee

None.

6. Consent Agenda

B. Commitment of Funds – Westbrook Apartments, D4103, Westbrook

C. Note Modification, Low and Moderate Income Rental (LMIR) Mortgage Term extension – Village on 3rd, D5198, Rochester

D. Modification, Board Policies No. 1 (Debt and Balance Sheet Management), 4 (Investments and Cash Management) and 5 (Investor Continuing Disclosure)

Motion: Terri Thao moved Consent Agenda Items. Seconded by Eric Cooperstein. Roll call was taken. Motion carries 6-0. All were in favor.

7. Action Items

A. Commitment, Low and Moderate Income Rental (LMIR) Loan and Bridge Loan (BL) – Carver Oaks Senior Residence, D8292, Carver

Benjamin Miles presented to the board a request for the adoption of a resolution authorizing the issuance of a LMIR commitment not to exceed \$1,613,000 and a BL commitment not to exceed \$5,985,000. The commitment is subject to the terms and conditions of the Agency term letter. Chair DeCramer opened up the discussion. Board members asked questions, and staff provided answers.

Motion: Stephanie Klinzing moved Commitment, Low and Moderate Income Rental Loan and Bridge Loan– Carver Oaks Senior Residence, D8292, Carver. Seconded by Eric Cooperstein. Roll call was taken. Motion carries 6-0. All were in favor.

B. Adoption, Series Resolution Authorizing the Issuance and Sale of Rental Housing Bonds, Series 2025 E (Carver Oaks Senior Residence)

Matt Dieveney presented to the board a request for authorization to issue fixed rate bonds under the existing Rental Housing Bond Resolution. The bonds will be issued in two series, to make a short-term bridge mortgage loan and a long-term, first-lien Low and Moderate Income Rental loan to finance a portion of the acquisition and construction of Carver Oaks Senior Residence, a 43-unit multifamily housing development in Carver, MN. The Agency anticipates pricing and issuing of the bonds described in the attached Preliminary Official Statement in April 2025. Leslie Powell joined the meeting to review the resolution. Chair DeCramer opened up the discussion. There were no questions from board members.

Motion: Eric Cooperstein moved Adoption, Series Resolution Authorizing the Issuance and Sale of Rental Housing Bonds, Series 2025 E (Carver Oaks Senior Residence). Seconded by Stephanie Klinzing. Roll call was taken. Motion carries 6-0. All were in favor.

C. Commitment, Low and Moderate Income Rental (LMIR) Loan and Bridge Loan (BL) – Trailside Apartments (fka Mayowood Senior II), D8520, Rochester

Adam Himmel presented to the board a request for adoption of a resolution authorizing the issuance of: a LMIR program commitment in the amount of up to \$1,595,000; and a BL commitment not to exceed \$4,665,000. Chair DeCramer opened up the discussion. There were no questions from board members.

Motion: Terri Thao moved Commitment, Low and Moderate Income Rental Loan and Bridge Loan– Trailside Apartments, D8520, Rochester. Seconded by Stephanie Klinzing. Roll call was taken. Motion carries 6-0. All were in favor.

D. Adoption, Series Resolution Authorizing the Issuance and Sale of Rental Housing Bonds, Series 2025 D (Vue Pointe)

Matt Dieveney presented to the board a request for authorization to issue fixed-rate bonds under the existing Rental Housing Bond Resolution. Leslie Powell joined the meeting to review the resolution. Chair DeCramer opened up the discussion. Board members asked questions and staff provided answers.

Motion: Eric Cooperstein moved Adoption, Series Resolution Authorizing the Issuance and Sale of Rental Housing Bonds, Series 2025 D. Seconded by Chief Benjamin. Roll call was taken. Motion carries 6-0. All were in favor.

E. Forgiveness, Ending Long-Term Homelessness Initiative Fund (ELHIF) Program Loans – Commerce Apartments Phase I, D5527 and Phase II, D6264, St. Paul

Sarah Matala presented to the board a request for approval of adoption of two resolutions authorizing: forgiveness of approximately \$93,750 of accumulated interest on the \$600,000 Ending Long-Term Homelessness Initiative Fund (ELHIF) Program loan for Phase I of Commerce Apartments; and forgiveness of the \$679,918 ELHIF loan for Phase II of Commerce Apartments. Chair DeCramer opened up the discussion. Board members asked questions, and staff provided answers.

Motion: Terri Thao moved Forgiveness, Ending Long-Term Homelessness Initiative Fund Program Loans – Commerce Apartments Phase I, D5527 and Phase II, D6264, St. Paul. Seconded by Eric Cooperstein. Roll call was taken. Motion carries 6-0. All were in favor.

F. Forgiveness, Minnesota Families Affordable Rental Investment Fund (MARIF) Program Loan and Preservation Affordable Rental Investment Fund (PARIF) Program Loan – YWCA Spirit Valley, D2944, Duluth

Sarah Matala presented to the board a request for adoption of a resolution authorizing early forgiveness of the \$720,000 Minnesota Families Affordable Rental Investment Fund (MARIF) Program forgivable loan and the \$142,000 Preservation Affordable Rental investment Fund (PARIF) Program repayable loan. Chair DeCramer opened up the discussion. Board members asked questions, and staff provided answers.

Motion: Stephanie Klinzing moved Forgiveness, Minnesota Families Affordable Rental Investment Fund Program Loan and Preservation Affordable Rental Investment Fund Program Loan – YWCA Spirit Valley, D2944, Duluth. Seconded by Chief Benjamin. Roll call was taken. Motion carries 6-0. All were in favor.

G. Forgiveness, Preservation Affordable Rental Investment Fund (PARIF) Program Loan – 2011 Pillsbury, D3173, Minneapolis

Sarah Matala presented to the board a request for adoption of a resolution authorizing forgiveness of the \$660,000 Preservation Affordable Rental Investment Fund Program loan. Chair DeCramer opened up the discussion. Board members asked questions and staff provided answers.

Motion: Eric Cooperstein moved Forgiveness, Preservation Affordable Rental Investment Fund Program Loan – 2011 Pillsbury, D3173, Minneapolis. Seconded by Terri Thao. Roll call was taken. Motion carries 6-0. All were in favor.

H. Approval, Community Stabilization: Naturally Occurring Affordable Housing (NOAH) – Multifamily Rental Housing Program Guide

Beverly Wilharm presented to the board a request for approval of a new Community Stabilization: Naturally Occurring Affordable Housing – Multifamily Family Housing Program Guide. Chair DeCramer opened up the discussion. Board members asked questions, and staff provided answers.

Motion: Terri Thao moved Approval, Community Stabilization: Naturally Occurring Affordable Housing Multifamily Rental Housing Program Guide. Seconded by Eric Cooperstein. Roll call was taken. Motion carries 6-0. All were in favor.

I. Approval, Local Housing Trust Fund Grants Program Guide Changes

Shawn James presented to the board a request for the approval of the Single Family Fix Up Loan Program Revisions. Chair DeCramer opened up the discussion. Board members asked questions, and staff provided answers.

Motion: Eric Cooperstein moved Approval, Single Family Fix Up Loan Program Revisions. Seconded by Terri Thao. Roll call was taken. Motion carries 6-0.

J. Approval, 2025 Minnesota City Participation Program (MCP)

Greg Krenz presented to the board a request for approval of local governments for participation in the Minnesota City Participation Program. Chair DeCramer opened up the discussion. Board members asked questions, and staff provided answers.

Motion: Eric Cooperstein moved Approval, Approval, 2025 Minnesota City Participation Program. Seconded by Stephanie Klinzing. Roll call was taken. Motion carries 6-0.

8. Discussion Items

A. Task Force on Long-Term Sustainability of Affordable Housing Final Report

9. Information Items

A. Post Sale Report, Rental Housing Bonds, Series 2025 A (The Views on 7th)

B. First Quarter 2025 Progress Report: 2024-2027 Strategic Plan and 2024-2025 Affordable Housing Plan

10. Other Business

None.

11. Adjournment

The meeting was adjourned at 3:25 p.m.

John DeCramer, Chair



Item: Board Delegation Modifications from Chief Financial Officer to Executive Finance Officer

Consent Item: 6.A
Date: 03/27/2025
Staff Contacts: Irene Kao, 651.296.9806, irene.kao@state.mn.us
Debbi Larson, 651.296.8183, debbi.larson@state.mn.us
Request Type: Approval, Motion

Request Summary

Agency staff request board approval of Board Delegation modifications to account for the Agency shifting from a Chief Financial Officer to Executive Finance Officer in:

- Certain Changes to the Affordable Housing Plan and Program Funding Activities (No. 12)
- Declared State of Emergency (No. 27)
- Covid-19 Emergency Rental Assistance (No. 31)
- Homeownership Assistance Fund (No. 33)

The adoption dates on these resolutions are not being recommended to change as the proposed change is administrative.

Fiscal Impact

None

Agency Priorities

- | | |
|--|---|
| <input type="checkbox"/> Improve the Housing System | <input type="checkbox"/> Make Homeownership More Accessible |
| <input type="checkbox"/> Preserve and Create Housing Opportunities | <input type="checkbox"/> Support People Needing Services |
| | <input type="checkbox"/> Strengthen Communities |

**MINNESOTA HOUSING FINANCE AGENCY
400 Wabasha St. N, Suite 400 St. Paul, Minnesota 55102**

**RESOLUTION NO. MHFA 18-068
BOARD DELEGATION NO. 012**

**DELEGATION OF AUTHORITY TO THE COMMISSIONER REGARDING THE AFFORDABLE HOUSING
PLAN AND PROGRAM FUNDING ACTIVITIES**

WHEREAS, the Minnesota Housing Finance Agency ("Agency") Commissioner ("Commissioner") has requested the Minnesota Housing Finance Agency Board ("Board") to delegate to the Commissioner certain authority regarding the administration of loans and grants in order to improve the efficiency of the Agency's loan and grant programs; and

WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without prior Board approval, unless otherwise required; and

WHEREAS, the Board has considered the request and finds that it is in the best interests of the Agency to delegate such authority.

NOW, THEREFORE, BE IT RESOLVED:

That the Board grants the delegated authority below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated herein. This delegated authority shall remain in effect for the current and future Commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to utilize and commit funds consistently with funding estimates contained in the two-year Affordable Housing Plan (AHP) and to modify the funding estimates as needed to facilitate affordable housing needs in the state so long as resources are available and it is financially feasible to do so.

PARAMETERS OF DELEGATED AUTHORITY

1. The Agency may utilize funds consistent with the program funding estimates contained in the two-year AHP, and consistent with all applicable statutes, rules and program and procedural manuals.
2. Adjustments may be made to the allocation of estimated program funding under Housing Infrastructure Bonds and Economic Development and the Housing Challenge (EDHC) Program among the eligible uses of the funds.
3. Adjustments may be made to estimated program funding levels when federal funding is finalized or changed, including Housing Opportunities for People with AIDS (HOPWA), HOME Investment Partnerships Program (HOME), National Housing Trust Fund (NHTF), Section 8, Section 236, and Low-Income Housing Tax Credits.
4. Adjustments may be made to estimated program funding activity in revolving loan accounts, as long as the accounts have sufficient funds to accommodate additional activity.
5. Adjustments may be made to estimated program funding levels as estimates of contributions from partner organizations, loan repayments, uncommitted balances that carry forward, and other receipts are updated or revised.
6. Adjustments may be made to estimated program funding levels using other mortgage capital, Pool 3, or Pool 2 resources to support higher than forecasted production if there are sufficient resources to do so.

7. All above adjustments are subject to approval by the appropriate person or committee designated by the Commissioner and confirmation by the Agency ~~Chief Financial Officer~~Executive Finance Officer that adequate funds are available and the adjustment is financially feasible.

REPORTING REQUIREMENTS

The Commissioner shall provide quarterly program activity reporting to the Board and at the end of the 2-year AHP. Reports will provide a summary of program activity compared to forecasted activity.

OTHER CONSIDERATIONS

Supersedes Board Report dated May 24, 2018.

Adopted this 17 day of October, 2019

CHAIRMAN

**MINNESOTA HOUSING FINANCE AGENCY
400 Wabasha Street N, Suite 400
St. Paul, Minnesota 55102**

**RESOLUTION NO. MHFA 20-007
BOARD DELEGATION NO. 027**

**RESOLUTION DELEGATING AUTHORITY TO THE COMMISSIONER REGARDING ACTIONS
NECESSARY TO RESPOND TO A DECLARED STATE OF EMERGENCY**

WHEREAS, the Minnesota Housing Finance Agency (“Agency”) Commissioner (“Commissioner”) has requested that the Minnesota Housing Finance Agency Board (“Board”) delegate to the Commissioner certain authority regarding actions that may be necessary during a declared state of emergency; and

WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without prior Board approval; and

WHEREAS, the Board has considered the request and finds that it is in the best interests of the Agency to delegate such authority.

NOW, THEREFORE, BE IT RESOLVED:

That the Board delegates the authority described below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated herein. This delegated authority is effective only during a state of emergency declared by the Governor of Minnesota under Minn. Stat. § 12.31.

DELEGATED AUTHORITY

To authorize the Commissioner to approve such Agency actions as may be necessary to respond to a declared state of emergency in the State of Minnesota.

PARAMETERS OF DELEGATED AUTHORITY

This delegation of authority is limited to actions that are determined by the Commissioner to directly respond to the declared state of emergency and be of a time sensitive or emergency nature such that it is impractical to follow regular Board procedures. Prior to the Commissioner approving actions pursuant to this delegation:

- The Commissioner or their designee must consult, if practicable, with the Chairperson of the Board;
- The Agency General Counsel or their designee must confirm the actions are in compliance with applicable laws and legal requirements; and
- If the actions involve distribution or use of funds, the Agency ~~Chief Financial Officer~~ **Executive Finance Officer** or their designee must confirm that adequate funds are available and the actions are financially feasible and in concert with the Agency’s core mission and long-term strategic plan.

REPORTING REQUIREMENTS

The Commissioner shall report all actions taken pursuant to this delegated authority to the Board as soon as practicable.

Adopted this 17th day of March, 2020

**MINNESOTA HOUSING FINANCE AGENCY
400 Wabasha Street N, Suite 400
St. Paul, Minnesota 55102**

**RESOLUTION NO. MHFA 21-006
BOARD DELEGATION NO. 31**

DELEGATION OF AUTHORITY TO THE COMMISSIONER RELATED TO COVID-19 EMERGENCY RENTAL ASSISTANCE

WHEREAS, the Minnesota Housing Finance Agency (“Agency”) Commissioner (“Commissioner”) has requested that the Minnesota Housing Finance Agency Board (“Board”) delegate to the Commissioner certain authority regarding the administration of COVID-19 Emergency Rental Assistance (the “Program”) in order to improve the efficiency of the Program and the use of the time-limited federal resources to preserve housing stability across Minnesota;

WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without prior Board approval; and

WHEREAS, the Board has considered the request and finds that it is in the best interests of the Agency to delegate such authority.

NOW, THEREFORE, BE IT RESOLVED:

That the Board grants the delegated authority below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated herein. This delegated authority applies only to COVID-19 Emergency Rental Assistance and expires when that program is concluded.

DELEGATED AUTHORITY – Program Guide

To authorize the Commissioner to approve a program guide for COVID-19 Emergency Rental Assistance.

1. The guide must be consistent with the parameters of the Program as approved by the Board and the federal requirements governing use of the funds; and
2. The guide must be reviewed and approved by the Agency’s Deputy Commissioner, General Counsel, and ~~Chief Financial Officer~~Executive Finance Officer.

DELEGATED AUTHORITY – Use of Designated Federal Resources

To authorize the Commissioner to approve the use and expenditure of federal resources provided to the agency for emergency rental assistance through the Program. This authority includes selecting, and entering into appropriate contractual relationships with, entities to facilitate administration of the Program as well as authorizing disbursements of federal resources to pay for administration costs and emergency rental assistance.

1. All use and expenditure of federal resources must comply with federal requirements, comply with the parameters of the Program, and be deemed necessary by the Commissioner to facilitate timely access to the federal resources for emergency rental assistance; and
2. Disbursements may not exceed the amount of available federal resources under the Program; and

3. The use and expenditure of federal resources must be approved by the Agency's Deputy Commissioner, General Counsel, and ~~Chief Financial Officer~~Executive Finance Officer; and
4. The Chairperson of the Board must be consulted prior to selection of any entity or contractor to facilitate administration of the Program.

REPORTING REQUIREMENTS

The Commissioner shall report the actions taken using this delegated authority to the Board at the next regularly scheduled Board meeting.

Adopted this 28th day of January 2021

CHAIRMAN

**MINNESOTA HOUSING FINANCE AGENCY
400 Wabasha Street N, Suite 400
St. Paul, Minnesota 55102**

**RESOLUTION NO. MHFA 21-047
BOARD DELEGATION NO. 33**

**DELEGATION OF AUTHORITY TO THE COMMISSIONER RELATED TO THE HOMEOWNERSHIP
ASSISTANCE FUND**

WHEREAS, the Minnesota Housing Finance Agency (“Agency”) Commissioner (“Commissioner”) has requested that the Minnesota Housing Finance Agency Board (“Board”) delegate to the Commissioner certain authority regarding the administration of the Homeownership Assistance Fund (“Program”) in order to improve the efficiency of the Program and the use of the time-limited federal resources to preserve homeowner stability across Minnesota;

WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without prior Board approval; and

WHEREAS, the Board has considered the request and finds that it is in the best interests of the Agency to delegate such authority.

NOW, THEREFORE, BE IT RESOLVED:

That the Board grants the delegated authority below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated herein. This delegated authority applies only to the Homeownership Assistance Fund and expires when that program is concluded.

DELEGATED AUTHORITY – Program Guide

To authorize the Commissioner to approve a program guide, and program guide amendments, for the Homeownership Assistance Fund.

1. The guide must be consistent with the federal requirements governing use of the funds; and
2. The guide must be consistent with the parameters of the Homeownership Assistance Fund plan(s) approved by the Board and the U.S. Department of Treasury; and
3. The guide must be reviewed and approved by the Deputy Commissioner, General Counsel, ~~Chief Financial Officer~~Executive Finance Officer, Director of Federal Affairs, and Assistant Commissioner of the Single Family Division.

DELEGATED AUTHORITY – Use of Designated Federal Resources

To authorize the Commissioner to approve the use and expenditure of federal resources provided to the agency for emergency assistance through the Homeownership Assistance Fund. This authority includes selecting, and entering into appropriate contractual relationships with, entities to facilitate administration of the Program as well as authorizing disbursements of federal resources to pay expenses related to homeownership assistance.

1. All use and expenditure of federal resources must comply with federal requirements, comply with the parameters of the Program, and be deemed necessary by the Commissioner; and
2. All use and expenditure of federal resources must be in line with the Homeownership Assistance Fund Plan(s) approved by the Board and the U.S. Department of Treasury (with the exception of administrative expenses related to standing up the program, which may be incurred prior to approval of the plan by the U.S. Department of Treasury); and
3. Disbursements may not exceed the amount of available federal resources under the Program; and
4. The use and expenditure of federal resources must be approved by the Deputy Commissioner, the ~~Chief Financial Officer~~ **Executive Finance Officer**, the General Counsel, and the Assistant Commissioner of the Single Family Division; and
5. The Board chair must be consulted prior to selection of any entity to facilitate administration of the Program.

REPORTING REQUIREMENTS

The Commissioner shall report the actions taken using this delegated authority to the Board at the next regularly scheduled Board meeting.

Adopted this 26th day of August 2021

CHAIRMAN



Item: Forgiveness, Urban Indian Housing Program (UIHP) Loan – Little Earth of United Tribes, D0871, Minneapolis

Action Item: 7.A
Date: 03/27/2025
Staff Contacts: Adam Himmel, 651.284.3171, adam.himmel@state.mn.us
Request Type: Approval, Resolution

Request Summary

Staff requests board adoption of a resolution authorizing the forgiveness of the \$300,000 Urban Indian Housing Program (UIHP) loan for the Little Earth of United Tribes development.

Fiscal Impact

The UIHP loan does not earn interest for Minnesota Housing.

Agency Priorities

- | | |
|---|---|
| <input checked="" type="checkbox"/> Improve the Housing System | <input type="checkbox"/> Make Homeownership More Accessible |
| <input checked="" type="checkbox"/> Preserve and Create Housing Opportunities | <input checked="" type="checkbox"/> Support People Needing Services |
| | <input checked="" type="checkbox"/> Strengthen Communities |

Attachments

- Background
- Map and Photo
- Resolution

Background

Little Earth of United Tribes is a 212-unit, partially supportive housing development built in 1973 and located in Minneapolis. The property is owned by Little Earth of United Tribes Housing Corporation, a non-profit corporation. It is managed by Little Earth Management LLC. The development has a Department of Housing and Urban Development (HUD) Section 8 contract for 100% of the units.

Lender	Program/Source	Note Rate	Maturity Date	Original Balance	Current Balance (principal plus accrued interest)
Minnesota Housing	UIHP	0%	4/4/2025	\$ 300,000	\$ 300,000
Minnesota Housing	Preservation Affordable Rental Investment Fund (PARIF)	0%	9/24/2033	\$ 2,300,000	\$ 2,300,000
City of Minneapolis	Community Development Block Grant	1%	9/24/2033	\$ 99,445	\$ 122,415
City of Minneapolis	HOME	0%	9/24/2033	\$ 500,000	\$ 500,000
Hennepin County	Affordable Housing Incentive Fund (AHIF)	0%	9/24/2033	\$ 400,000	\$ 400,000
City of Minneapolis	EZ Mortgage	1%	8/31/2036	\$ 222,333	\$ 261,990
Minnesota Housing	PARIF	0%	9/12/2036	\$ 2,500,000	\$ 2,500,000
City of Minneapolis	Combination	1%	9/12/2036	\$ 1,135,000	\$ 1,337,547
Hennepin County	AHIF	0%	9/12/2036	\$ 800,000	\$ 800,000
Hennepin County	AHIF	0%	3/24/2039	\$ 740,000	\$ 740,000
Minnesota Housing	PARIF	0%	3/25/2039	\$ 2,500,000	\$ 2,500,000
City of Minneapolis	Affordable Housing Trust Fund (AHTF)/HOME	1%	3/25/2039	\$ 750,000	\$ 866,250

Lender	Program/Source	Note Rate	Maturity Date	Original Balance	Current Balance (principal plus accrued interest)
Minnesota Housing	HIB	0%	12/23/2045	\$ 4,062,192	\$ 4,062,192
City of Minneapolis	AHTF	0%	12/23/2045	\$ 690,000	\$ 690,000
TOTAL				\$ 16,998,970	\$ 17,110,394

Existing financing on the development is as follows:

Existing debt on the property totals over \$17 million of which \$11.66 million is comprised of five loans from Minnesota Housing. In 2015, Minnesota Housing approved early forgiveness for four deferred loans totaling \$1,036,310 as part of a bigger debt restructure and debt consolidation.

While small rehabilitation projects have taken place at the property in the last 50 years, an extensive renovation project is necessary to address the current physical critical needs. At the December 14, 2023, meeting, the Minnesota Housing board selected the development for a deferred Housing Infrastructure Appropriation (HIA) loan in the amount of up to \$22,610,000 and a deferred PARIF loan in the amount of up to \$9,390,000 under Resolution No. 23-077. As part of that transaction, the developer has requested forgiveness of all existing debt from Minnesota Housing, Hennepin County and the City of Minneapolis.

The underwriting is not yet complete for the new financing and Minnesota Housing has not finalized its strategy to resolve the remaining existing loans, which may include forgiveness and/or subordination. Staff is recommending action on the UIHP loan because it matures in April 2025 ahead of the other debt and because this request meets the following:

Maintains Affordability

Affordability restrictions will not be affected by the forgiveness of this loan. Current affordability restrictions require 212 units not exceeding 80% of the greater of Statewide Median Income or Area Median Income. The same restrictions will be maintained by the remaining loans. Anticipated restrictions under the new financing will be 212 units with incomes not exceeding 60% Multifamily Tax Subsidy Projects (MTSP) and rents at 60% MTSP for both the HIA loan and the PARIF loan.

Total Debt is Greater than the Value of the Property

Including the anticipated new financing, total debt on the property would be greater than the estimated value of the property. Based on an appraisal obtained by the owner in 2023, the as-is value based on the property is \$28,300,000. This is a loan to value of 60% with the outstanding current principal debt of \$17,110,394. The estimated as-complete value for the property using

restricted rents is \$42,700,000 while existing debt plus proposed new debt of \$37,204,137 would result in total debt of \$54,314,531, resulting in potential loan to value over 127%.

Reduces Administrative Burden

Forgiving this loan simplifies the closing process and reduces administrative burden for the project and the Agency.

Forgiveness is Part of a Larger Preservation Effort

As part of consideration for providing new financing, each of the existing public funders completed a separate assessment on assumption or forgiveness of their existing debt. The other funders have indicated their intention to make the following recommendation for forgiveness based on the resources they are providing the development:

- Hennepin County will recommend forgiveness of all existing debt, subject to final County board approval.
- The City of Minneapolis will recommend forgiveness of all existing debt except for a portion of the “Combination” mortgage listed above with an original balance of \$1,135,000. This loan was a combination of several sources, \$225,000 of which was funded through the Neighborhood Revitalization Program and is not forgivable. Forgiveness of the remaining debt is subject to final City Council approval.

Meets Agency Mission and Strategic Priorities

The proposal to forgive the UIHP loan meets the strategic priority to support people needing services. The 22 supportive housing units, which will continue under Little Earth Residents Association, are essential to the fabric of the Minneapolis community as well as the wider Indigenous community in Minnesota’s response to homelessness.

Map of 2501 Cedar Ave S, Minneapolis



Picture of 2501 Cedar Ave S, Minneapolis



**MINNESOTA HOUSING FINANCE AGENCY
400 Wabasha Street North, Suite 400
St. Paul, Minnesota 55102**

RESOLUTION NO. MHFA 25-XXX

**RESOLUTION APPROVING FORGIVENESS
URBAN INDIAN HOUSING PROGRAM (UIHP) LOAN**

WHEREAS, the Board has previously authorized a commitment for the Little Earth of United Tribes development for \$300,000 in UIHP funds by its Resolution No. MHFA 94-79; and

WHEREAS, the property does not have the resources to repay the loan; and

WHEREAS, affordability will be preserved through existing loans; and

WHEREAS, the debt forgiveness is in conjunction with an upcoming rehabilitation and preservation of this project; and

WHEREAS, the development continues to be in compliance with Minn. Stat. ch. 462A and Agency's rules, regulations and policies.

NOW THEREFORE, BE IT RESOLVED:

THAT, the Board hereby authorizes:

1. Forgiveness of the UIHP loan in the amount of \$300,000 as of the date of this resolution.

Adopted this 27th day of March 2025

CHAIR



Item: Approval, Waivers to the Workforce Housing Development Program (WHDP) Guide, City of Sandstone, D8321

Action Item: 7.B
Date: 3/27/2025
Staff Contacts: Sara Bunn, 651.296.9827, sara.bunn@state.mn.us
Summer Jefferson, 651.296.9832, summer.jefferson@state.mn.us
Request Type: Approval, Resolution

Request Summary

Staff requests board adoption of a resolution to waive the following funding terms from Chapter 3.02 of the Workforce Housing Development Program (WHDP) Guide for the \$3,950,000 deferred loan to the City of Sandstone for the Sandstone School Workforce Housing Project:

- The loan from the City of Sandstone to the project may be structured as a secured loan in lieu of an unsecured loan; and
- The loan from the City of Sandstone to the project may be forgivable after seven years instead of three years.

Fiscal Impact

Starting with new project selections in 2024, the Workforce Housing Development Program will generate fee income for projects that close on their loan.

Agency Priorities

- | | |
|---|---|
| <input type="checkbox"/> Improve the Housing System | <input type="checkbox"/> Make Homeownership More Accessible |
| <input checked="" type="checkbox"/> Preserve and Create Housing Opportunities | <input type="checkbox"/> Support People Needing Services |
| | <input type="checkbox"/> Strengthen Communities |

Attachments

- Background
- Resolution

Background

On September 26, 2024, the Board of Directors approved selecting the City of Sandstone (City) for a \$3,950,000 deferred loan for the Sandstone School Workforce Housing project under Resolution No. MHFA 24-070. This project will provide 31 units and will also utilize federal and state historic tax credits. The City has not yet entered into a loan agreement with Minnesota Housing for this award.

The WHDP provides deferred loans to local units of government or federally recognized Indian Tribes in Minnesota (Recipient), often a city, to support adding new rental units in Greater Minnesota. The WHDP does not include any rent or income limits or other longer term compliance requirements. The local unit of government then lends or grants the funds to the housing project in accordance with Chapter 3.02 of the [WHDP Program Guide](#). After the project is complete, the loan or grant to the Recipient can be forgiven.

For a historic tax credit project, the federal and state historic tax credit investor is the 99% owner of the single-purpose project ownership entity during the historic tax credit compliance period, which is for five years after project completion. During this period, there cannot be any tax-exempt entities, debt forgiveness, or grants associated with the project's single purpose ownership entity, or the federal and state historic tax credit investor will not participate in the project due to potential tax consequences. After the five year period, the historic tax credit investor has the option to leave the project and there is no longer risk of historic tax credit re-capture. The federal and state historic tax credits are anticipated to generate approximately \$5.1 million of equity for the Sandstone School Workforce Housing project.

The following table summarizes the sources and uses of the project at selection.

Sources	Amount
1 st Mortgage	\$ 1,300,000
Developer Equity	\$ 470,001
Matching Funds	\$ 3,391,428
WHDP Deferred Loan	\$ 3,950,000
State Historic Tax Credit Equity	\$ 2,575,700
Federal Historic Tax Credit Equity	\$ 2,527,154
Minnesota Power Energy Rebate	\$ 23,500
Pine County Revolving Loan Fund	\$ 75,000
Initiative Foundation Loan	\$ 500,000
Minnesota State Housing Tax Credit	\$ 1,200,000
Minnesota Contamination Revolving Loan Fund	\$ 550,000
Minnesota Historical Society Grant	\$ 250,000

Sources	Amount
Misc. Small Grants	\$ 321,218
Total Sources	\$ 17,134,001

Uses	Amount
Acquisition Costs	\$ 2,156,028
Construction Costs	\$ 11,447,187
Developer Fee	\$ 759,500
Other Soft Costs	\$ 2,771,286
Total Development Costs	\$ 17,134,001

In order for the WHDP funding to be compatible with the federal and state historic tax credits, the City of Sandstone requests two waivers to Chapter 3.02 of the WHDP Guide:

- Part (i): Allow the loan from the City of Sandstone to the project to be structured as a secured loan instead of an unsecured loan; and
- Part (iv): Allow the loan from the City of Sandstone to the project to be forgivable after seven years instead of three years.

With these two waivers, the WHDP funding selection would be compatible with the federal and state historic tax credit requirements. All other WHDP requirements would be unchanged. Allowing a secure loan and a longer period before the loan is forgiven does not materially change risk to Minnesota Housing. The WHDP Guide did not originally contemplate the use of historic tax credits in these projects. Staff is reviewing the program to determine if a permanent change to the WHDP Guide is warranted.

Minnesota Housing's goal is to optimize the use all available sources of funding for multifamily developments and to produce the maximum number of rental units that meet the intent of the WHDP. If the waivers are not granted, the project would not be financially feasible due to the funding gap caused by the loss of federal and state historic tax credit equity.

**MINNESOTA HOUSING FINANCE AGENCY
400 Wabasha Street North, Suite 400
St. Paul, Minnesota 55102**

RESOLUTION NO. MHFA 25-XXX

**RESOLUTION APPROVING SELECTIONS FOR THE
WORKFORCE HOUSING DEVELOPMENT PROGRAM (WHDP)**

WHEREAS, on September 26, 2024, the board selected the City of Sandstone for a \$3,950,000 deferred loan for the in Resolution No. MHFA 24-070 for the Sandstone School Workforce Housing Project (Project); and

WHEREAS, the board finds that the applicant has demonstrated that the waiver of the two of the loan term requirements in Chapter 3.02 of the Workforce Housing Development Program (WHDP) Guide are necessary for the financial feasibility of the Project and that a significant funding gap will remain if the waiver is not granted; and,

WHEREAS, Agency staff has determined that applications continue to be in compliance Agency rules, regulations, and policies; and that the applications will assist in fulfilling the purpose of Minn. Stat. ch. 462A.39; and

NOW, THEREFORE, BE IT RESOLVED:

THAT, the board hereby approves the following:

1. A waiver to Chapter 3.02(i) of the WHDP Guide allow the loan from the City of Sandstone to the Project to be structured as a secured loan instead of an unsecured loan; and
2. A waiver to Chapter 3.02(iv) of the WHDP Guide allow the loan from the City of Sandstone to the Project to be forgivable after seven years instead of three years; and
3. Except as modified herein, all other terms and conditions of Resolution No. MHFA 24-070 remain in effect.

Adopted this 27th day of March 2025

CHAIR



Item: Approval, Funding Modification, Workforce Housing Development Program, City of Plainview, D8484

Action Item: 7.C
Date: 3/27/2025
Staff Contacts: Sara Bunn, 651.296.9827, sara.bunn@state.mn.us
Summer Jefferson, 651.296.9832, summer.jefferson@state.mn.us
Request Type: Approval, Resolution

Request Summary

At the April 21, 2022 board meeting, deferred funding under the Workforce Housing Development Program (WHDP) was committed to the City of Plainview in Resolution No. MHFA 22-029 in the amount of \$1,304,000.

Agency staff recommends the adoptions of a resolution to increase the loan amount for the City of Plainview by \$300,000, increasing the total WHDP loan from \$1,304,000 to \$1,604,000.

Fiscal Impact

This project will not generate fee income. Starting with new project selections in 2024, the Workforce Housing Development Program will generate fee income for projects that close on their loan.

Agency Priorities

- | | |
|---|---|
| <input type="checkbox"/> Improve the Housing System | <input type="checkbox"/> Make Homeownership More Accessible |
| <input checked="" type="checkbox"/> Preserve and Create Housing Opportunities | <input type="checkbox"/> Support People Needing Services |
| | <input type="checkbox"/> Strengthen Communities |

Attachments

- Background
- Resolution

Background

The City of Plainview (City) was selected to receive \$1,304,000 in deferred funds from the WHDP in Resolution No. MHFA 22-029 for a 43-unit new construction project called Skye View Development. The WHDP provides deferred loans to local units of government or federally recognized Indian Tribes in Minnesota (Recipient), often a city, to support adding new rental units in Greater Minnesota. The WHDP does not include any rent or income limits or other longer term compliance requirements. The local unit of government then lends or grants the funds to the housing project. After the project is complete, the loan or grant to the Recipient can be forgiven. Additional information can be found in the [WHDP Program Guide](#).

Skye View Development has since had a funding gap created by increased interest rates and construction costs. Minnesota Housing's mortgage credit committee approved the following extensions of the deferred loan agreement as per Board Resolution No. MHFA 22-005, Board Delegation No 034, in order to give the City and developer time to solve the funding gap.

Date	Maturity Date	Construction Start Date	Construction Period End Date
7/18/2023	6/30/2025 to 6/29/2026	6/13/2023 to 6/12/2024	6/1/2025 to 5/31/2026
6/26/2024	n/a	6/12/2024 to 8/31/2024	n/a
2/26/2025	6/29/2026 to 6/30/2027	NA	5/31/2026 to 5/31/2027

The total development costs (TDC) exceed the application budget by approximately \$2.3 million, primarily due to increased construction costs driven by rising material and labor expenses. Soft cost increases include higher construction interest and an increased developer fee, which is now 4.8% of TDC but still below the allowable 6%. The increased developer fee is due to the additional time and effort required for redesign and financing the project, the involvement of new investors and their increased equity contributions. Design modifications and other efficiencies have been made to minimize cost increases. The project unit count is unchanged.

The first mortgage amount decreased due to changing from a 30-year term, 30-year amortization at 3.75% interest to a 25-year term, 30-year amortization at 7.75% interest, increasing the debt service payment by approximately \$170,000/annually. To mitigate the mortgage adjustments and cost increases, the developer sought out additional investor equity of \$2.6 million and the City of Plainview increased their property tax abatement commitment, which supports the operations of the property, by \$650,000.

While the City and the developer have committed additional resources to the project partially solving the funding gap, the City has requested a funding modification of \$300,000 from Minnesota Housing to solve the remaining gap.

The following tables summarize the financial composition changes since selection.

Sources	Amount at Selection	Current Amount	Difference
1 st Mortgage	\$ 7,237,000	\$ 6,646,000	\$ (591,000)
Equity	\$ 1,666,000	\$ 4,272,892	\$ 2,606,892
Workforce Loan	\$ 1,304,000	\$ 1,604,000	\$ 300,000
Total Sources	\$ 10,207,000	\$ 12,522,892	\$ 2,315,892
Property Tax Abatement from City (non capital match)	\$ 950,000	\$ 1,600,000	\$ 650,000

Uses	Amount at Selection	Current Amount	Difference
Construction Costs	\$ 8,556,010	\$ 10,209,812	\$ 1,653,802
Construction Interest	\$ 175,000	\$ 424,929	\$ 249,929
Developer Fee	\$ 300,000	\$ 566,905	\$ 266,905
Other Soft Costs	\$ 1,175,990	\$ 1,321,246	\$ 145,256
Total Development Costs	\$ 10,207,000	\$ 12,522,892	\$ 2,315,892

These adjustments would not have negatively affected the original selection. The WHDP deferred loan would be 12% of TDC with the proposed increase, which remains below the 25% of TDC limit that was a statutory requirement at the time of selection. The WHDP statute also requires local matching funds of \$1 for every \$2 requested be provided, which is met.

Based on the updated analysis, the proposed funding modification and increased award is consistent with program guidelines. There are sufficient funds in this program to provide the increased award.

MINNESOTA HOUSING FINANCE AGENCY

400 Wabasha Street North, Suite 400

St. Paul, Minnesota 55102

**RESOLUTION NO. MHFA 25-XX
Modifying Resolution No. MHFA 22-029**

**RESOLUTION APPROVING SELECTIONS FOR THE
WORKFORCE HOUSING DEVELOPMENT PROGRAM (WHDP)**

WHEREAS, on April 21, 2022, the board authorized Agency staff to enter into Grant Contract Agreements and Deferred Loan Agreements with nine applicants in Resolution No. MHFA22-029; and

WHEREAS, under Board Delegation No. 034, the Mortgage Credit Committee on July 18, 2023 extended the maturity date from 6/30/2025 to 6/29/2026, the construction start date from 6/13/2023 to 6/12/2024, and construction period end date from 6/1/2025 to 5/31/2026 . On June 26, 2024 extended the construction start date from 6/12/2024 to 8/31/2024. maturity date from 6/29/2026 to 6/30/2027. On February 26, 2025 extended the maturity date from 6/29/2026 to 6/30/2027 and the construction period end date from 5/31/2026 to 5/31/2027.

WHEREAS, the Agency staff have determined that a funding modification is required for the project to be financial feasible; and

WHEREAS, Agency staff has determined that applications continue to be in compliance Agency rules, regulations, and policies; and that the applications will assist in fulfilling the purpose of Minn. Stat. ch. 462A.39; and

NOW THEREFORE, BE IT RESOLVED:

THAT, the Board hereby authorizes Agency staff to modify the commitment for the indicated applicant, subject to the revisions noted:

1. The WHDP loan shall not exceed \$1,604,000; and
2. All other terms and conditions of Resolution No. MHFA 22-029 remain in effect.

Adopted this 27th day of March 2025

CHAIRMAN



Item: New Auditor Recommendation

Action Item: 7.D
Date: 03/27/2025
Staff Contacts: Debbi Larson, 651-296-8183, debbi.larson@state.mn.us
Kayla Vang, 651-296-3598, kayla.vang@state.mn.us
Request Type: Approval, Motion

Request Summary

The Agency requests approval of the selection of Eide Bailly to perform audit services as detailed in the RFP for fiscal year 2025, with option to extend 3 additional years.

Fiscal Impact

The cost of the annual financial, single and information technology audit will be paid from bond funds and pool 2.

Agency Priorities

- | | |
|--|---|
| <input type="checkbox"/> Improve the Housing System | <input type="checkbox"/> Make Homeownership More Accessible |
| <input type="checkbox"/> Preserve and Create Housing Opportunities | <input type="checkbox"/> Support People Needing Services |
| | <input type="checkbox"/> Strengthen Communities |

Attachments

- Background

Background

Per Board Policy #12, every four fiscal years, or sooner if circumstances warrant, the Agency will request proposals from qualified firms to audit the Agency financial statements and provide additional services, as needed, then present results to the Board.

In December, the Agency released an RFP soliciting qualified independent audit firms interested in providing audit services for fiscal year 2025, with the option to extend for three additional years. Three audit firms responded to the RFP;

- Baker Tilly
- Eide Bailly
- Whittlesey

Based upon a review of the responses to the RFP, Baker Tilly and Eide Bailly were invited to interview. Those interviews were held on February 7 and February 8, 2025. The interview panel included Agency Representatives including Executive Finance Officer, Debbi Larson, Executive Investment Officer, Matthew Dieveney, Chief Risk Officer, Mike Thone and Controller, Kayla Vang.

As a result of the RFP and the interview process, the members of the interview panel are recommending the Board select Eide Bailly to perform the audit services detailed in the RFP for fiscal year 2025, with the option to extend for three additional years.



Item: Second Quarter FY25 Update

Discussion Item: 8.A
Date: 03/27/2025
Staff Contacts: Debbi Larson, 651.296.8183, debbi.larson@state.mn.us
Kayla Vang, 651.296.3598, kayls.vang@state.mn.us
Request Type: No Action, Discussion

Request Summary

Staff will review financial results for the 2nd quarter of the 2025 fiscal year.

Fiscal Impact

None,

Agency Priorities

<Instructions: Select all that apply.>

- | | |
|--|---|
| <input type="checkbox"/> Improve the Housing System | <input type="checkbox"/> Make Homeownership More Accessible |
| <input type="checkbox"/> Preserve and Create Housing Opportunities | <input type="checkbox"/> Support People Needing Services |
| | <input type="checkbox"/> Strengthen Communities |

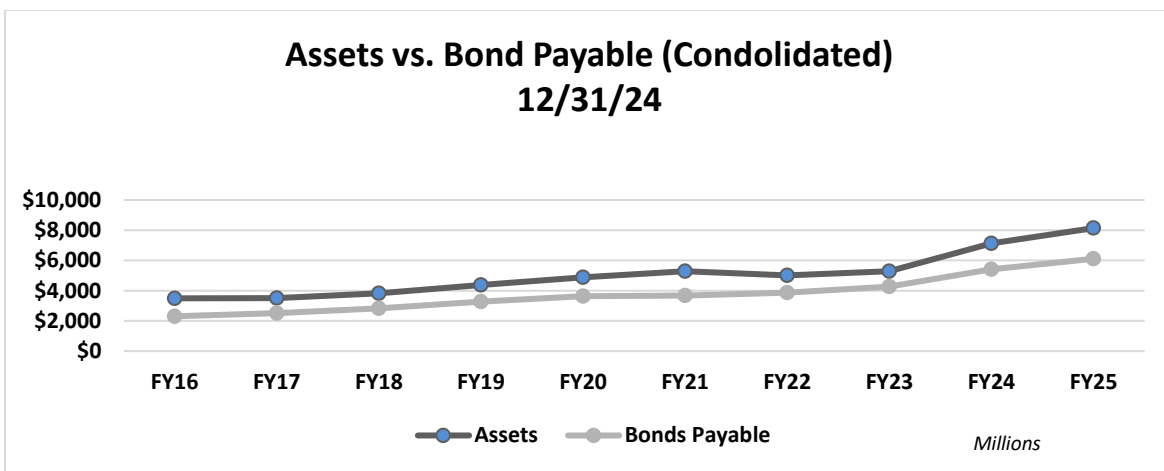
Attachments

- Noteworthy Items
- Financial Dashboard
- Selected Financial Statements - 2nd Quarter FY 2025

**Minnesota Housing Finance Agency
FY 2025 2nd Quarter Financial Results
Noteworthy Items**

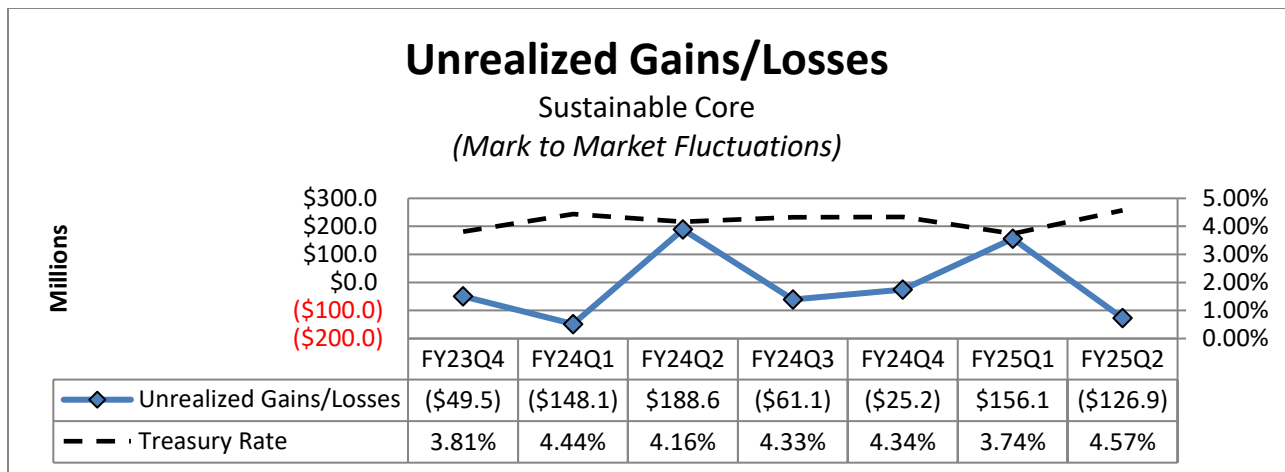
Balance Sheet

Total assets increased in the consolidated financials from the previous quarter by \$102.6 million and prior year by \$1.2 billion. The year over year increase was mostly within the sustainable core. In terms of the Mortgage-Backed Securities (MBS) portfolio, program securities have increased \$97.9 million compared to previous quarter and have increased \$796.6 million compared to FY24.



Overall, in FY25, non-securitized loan assets had a \$130.9 million increase over FY24. Multiple drivers for the increase including an increase in State Appropriated, Pool 2 and Rental Housing loans.

Asset values continue to be impacted by the increase in interest rates. The chart below shows the changes in market interest rates and the impact on the market value of the securities in the sustainable core. While increases in interest rates reduce the market value of investments, the Agency buys and holds investments to maturity thereby not realizing the losses recorded on the balance sheet. Additionally, increased interest rates provide additional interest revenue for the Agency.

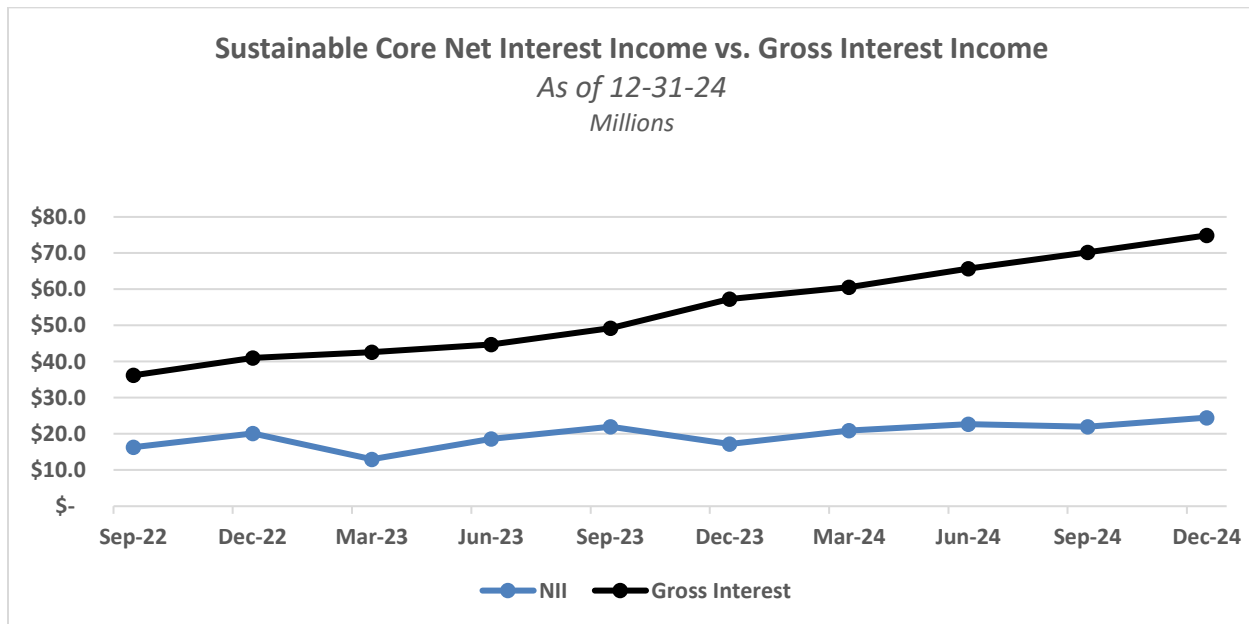


Operating Results

In the Sustainable Core, Q2 FY25 net interest income was \$24.5 million, an increase of \$2.5 million from prior quarter. YTD FY25 net interest income was \$46.5 million, compared to \$39.2 million YTD FY24.

Gross Interest revenue for the Sustainable Core, YTD FY25, was \$145.1 million, compared to \$106.5 million in FY24. As shown on the graph below the spread between gross and net interest earnings has grown, primarily as the Agency’s cost of capital has increased in line with market interest rates.

Along with the changing interest rate environment, interest bearing assets have increased significantly over FY24 both have contributed to the increase of gross interest revenue.



YTD other revenue increased 18.1% over prior year and operating expenses (salaries and general operating expenses) were slightly lower when compared to the prior year.

BALANCE SHEET*
Quarterly Financial Dashboard - Selected Reporting
As of December 31, 2024 - (\$ million)

	Quarter End	Prior Quarter End	Change from Prior Quarter	Year Ago	Change From Year Ago
CONSOLIDATED					
Total Assets	8,140.2	8,037.6	102.6	6,895.9	1,244.3
<i>Program Securities</i>	4,671.7	4,573.8	97.9	3,875.1	796.6
<i>Loans, net</i>	1,227.8	1,165.4	62.4	1,096.9	130.9
<i>Other investments and cash</i>	2,135.6	2,212.8	(77.2)	1,851.1	284.5
Total Liabilities	6,437.7	6,185.2	252.5	5,317.8	1,119.9
Net Position					
<i>restricted by Resolution</i>	448.7	468.1	(19.4)	474.9	(26.2)
<i>restricted by Covenant</i>	630.0	611.5	18.5	547.4	82.6
<i>restricted by Law</i>	1,288.8	1,344.9	(56.1)	1,105.3	183.5
<i>unrestricted - State Appr-Backed Debt</i>	(363.3)	(344.7)	(18.6)	(310.0)	(53.3)
<i>unrestricted by bond resolution</i>	(360.9)	(255.9)	(105.0)	(303.7)	(57.2)
<i>unrestricted by law</i>	(14.0)	(11.2)	(2.8)	20.2	(34.2)
<i>net investment in capital assets</i>	0.6	1.1	(0.5)	0.2	0.4
Total Net Position	1,629.9	1,813.8	(183.9)	1,534.3	95.6
CONSOLIDATED EXCLUDING APPROPRIATED					
Total Assets	6,727.8	6,543.5	184.3	5,568.9	1,158.9
Net Position	718.4	824.7	(106.3)	718.7	(0.3)
SUSTAINABLE CORE					
Total Assets	6,585.1	6,400.1	185.0	5,423.0	1,162.1
<i>Program Securities</i>	4,671.7	4,573.8	97.9	3,875.1	796.6
<i>Loans, net</i>	956.7	928.6	28.1	887.2	69.5
<i>Other investments & cash</i>	863.6	828.3	35.3	593.4	270.2
Total Liabilities	5,961.0	5,704.3	256.7	4,822.4	1,138.6
<i>Bonds payable, net</i>	5,624.8	5,437.5	187.3	4,566.8	1,058.0
Net Position	551.4	657.3	(105.9)	556.9	(5.5)

* Assets and liabilities do not include deferred inflows/outflows

STATEMENT OF OPERATIONS
Quarterly Financial Dashboard - Selected Reporting
As of December 31, 2024 - (\$ million)

	This Quarter	Prior Quarter	Change from Prior Quarter	FYTD	Last Year FYTD	Change
CONSOLIDATED						
Operating Revenue	181.3	450.7	(269.4)	632.0	1,102.2	(470.2)
Operating Expenses	207.9	189.7	18.2	397.6	328.8	68.8
Non-Operating Revenue/(Expenses)	(157.4)	160.9	(318.3)	3.5	41.2	(37.7)
Net	(184.0)	421.9	(605.9)	237.9	814.6	(576.7)
SUSTAINABLE CORE						
Interest revenue	74.9	70.2	4.7	145.1	106.5	38.6
Other revenue	22.9	19.5	3.4	42.4	35.9	6.5
Unrealized gain (loss)	(125.5)	154.3	(279.8)	28.8	41.3	(12.5)
TOTAL REVENUE	(27.7)	244.0	(271.7)	216.3	183.7	32.6
Interest Expense	50.4	48.2	2.2	98.6	67.3	31.3
Operating Expenses(1)	14.4	11.8	2.6	26.2	26.4	(0.2)
Other Expenses	13.4	20.0	(6.6)	33.4	25.3	8.1
TOTAL EXPENSE	78.2	80.0	(1.8)	158.2	119.0	39.2
Revenue over Expense	(105.9)	164.0	(269.9)	58.1	64.7	(6.6)
Net Interest Income	24.5	22.0	2.5	46.5	39.2	7.3
<i>Annualized Net Interest Margin (2)</i>	<i>1.51%</i>	<i>1.45%</i>		<i>0.75%</i>	<i>0.76%</i>	
<i>Annualized Gross Interest Margin (3)</i>	<i>4.61%</i>	<i>4.63%</i>		<i>2.35%</i>	<i>2.06%</i>	

(1) Salaries, benefits and other general operating; includes Year End Pension Adjustment

(2) Annualized Net Interest Income/Average assets for period

(3) Annualized Gross Interest/Average assets for period

Minnesota Housing Finance Agency
Fund Financial Statements
Statement of Net Position (in thousands) - UNAUDITED
Proprietary Funds
As of December 31, 2024 (with comparative totals as of
December 31, 2023)

	Bond Funds					Appropriated Funds		Total as of December 31, 2024	Total as of December 31, 2023	
	General Reserve	Rental Housing	Resi- dential Housing Finance	Homeownership Finance Bonds	Multifamily Housing Bonds	HOMES SM	State Appro- priated			Federal Appro- priated
Assets										
Cash and cash equivalents	\$ 98,445	\$ 89,482	\$ 515,398	\$ 43,452	\$ 2,237	\$ -	\$ 206,465	\$ 54,478	\$ 1,009,957	\$ 957,210
Investments-program mortgage-backed securities	-	-	3,858,205	813,499	-	-	-	-	4,671,704	3,875,126
Investment securities-other	12,381	17,067	89,517	-	-	3,416	1,003,312	-	1,125,693	893,935
Loans receivable, net	-	250,904	828,255	-	12,531	-	132,992	3,108	1,227,790	1,096,855
Interest receivable on loans and program mortgage-backed securities	-	967	20,129	2,762	46	-	40	4	23,948	18,310
Interest receivable on investments	392	273	2,280	143	8	10	4,254	16	7,376	7,602
Interest rate swap agreements	-	-	54,800	-	-	-	-	-	54,800	34,876
FHA/VA insurance claims, net	-	-	108	-	-	-	-	-	108	136
Real estate owned, net	-	-	543	-	-	-	(13)	-	530	553
Capital assets, net	4,857	-	1,659	-	-	-	-	46	6,562	7,930
Other assets	2,575	12	1,443	9	-	-	7,307	417	11,763	3,328
Total assets	118,650	358,705	5,372,337	859,865	14,822	3,426	1,354,357	58,069	8,140,231	6,895,861
Deferred Outflows of Resources										
Deferred loss on refunding	-	-	-	-	-	-	-	-	-	-
Deferred loss on interest rate swap agreements	-	-	-	-	-	-	-	-	-	4,625
Deferred pension expense	8,421	-	-	-	-	-	-	-	8,421	10,792
Total deferred outflows of resources	8,421	-	-	-	-	-	-	-	8,421	15,417
Total assets and deferred outflows of resources	\$ 127,071	\$ 358,705	\$ 5,372,337	\$ 859,865	\$ 14,822	\$ 3,426	\$ 1,354,357	\$ 58,069	\$ 8,148,652	\$ 6,911,278
Liabilities										
Bonds payable, net	\$ -	\$ 189,680	\$ 4,513,240	\$ 905,859	\$ 12,160	\$ 3,897	\$ 486,009	\$ -	\$ 6,110,845	\$ 5,062,388
Interest payable	-	3,401	87,144	2,033	31	10	8,043	-	100,662	65,834
Interest rate swap agreements	-	-	-	-	-	-	-	-	-	4,625
Net pension liability and OPEB	8,963	-	-	-	-	-	-	-	8,963	13,428
Accounts payable and other liabilities	6,654	40,842	81,292	43	-	-	4,512	2	133,345	88,441
Interfund payable (receivable)	11,825	(126)	(14,035)	-	-	-	1,356	980	-	-
Funds held for others	78,429	-	-	-	-	(481)	-	11	77,959	75,043
Lease Liability	4,222	-	-	-	-	-	-	-	4,222	5,604
Subscription Liability	24	-	1,671	-	-	-	-	-	1,695	2,452
Total liabilities	110,117	233,797	4,669,312	907,935	12,191	3,426	499,920	993	6,437,691	5,317,815
Deferred Inflows of Resources										
Deferred gain on interest rate swap agreements	-	-	54,800	-	-	-	-	-	54,800	34,876
Deferred revenue-service release fee	-	-	16,020	3,575	-	-	-	-	19,595	19,614
Deferred discount loan interest	-	-	77	-	-	-	-	-	77	-
Deferred pension credit	6,623	-	-	-	-	-	-	-	6,623	4,634
Total deferred inflows of resources	6,623	-	70,897	3,575	-	-	-	-	81,095	59,124
Total liabilities and deferred inflows of resources	\$ 116,740	\$ 233,797	\$ 4,740,209	\$ 911,510	\$ 12,191	\$ 3,426	\$ 499,920	\$ 993	\$ 6,518,786	\$ 5,376,939
Commitments and contingencies										
Net Position										
Restricted by bond resolution	-	125,211	305,539	15,279	2,631	-	-	-	448,660	474,874
Restricted by covenant	9,720	-	620,235	-	-	-	-	-	629,955	547,357
Restricted by law	-	-	-	-	-	-	1,231,885	56,866	1,288,751	1,105,345
Unrestricted by State Appropriation-backed Debt	-	-	-	-	-	-	(363,265)	-	(363,265)	(310,005)
Unrestricted by bond resolution	-	(303)	(293,634)	(66,924)	-	-	-	-	(360,861)	(303,666)
Unrestricted by covenant	-	-	-	-	-	-	-	-	-	-
Unrestricted by law	-	-	-	-	-	-	(14,183)	164	(14,019)	20,252
Net Investment in Capital Assets	611	-	(12)	-	-	-	-	46	645	182
Total net position	10,331	124,908	632,128	(51,645)	2,631	-	854,437	57,076	1,629,866	1,534,339
Total liabilities, deferred inflows of resources, and net position	\$ 127,071	\$ 358,705	\$ 5,372,337	\$ 859,865	\$ 14,822	\$ 3,426	\$ 1,354,357	\$ 58,069	\$ 8,148,652	\$ 6,911,278

This information on the funds of the Agency for the six-month period ended December 31, 2024 was prepared by the Agency, and, in the opinion of the Agency, includes all accounting adjustments necessary for a fair statement of the financial position and results of operations of those funds for the six-month period ended December 31, 2024, subject to year-end adjustments. However, this presentation excludes management's discussion and analysis, the agency-wide financial statements, and the notes to the financial statements which are required by generally accepted accounting principles. This information has not been reviewed by independent auditors and is not accompanied by any opinion from them. This information should be read in conjunction with the Agency's audited financial statements as of June 30, 2024 and for the fiscal year then ended.

Statement of Revenues, Expenses and Changes in Net Position (in thousands)

Proprietary Funds

Six Months Ended December 31, 2024 (with comparative totals for Six Months Ended December 31, 2023)

	Bond Funds					Appropriated Funds		Total for the Six Months Ended December 31, 2024	Total for the Six Months Ended December 31, 2023	
	General Reserve	Rental Housing	Residential Housing Finance	Homeownership Finance Bonds	Multifamily Housing Bonds	HOMES SM	State Appropriated			Federal Appropriated
Operating Revenue										
Interest earned on loans	\$ -	\$ 6,312	\$ 14,361	\$ -	\$ 276	\$ -	\$ 371	\$ 13	\$ 21,333	\$ 20,215
Interest earned on investments-program mortgage-backed securities	-	-	91,436	15,964	-	-	-	-	107,400	73,602
Appropriations received	-	-	-	-	-	-	305,271	144,243	449,514	965,075
Administrative reimbursement	29,481	-	-	-	-	-	-	-	29,481	24,276
Fees earned and other income	9,187	437	2,744	554	-	-	11,396	-	24,318	18,997
Total operating revenues	38,668	6,749	108,541	16,518	276	-	317,038	144,256	632,046	1,102,165
Operating Expenses										
Loan administration and trustee fees	-	88	1,875	178	2	-	63	-	2,206	1,948
Administrative reimbursement	-	856	15,317	3,028	45	-	9,622	613	29,481	21,559
Salaries and benefits	20,808	-	-	-	-	-	-	-	20,808	19,544
Other general operating	4,651	4	1,798	16	-	-	460	92	7,021	8,092
Appropriations disbursed	-	-	-	-	-	-	110,301	148,712	259,013	203,904
Reduction in carrying value of certain low interest rate deferred loans	-	1,142	743	-	-	-	55,103	16,228	73,216	70,060
Provision for loan losses	-	2,570	2,068	-	(1)	-	1,231	-	5,868	3,664
Total operating expenses	25,459	4,660	21,801	3,222	46	-	176,780	165,645	397,613	328,771
Operating income (loss)	13,209	2,089	86,740	13,296	230	-	140,258	(21,389)	234,433	773,394
Nonoperating Revenues (Expenses)										
Interest earned on investments-other	567	1,358	14,116	1,053	53	64	30,653	1,747	49,611	43,545
Appropriations received	-	-	-	-	-	-	37,053	-	37,053	35,204
Net appreciation/depreciation in fair value on investments	-	326	25,758	2,738	-	-	700	-	29,522	43,711
Interest	(122)	(3,358)	(82,449)	(12,435)	(184)	(64)	(6,397)	-	(105,009)	(74,576)
Financing, net	-	(824)	(6,658)	-	-	-	(158)	-	(7,640)	(6,696)
Appropriations disbursed	-	-	-	-	-	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	445	(2,498)	(49,233)	(8,644)	(131)	-	61,851	1,747	3,537	41,188
Income (Loss) Before Transfers and Contributions	13,654	(409)	37,507	4,652	99	-	202,109	(19,642)	237,970	814,582
Other changes										
Non-operating transfer of assets and program contributions between funds	(13,655)	(43,328)	63,647	(6,664)	-	-	-	-	-	-
Non-operating expenses	-	-	-	-	-	-	-	-	-	-
Change in net position	(1)	(43,737)	101,154	(2,012)	99	-	202,109	(19,642)	237,970	814,582
Net Position										
Total net position, beginning of period	10,332	168,645	530,974	(49,633)	2,532	-	652,328	76,718	1,391,896	719,757
Total net position, end of period	\$ 10,331	\$ 124,908	\$ 632,128	\$ (51,645)	\$ 2,631	\$ -	\$ 854,437	\$ 57,076	\$ 1,629,866	\$ 1,534,339

This information on the funds of the Agency for the six-month period ended December 31, 2024 was prepared by the Agency, and, in the opinion of the Agency, includes all accounting adjustments necessary for a fair statement of the financial position and results of operations of those funds for the six-month period ended December 31, 2024, subject to year-end adjustments. However, this presentation excludes management's discussion and analysis, the agency-wide financial statements, and the notes to the financial statements which are required by generally accepted accounting principles. This information has not been reviewed by independent auditors and is not accompanied by any opinion from them. This information should be read in conjunction with the Agency's audited financial statements as of June 30, 2024 and for the fiscal year then ended.

Total net position, beginning of period adjusted to GASB 68.

Minnesota Housing Finance Agency
 Supplementary Information(Unaudited)
 Statement of Net Position (in thousands)
 General Reserve & Bond Funds

As of December 31, 2024 (with comparative totals for
 December 31, 2023)

	Bond Funds						General Reserve &	General Reserve &	Residential Housing	General Reserve &	General Reserve &	
	General Reserve	Rental Housing	Residential Housing Finance		Homeownership Finance	Multifamily Housing	Bond Funds Excluding Pool 3 Total As Of	Bond Funds Excluding Pool 3 Total As Of	Finance Pool 3 Total As Of	Bond Funds Total As Of	Bond Funds Total As Of	
			Bonds	Pool 2	Bonds	Bonds	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2024	December 31, 2023	
Assets												
Cash and cash equivalents	\$ 98,445	\$ 89,482	\$ 469,862	\$ 39,153	\$ 43,452	\$ 2,237	\$ -	\$ 742,631	\$ 511,798	\$ 6,383	\$ 749,014	\$ 515,403
Investments-program mortgage-backed securities	-	-	3,858,205	-	813,499	-	-	4,671,704	3,875,126	-	4,671,704	3,875,126
Investment securities-other	12,381	17,067	2,652	85,526	-	-	3,416	121,042	81,573	1,339	122,381	89,837
Loans receivable, net	-	250,904	214,793	478,518	-	12,531	-	956,746	887,214	134,944	1,091,690	1,021,022
Interest receivable on loans and program mortgage-backed securities	-	967	18,179	1,909	2,762	46	-	23,863	18,236	41	23,904	18,279
Interest receivable on investments	392	273	1,520	717	143	8	10	3,063	2,635	43	3,106	2,721
Interest rate swap agreements	-	-	54,800	-	-	-	-	54,800	34,876	-	54,800	34,876
FHA/VA insurance claims, net	-	-	108	-	-	-	-	108	136	-	108	136
Real estate owned, net	-	-	352	191	-	-	-	543	553	-	543	553
Capital assets, net	4,857	-	-	1,659	-	-	-	6,516	7,855	-	6,516	7,855
Other assets	2,575	12	313	1,129	9	-	-	4,038	3,044	1	4,039	3,047
Total assets	118,650	358,705	4,620,784	608,802	859,865	14,822	3,426	6,585,054	5,423,046	142,751	6,727,805	5,568,855
Deferred Outflows of Resources												
Deferred loss on refunding	-	-	-	-	-	-	-	-	-	-	-	-
Deferred loss on interest rate swap agreements	-	-	-	-	-	-	-	-	4,625	-	-	4,625
Deferred pension expense	8,421	-	-	-	-	-	-	8,421	10,792	-	8,421	10,792
Total deferred outflows of resources	8,421	-	-	-	-	-	-	8,421	15,417	-	8,421	15,417
Total assets and deferred outflows of resources	\$ 127,071	\$ 358,705	\$ 4,620,784	\$ 608,802	\$ 859,865	\$ 14,822	\$ 3,426	\$ 6,593,475	\$ 5,438,463	\$ 142,751	\$ 6,736,226	\$ 5,584,272
Liabilities												
Bonds payable, net	\$ -	\$ 189,680	\$ 4,453,240	\$ 60,000	\$ 905,859	\$ 12,160	\$ 3,897	\$ 5,624,836	\$ 4,566,811	\$ -	\$ 5,624,836	\$ 4,566,811
Interest payable	-	3,401	85,456	1,688	2,033	31	10	92,619	57,836	-	92,619	57,836
Interest rate swap agreements	-	-	-	-	-	-	-	-	4,625	-	-	4,625
Net pension liability and OPEB	8,963	-	-	-	-	-	-	8,963	13,428	-	8,963	13,428
Accounts payable and other liabilities	6,654	40,842	1,120	80,168	43	-	-	128,827	85,461	4	128,831	85,462
Interfund payable (receivable)	11,825	(126)	14	10,195	-	-	-	21,908	11,630	(24,244)	(2,336)	(4,388)
Funds held for others	78,429	-	-	-	-	-	(481)	77,948	74,952	-	77,948	74,952
Lease Liability	4,222	-	-	-	-	-	-	4,222	5,604	-	4,222	5,604
Subscription Liability	24	-	-	1,671	-	-	-	1,695	2,071	-	1,695	2,071
Total liabilities	110,117	233,797	4,539,830	153,722	907,935	12,191	3,426	5,961,018	4,822,418	(24,240)	5,936,778	4,806,401
Deferred Inflows of Resources												
Deferred gain on interest rate swap agreements	-	-	54,800	-	-	-	-	54,800	34,876	-	54,800	34,876
Deferred revenue-service release fee	-	-	14,249	1,771	3,575	-	-	19,595	19,614	-	19,595	19,614
Deferred discount loan interest	-	-	-	77	-	-	-	77	-	-	77	-
Deferred pension credit	6,623	-	-	-	-	-	-	6,623	4,634	-	6,623	4,634
Total deferred inflows of resources	6,623	-	69,049	1,848	3,575	-	-	81,095	59,124	-	81,095	59,124
Total liabilities and deferred inflows of resources	\$ 116,740	\$ 233,797	\$ 4,608,879	\$ 155,570	\$ 911,510	\$ 12,191	\$ 3,426	\$ 6,042,113	\$ 4,881,542	\$ (24,240)	\$ 6,017,873	\$ 4,865,525
Commitments and contingencies												
Net Position												
Restricted by bond resolution	-	125,211	305,539	-	15,279	2,631	-	448,660	474,874	-	448,660	474,874
Restricted by covenant	9,720	-	-	453,244	-	-	-	462,964	385,531	166,991	629,955	547,357
Restricted by law	-	-	-	-	-	-	-	-	-	-	-	-
Unrestricted by State Appropriation-backed Debt	-	-	-	-	-	-	-	-	-	-	-	-
Unrestricted by bond resolution	-	(303)	(293,634)	-	(66,924)	-	-	(360,861)	(303,666)	-	(360,861)	(303,666)
Unrestricted by covenant	-	-	-	-	-	-	-	-	-	-	-	-
Unrestricted by law	-	-	-	-	-	-	-	-	-	-	-	-
Net Investment in Capital Assets	611	-	-	(12)	-	-	-	599	182	-	599	182
Total net position	10,331	124,908	11,905	453,232	(51,645)	2,631	-	551,362	556,921	166,991	718,353	718,747
Total liabilities, deferred inflows, and net position	\$ 127,071	\$ 358,705	\$ 4,620,784	\$ 608,802	\$ 859,865	\$ 14,822	\$ 3,426	\$ 6,593,475	\$ 5,438,463	\$ 142,751	\$ 6,736,226	\$ 5,584,272

This information on the funds of the Agency for the six-month period ended December 31, 2024 was prepared by the Agency, and, in the opinion of the Agency, includes all accounting adjustments necessary for a fair statement of the financial position and results of operations of those funds for the six-month period ended December 31, 2024, subject to year-end adjustments. However, this presentation excludes management's discussion and analysis, the agency-wide financial statements, and the notes to the financial statements which are required by generally accepted accounting principles. This information has not been reviewed by independent auditors and is not accompanied by any opinion from them. This information should be read in conjunction with the Agency's audited financial statements as of June 30, 2024 and for the fiscal year then ended.

Statement of Revenues, Expenses and Changes in Net Position (in thousands)
 General Reserve & Bond Funds
 Six Months Ended December 31, 2024 (with comparative totals for the six months ended December 31, 2023)

	Bond Funds						General Reserve & Bond Funds Excluding Pool 3	General Reserve & Bond Funds Excluding Pool 3	Residential Housing Finance Pool 3	General Reserve & Bond Funds	General Reserve & Bond Funds	
	General Reserve	Rental Housing	Residential Housing Finance		Homeownership Finance	Multifamily Housing	HOMES SM	Total for Six Months Ended December 31, 2024	Total for Six Months Ended December 31, 2023	Total for Six Months Ended December 31, 2024	Total for Six Months Ended December 31, 2024	Total for Six Months Ended December 31, 2023
Operating revenues												
Interest earned on loans	\$ -	6,312	\$ 4,512	\$ 9,757	\$ -	\$ 276	\$ -	\$ 20,857	\$ 19,978	\$ 92	20,949	\$ 20,072
Interest earned on investments-program mortgage-backed securities	-	-	91,436	-	15,964	-	-	107,400	73,602	-	107,400	73,602
Appropriations received	-	-	-	-	-	-	-	-	-	-	-	-
Administrative reimbursement	29,481	-	-	-	-	-	-	29,481	24,276	-	29,481	24,276
Fees earned and other income	9,187	437	1,779	915	554	-	-	12,872	11,652	50	12,922	11,666
Total operating revenues	38,668	6,749	97,727	10,672	16,518	276	-	170,610	129,508	142	170,752	129,616
Operating expenses												
Loan administration and trustee fees	-	88	1,046	814	178	2	-	2,128	1,886	15	2,143	1,890
Administrative reimbursement	-	856	12,513	1,938	3,028	45	-	18,380	14,766	866	19,246	15,632
Salaries and benefits	20,808	-	-	-	-	-	-	20,808	19,544	-	20,808	19,544
Other general operating	4,651	4	66	640	16	-	-	5,377	6,894	1,092	6,469	7,511
Appropriations disbursed	-	-	-	-	-	-	-	-	-	-	-	-
Reduction in carrying value of certain low interest rate deferred loans	-	1,142	(25)	(110)	-	-	-	1,007	(144)	878	1,885	4,644
Provision for loan losses	-	2,570	1,490	330	-	(1)	-	4,389	2,363	248	4,637	2,534
Total operating expenses	25,459	4,660	15,090	3,612	3,222	46	-	52,089	45,309	3,099	55,188	51,755
Operating income (loss)	13,209	2,089	82,637	7,060	13,296	230	-	118,521	84,199	(2,957)	115,564	77,861
Nonoperating Revenues (Expenses)												
Interest earned on investments-other	567	1,358	9,521	4,218	1,053	53	64	16,834	12,937	377	17,211	13,332
Appropriations received	-	-	-	-	-	-	-	-	-	-	-	-
Net appreciation/depreciation in fair value on investments	-	326	25,017	736	2,738	-	-	28,817	41,303	5	28,822	41,308
Interest	(122)	(3,358)	(79,393)	(3,056)	(12,435)	(184)	(64)	(98,612)	(67,290)	-	(98,612)	(67,290)
Financing, net	-	(824)	(6,639)	(19)	-	-	-	(7,482)	(6,424)	-	(7,482)	(6,424)
Appropriations disbursed	-	-	-	-	-	-	-	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	445	(2,498)	(51,494)	1,879	(8,644)	(131)	-	(60,443)	(19,474)	382	(60,061)	(19,074)
Income (Loss) Before Transfers and Contributions	13,654	(409)	31,143	8,939	4,652	99	-	58,078	64,725	(2,575)	55,503	58,787
Other changes												
Non-operating transfer of assets and program contributions between funds	(13,655)	(43,328)	1,147	62,500	(6,664)	-	-	-	-	-	-	-
Non-operating expenses	-	-	-	-	-	-	-	-	-	-	-	-
Change in net position	(1)	(43,737)	32,290	71,439	(2,012)	99	-	58,078	64,725	(2,575)	55,503	58,787
Net Position												
Total net position, beginning of period	10,332	168,645	(20,385)	381,793	(49,633)	2,532	-	493,284	492,196	169,566	662,850	659,960
Total net position, end of period	\$ 10,331	\$ 124,908	\$ 11,905	\$ 453,232	\$ (51,645)	\$ 2,631	\$ -	\$ 551,362	\$ 556,921	\$ 166,991	\$ 718,353	\$ 718,747

This information on the funds of the Agency for the six-month period ended December 31, 2024 was prepared by the Agency, and, in the opinion of the Agency, includes all accounting adjustments necessary for a fair statement of the financial position and results of operations of those funds for the six-month period ended December 31, 2024 subject to year-end adjustments. However, this presentation excludes management's discussion and analysis, the agency-wide financial statements, and the notes to the financial statements which are required by generally accepted accounting principles. This information has not been reviewed by independent auditors and is not accompanied by any opinion from them. This information should be read in conjunction with the Agency's audited financial statements as of June 30, 2024 and for the fiscal year then ended.

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Item: Single Family Annual Report of Actions Taken Under Delegated Authority for CY2024

Information Item: 9.A
Date: 03/27/2025
Staff Contacts: Primary Contact, 651.296.9959, kim.stuart@state.mn.us
Secondary Contact, 651.296.2198, tal.anderson@state.mn.us
Request Type: No Action, Information

Request Summary

The attached report for calendar (“CY”) 2024 describes actions taken under certain Board Delegations related to the Single Family Division. The delegations included in the report contemplate that the commissioner will make a written report to the board annually describing the actions taken using the delegated authority.

Fiscal Impact

The potential fiscal impact of each action taken under delegated authority is considered at the time of approval.

Agency Priorities

- Improve the Housing System
- Preserve and Create Housing Opportunities
- Make Homeownership More Accessible
- Support People Needing Services
- Strengthen Communities

Attachments

Single Family Delegated Authority CY 2024 Report

Background

The board has delegated certain authority to the commissioner pursuant to a series of delegations. The delegations include a determination by the board that providing authority to the commissioner improves the efficiency of the Agency's loan and grant programs. Each delegation includes an allowable scope as well as parameters and limitations by which it may be used and how actions may be approved. A number of delegations provide for an annual report to the board of actions taken pursuant to that authority.

This report includes actions taken under delegated authority that require annual reporting, related to the Agency's Single Family division, in calendar year 2024.

Actions Taken

The following actions were taken under each of the delegations listed below during calendar year 2024.

Resolution No. MHFA 18-016, Delegation No. 003:

To authorize the commissioner to grant program and servicing waivers to certain Single Family loan requirements

Program Pre-Funding Actions Taken:

Program	Reason for Action	Number
Homeownership-First Mortgage	Program guideline/manual waivers	64
	Interest rate/fee waivers	7
	Document deficiency waivers	0
Homeownership-Downpayment and Closing Cost Loans	Program guideline/manual waivers	73
Home Improvement-Fix Up	Program guideline/manual waivers	13
	Interest rate/fee waivers	3

	Document deficiency waivers	0
RLP/ELP	Program guideline/manual waivers	2
Total		162

Post-Closing Actions Taken:

Program	Reason for Action	Number
Homeownership-First Mortgage	Program guideline/manual waivers	6
Homeownership-Downpayment and Closing Cost Loans	Program guideline/manual waivers	3
Home Improvement-Fix Up	Program guideline/manual waivers	1
Quality Control		
Homeownership	Program guideline/manual waivers	30
Home Improvement	Program guideline/manual waivers	1
RLP/ELP	Program guideline/manual waivers	0
Total		41

Resolution No. MHFA 18-033, Delegation No. 024: To authorize the commissioner to approve grant extensions for all Single Family grants.

Actions taken:

89 extensions approved.

Common reasons for the need for extensions included limited contractor availability, product/material shortages and increase in construction/material costs. Other common reasons for approved extensions included needing more time to finish construction.

Resolution No. MHFA 18-035, Delegation No. 026: To authorize the commissioner to grant waivers to certain visitability requirements for Single Family program related transactions authorized by Minn. Stat. § 462A.34, as it may be subsequently amended or revised.

Actions taken:

Total number of visitability waivers – 5.

100% (5) of the waivers were for the no-step entrance due to site conditions that make the requirement impractical.



Item: Multifamily Annual Report of Actions Taken under Delegated Authority for 2024

Information Item: 9.B
Date: 3/28/2025
Staff Contacts: Jennifer Ho, 651.271.1362, jennifer.ho@state.mn.us
James Lehnhoff, 651.296.3028, james.lehnhoff@state.mn.us
Request Type: No Action, Information

Request Summary

The attached report for calendar year (“CY”) 2024 describes actions taken under certain board delegations related to the Multifamily Division. The delegations included in the report contemplate that the commissioner will make a written report to the board annually describing the actions taken using the delegated authority.

Fiscal Impact

The potential fiscal impact of each action taken under delegated authority is considered at the time of approval.

Agency Priorities

- | | |
|--|--|
| <input checked="" type="checkbox"/> Improve the Housing System | <input checked="" type="checkbox"/> Make Homeownership More Accessible |
| <input type="checkbox"/> Preserve and Create Housing Opportunities | <input type="checkbox"/> Support People Needing Services |
| | <input checked="" type="checkbox"/> Strengthen Communities |

Attachments

- Multifamily Delegated Authority Report for Calendar Year 2024

Multifamily Delegated Authority Report for Calendar Year 2024

The board has delegated certain authority to the commissioner pursuant to a series of delegations. The delegations include a determination by the board that providing authority to the commissioner improves the efficiency of the Agency's loan and grant programs. Each delegation includes an allowable scope as well as parameters and limitations by which it may be used and how actions may be approved. A number of delegations require an annual report to the board of actions taken pursuant to that authority.

Please note that a single project may be listed more than once on a table if the project received more than one approval through a delegated authority.

Summary of Multifamily Delegation Usage in Calendar Year 2024			
Resolution No.	Board Delegation #	Description	Number of Uses
18-018	5	Deferred Loan Funding Modifications	14
18-019	7	Deferred Loan Debt Forgiveness	6
18-020	8	Deferred Loan Assumptions	6
18-021	9	Loan Commitment Extensions	31
19-012	32	Tax Credit Joint Powers Agreements	3
22-005	34	Servicing of the Multifamily Loan Portfolio	20
22-006	35	Loan Forbearance on Multifamily Loans	4
		Total	84

Resolution No. MHFA 18-018, Board Delegation No. 005: Deferred Loan Funding Modifications: To authorize the commissioner to make certain funding modifications under the Multifamily deferred loan programs.

Actions Taken:

Dev ID #	Development Name	City	Modification Date	Funding Source	Original Selection Amount	Increase	Modified Amount
D8277	Winsted Park Apartments	Winsted	2/14/2024	Rental Rehabilitation Deferred Loan	\$ 640,500	\$ 59,500	\$ 700,000
D5550	Gilmanor Apartments	Gilman	3/6/2024	Rental Rehabilitation Deferred Loan	\$ 244,000	\$ 62,000	\$ 306,000
D2346	Maple Manor	Maple Lake	5/29/2024	Rental Rehabilitation Deferred Loan	\$ 613,000	\$ 87,000	\$ 700,000
D7781	Woodland Pines	Carlton	9/4/2024	Publicly Owned Housing Program	\$ 315,908	\$ 96,592	\$ 412,500
D8114	Brewery Creek	Duluth	9/25/2024	Economic Development and Housing Challenge Fund	\$ 3,010,737	\$ 6,903,263	\$ 9,914,000
D3429	Hillside Gardens	Proctor	11/6/2024	Preservation Affordable Rental Income Fund*	\$ -	\$ 7,030,000	\$ 7,030,000
D3429	Hillside Gardens	Proctor	11/6/2024	Housing Infrastructure Appropriations*	\$ -	\$ 1,400,000	\$ 1,400,000

Dev ID #	Development Name	City	Modification Date	Funding Source	Original Selection Amount	Increase	Modified Amount
D8527	Red Lake Supportive Housing II	Red Lake	11/13/2024	Flexible Financing Capital Costs	\$ 470,000	\$ 350,000	\$ 820,000
D3787	New San Marco	Duluth	12/4/2024	Housing Infrastructure Bond*	\$ -	\$ 6,000,000	\$ 6,000,000
D3787	New San Marco	Duluth	12/4/2024	Housing Infrastructure Appropriations*	\$ -	\$ 4,943,000	\$ 4,943,000
D0822	Passage Community	Minneapolis	12/4/2024	Housing Infrastructure Bond*	\$ -	\$ 3,872,000	\$ 3,872,000
D0630	The Androy	Hibbing	12/4/2024	Economic Development and Housing Challenge Fund*	\$ -	\$ 768,000	\$ 768,000
D9239	Jackson Street Village	Saint Paul	12/4/2024	Housing Infrastructure Bond*	\$ -	\$ 3,928,000	\$ 3,928,000
D9239	Jackson Street Village	Saint Paul	12/4/2024	Housing Infrastructure Appropriations*	\$ -	\$ 1,912,000	\$ 1,912,000

*These projects were originally selected for ERA2 Capital Funds in the 2023 Consolidated RFP that were subsequently swapped out with other resources as previously reported to the board.

Resolution No MHFA 18-019, Board Delegation No. 007: Multifamily Deferred Loan Debt Forgiveness: To authorize the commissioner to forgive the principal and/or interest on a deferred loan up to \$250,000.

Actions Taken:

Dev ID #	Development Name	City	Approval Date	Funding Source	Original Loan Principal Amount	Current Principal Loan Amount	Forgiven Loan Amount	Remaining Principal Loan Amount	Forgiven Accrued Interest
D2740	Park Plaza	Mpls	3/13/2024	Affordable Rental Investment Fund	\$ 700,000	\$ 700,000	\$ -	\$ 700,000	\$ 135,000
D2740	Park Plaza	Mpls	3/13/2024	Affordable Rental Investment Fund	\$ 600,000	\$ 600,000	\$ -	\$ 600,000	\$ 115,000
D3435	Country Village	Redwood Falls	3/13/2024	HOME	\$ 1,265,000	\$ 1,265,000	\$ -	\$ 1,265,000	\$ 205,513
D1506	Perspectives East	St. Louis Park	6/18/2024	Housing Trust Fund	\$ 100,000	\$ 5,000	\$ 5,000	\$ -	\$ -
D0423	New Apollo Apartments	Duluth	10/9/2024	Special Needs Housing Program	\$ 60,000	\$ -	\$ 60,000	\$ -	\$ 18,013
D0423	New Apollo Apartments	Duluth	10/9/2024	Housing Trust Fund	\$ 150,000	\$ 150,000	\$ -	\$ 150,000	\$ 45,033

Resolution No MHFA 18-020, Board Delegation No. 008: Multifamily Deferred Loan Assumptions: To authorize the commissioner to approve the assumption of Multifamily deferred loans.

Actions Taken:

Dev ID #	Development Name	City	Modification Date	Funding Source	Assumed Loan Amount
D7895	Eagle Heights Apartments	Eagle Bend	2/28/2024	Rental Rehab Deferred Loan	\$ 300,000
D2740	Park Plaza	Minneapolis	3/13/2024	Affordable Rental Investment Fund	\$ 700,000
D2740	Park Plaza	Minneapolis	3/13/2024	Affordable Rental Investment Fund	\$ 600,000
D3435	Country Village	Redwood Falls	3/13/2024	HOME	\$ 1,265,000
D5230	Perspectives, Inc.	St. Louis Park	6/18/2024	Preservation Affordable Rental Investment Fund	\$ 562,680
D5230	Perspectives, Inc.	St. Louis Park	8/21/2024	Preservation Affordable Rental Investment Fund	\$ 562,680

Resolution No MHFA 18-021, Board Delegation No. 009: Multifamily Loan Commitment Extensions: To authorize the commissioner to approve Multifamily loan commitment extensions for Multifamily deferred loans and first mortgage loans for up to 24 months, but any one extension cannot exceed 12 months.

Please note that a single project may be listed more than once because the project may involve more than one loan type and may receive more than one extension.

Actions Taken:

Dev ID #	Development Name	City	Approval Date	Funding Source	Selected Loan Amount	Original Expiration Date	New Expiration Date
D2514	John Carroll Highrise	South Saint Paul	1/17/2024	Publicly Owned Housing Program	\$4,412,100	1/22/2024	1/22/2025
D7776	Hill Lake Manor	Hill City	1/17/2024	Publicly Owned Housing Program	\$280,850	1/22/2024	1/22/2025
D7777	Pioneer Villa	McGregor	1/17/2024	Publicly Owned Housing Program	\$280,850	1/22/2024	1/22/2025
D7781	Woodland Pines	Carlton	1/17/2024	Publicly Owned Housing Program	\$315,908	1/22/2024	1/22/2025
D7795	Seventh Avenue Apartments	Hibbing	1/17/2024	Publicly Owned Housing Program	\$431,565	1/22/2024	1/22/2025

Dev ID #	Development Name	City	Approval Date	Funding Source	Selected Loan Amount	Original Expiration Date	New Expiration Date
D8178	Pickett Place	Austin	1/17/2024	Publicly Owned Housing Program	\$ 206,361	1/22/2024	1/22/2025
D8399	Park Road Plaza	Janesville	1/17/2024	Publicly Owned Housing Program	\$ 293,953	1/22/2024	1/22/2025
D3325	Isle View Apartments	Isle	2/28/2024	Financing Adjustment/Financing Adjustment Factor	\$ 3,000,000	2/29/2024	8/29/2024
D8322	Lewis Lofts	Mankato	2/28/2024	Low and Moderate Income Rental First Mortgage	\$ 3,095,000	2/29/2024	5/29/2024
D2474	Kimball Court	Saint Paul	5/23/2024	Flexible Finance for Capital Costs	\$ 1,901,000	6/30/2024	11/25/2024
D2475	Kimball Court	Saint Paul	5/23/2024	Housing Infrastructure Bonds	\$ 7,902,000	6/30/2024	11/25/2024
D0860	Minnesota Indian Women's Resource Center	Minneapolis	7/31/2024	Preservation Affordable Rental Investment Fund	\$ 458,000	8/15/2024	12/31/2024

Dev ID #	Development Name	City	Approval Date	Funding Source	Selected Loan Amount	Original Expiration Date	New Expiration Date
D8293	Carver Place	Carver	8/1/2024	Bridge Loan	\$ 5,195,000	8/15/2024	9/15/2024
D8293	Carver Place	Carver	8/1/2024	Low and Moderate Income Rental	\$ 4,625,000	8/15/2024	9/15/2024
D8293	Carver Place	Carver	8/1/2024	Economic Development and Housing Challenge Fund	\$ 4,550,000	8/15/2024	9/15/2024
D8293	Carver Place	Carver	8/1/2024	HOME	\$ 2,500,000	8/15/2024	9/15/2024
D8527	Red Lake Supportive Housing II	Red Lake	8/1/2024	Flexible Financing for Capital Costs	\$ 470,000	8/15/2024	2/15/2025
D8527	Red Lake Supportive Housing II	Red Lake	8/1/2024	Housing Infrastructure Bond	\$ 6,965,000	8/15/2024	2/15/2025
D8328	Prairie Pointe Apartments	Shakopee	8/1/2024	Economic Development and Housing Challenge Fund	\$ 1,224,000	8/15/2024	2/15/2025

Dev ID #	Development Name	City	Approval Date	Funding Source	Selected Loan Amount	Original Expiration Date	New Expiration Date
D8501	Wadena West Apartments	Duluth	8/1/2024	Housing Infrastructure Bond	\$ 4,938,000	8/15/2024	1/15/2025
D8501	Wadena West Apartments	Duluth	8/1/2024	National Housing Trust Fund	\$ 6,000,000	8/15/2024	1/15/2025
D8501	Wadena West Apartments	Duluth	8/1/2024	HOME	\$ 2,725,000	8/15/2024	1/15/2025
D8506	NACC-H	Minneapolis	8/1/2024	Economic Development and Housing Challenge Fund	\$ 1,208,000	8/15/2024	8/14/2025
D8276	Mountain Manor	Mountain Iron	8/28/2024	Rental Rehabilitation Deferred Loan	\$ 682,400	9/30/2024	3/31/2025
D1364	Southside Square	Roseau	8/28/2024	Rental Rehabilitation Deferred Loan	\$ 694,000	9/30/2024	3/31/2025
D0573	Ghent Housing	Ghent	8/28/2024	Rental Rehabilitation Deferred Loan	\$ 600,000	9/30/2024	3/31/2025

Dev ID #	Development Name	City	Approval Date	Funding Source	Selected Loan Amount	Original Expiration Date	New Expiration Date
D8341	Mary Hall	Saint Paul	9/18/2024	Housing Infrastructure Bond	\$ 7,222,000	9/27/2023	9/25/2025
D8341	Mary Hall	Saint Paul	9/18/2024	Housing Infrastructure Bond	\$ 9,705,000	9/27/2023	9/25/2025
D8248	Rogers Main Street Senior Housing	Rogers	9/18/2024	Housing Infrastructure Bond	\$ 6,422,000	9/27/2023	9/25/2025
D6680	West View Estates	Plymouth	12/4/2024	Recycled bond funds	\$ 755,000	12/31/2024	3/30/2025
D7842	Five Lakes Cooperative	Fairmount	12/4/2024	Low and Moderate Income Rental First Mortgage	\$ 1,220,000	12/27/2024	3/30/2025

Resolution No. MHFA 19-012, Board Delegation No. 032: Joint Powers Agreements with Suballocating Jurisdictions to Administer Federal Low-income Housing Tax Credits: To authorize the commissioner to enter into Joint Powers Agreements with cities or counties deemed allocation agencies (also known as suballocators) to administer the Housing Tax Credit (HTC) program for the suballocator in its jurisdiction.

Actions Taken:

Jurisdiction	Approval Date	Purpose
City of Saint Cloud	7/15/2024	Housing Tax Credit Joint Powers Agreement with suballocators who agree to transfer its entire HTC Annual Tax Credit distribution to Minnesota Housing which become part of the Minnesota Housing 2025 Federal Low-income Housing Tax Credit ceiling.
City of Duluth	7/15/2024	Housing Tax Credit Joint Powers Agreement with suballocators who agree to transfer its entire HTC Annual Tax Credit distribution to Minnesota Housing which become part of the Minnesota Housing 2025 Federal Low-income Housing Tax Credit ceiling.
City of Rochester	7/15/2024	Housing Tax Credit Joint Powers Agreement with suballocators who agree to transfer its entire HTC Annual Tax Credit distribution to Minnesota Housing which become part of the Minnesota Housing 2025 Federal Low-income Housing Tax Credit ceiling.

Resolution No MHFA 22-005, Board Delegation No. 034: Servicing of the Multifamily Loan Portfolio: To authorize the commissioner to make, under the Multifamily loan programs, certain actions relating to the servicing of the Multifamily loan portfolio that exceed the commissioner’s administrative authority (as determined by the General Counsel and Assistant Commissioner for Multifamily).

Actions Taken:

Dev ID #	Development Name	City	Approval Date	Funding Source	Loan Amount	Loan Servicing Type
D2888	Tofte Homestead Planned Development Phase I	Tofte	1/31/2024	Economic Development and Housing Challenge Fund	\$ 260,500	Prepayment & Termination of Agreements
D3118	Tofte Homestead Planned Development Phase II	Tofte	1/31/2024	Economic Development and Housing Challenge Fund	\$ 257,237	Prepayment & Termination of Agreements
D7895	Eagle Heights Apartments	Eagle Bend	2/28/2024	Rental Rehab Deferred Loan	\$ 300,000	Loan extension
D2740	Park Plaza	Minneapolis	3/13/2024	Affordable Rental Investment Fund	\$ 700,000	Loan Extension
D2740	Park Plaza	Minneapolis	3/13/2024	Affordable Rental Investment Fund	\$ 600,000	Loan Extension
D2740	Park Plaza	Minneapolis	3/13/2024	Affordable Rental Investment Fund	\$ 700,000	Reduction of Interest Rate
D2740	Park Plaza	Minneapolis	3/13/2024	Affordable Rental Investment Fund	\$ 600,000	Reduction of Interest Rate
D2740	Park Plaza	Minneapolis	3/13/2024	Affordable Rental Investment Fund	\$ 700,000	Amendment of Legal Description
D2740	Park Plaza	Minneapolis	3/13/2024	Affordable Rental Investment Fund	\$ 600,000	Amendment of Legal Description
D3435	Country Village	Redwood Falls	3/13/2024	HOME	\$ 1,265,000	Reduction of Interest Rate
D3435	Country Village	Redwood Falls	3/13/2024	HOME	\$ -	Amend Minimum Rent Subsidy Period in Declaration
D7990	15th Street Flats	Willmar	3/13/2024	HUD Risk-Sharing Low and Moderate Income Rental Program	\$ 1,139,000	Release of Guaranty

Dev ID #	Development Name	City	Approval Date	Funding Source	Loan Amount	Loan Servicing Type
D4175	Fairview Apartments	Holdingsford	4/24/2024	HOME	\$ 179,988	Loan Extension
D4175	Fairview Apartments	Holdingsford	5/22/2024	HOME	\$ 179,988	Extension of Minimum Rent Subsidy Period
D2346	Maple Manor	Maple Lake	5/29/2024	HOME	\$ 700,000	Loan Term Increase
D8484	Skyview Development	Plainview	6/26/2024	Workforce Housing Development Program	\$ 1,304,000	Extension of Construction Start Date
D8126	Twenty08	Alexandria	6/26/2024	Workforce Housing Development Program	\$ 499,000	Extension of Construction Start Date
D8295	Steele Heights	Ellendale	6/26/2024	Workforce Housing Development Program	\$ 491,000	Extension of Construction Start Date
D0423	New Apollo Apartments	Duluth	10/9/2024	Housing Trust Fund	\$ 150,000	Loan Extension
D6401	River Valley	Wabasha	10/23/2024	HOME	\$ 803,625	Loan Extension

Resolution No MHFA 22-006, Board Delegation No. 035: To authorize the commissioner to allow for forbearance on a Multifamily loan.

Actions Taken:

Dev ID #	Development Name	City	Approval Date	Funding Source	Original Loan Amount	Current Loan Amount	Start of Forbearance	End of Forbearance
D5982	Tamarac Manor	Underwood	5/22/2024	HOME	\$ 154,000	\$ 154,000	7/2/2024	7/2/2025
D3414	Housing of Olivia - Westcourt	Olivia	7/24/2024	HOME	\$ 686,000	\$ 566,796	9/1/2024	8/31/2025
D4175	Fairview Apartments (aka Holdingford Housing Corporation)	Holdingford	8/28/2024	HOME	\$ 179,988	\$ 179,988	8/31/2024	8/30/2025
D8235	Bimosedaa	Mpls	12/18/2024	Housing Infrastructure Bond Loan	\$ 14,290,000	\$ 14,290,000	12/31/2024	3/31/2025

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Item: Housing Stability Annual Report of Actions Taken under Delegated Authority for CY 2024

Information Item: 9.C
Date: 3/27/2025
Staff Contacts: Jennifer Ho, 651.271.1362, jennifer.ho@state.mn.us
Rinal Ray, 651.296.3789, rinal.ray@state.mn.us
Request Type: No Action, Information

Request Summary

The attached report for calendar year (“CY”) 2024 describes actions taken under certain board delegations related to the Housing Stability Division. The delegations included in the report contemplate that the commissioner will make a written report to the board annually describing the actions taken using the delegated authority.

Fiscal Impact

The potential fiscal impact of each action taken under delegated authority is considered at the time of approval.

Agency Priorities

- | | |
|---|---|
| <input checked="" type="checkbox"/> Improve the Housing System | <input type="checkbox"/> Make Homeownership More Accessible |
| <input checked="" type="checkbox"/> Preserve and Create Housing Opportunities | <input checked="" type="checkbox"/> Support People Needing Services |
| | <input checked="" type="checkbox"/> Strengthen Communities |

Attachments

- Housing Stability Delegated Authority Report for Calendar Year 2024

Housing Stability Delegated Authority Report for Calendar Year 2024

The board has delegated certain authority to the commissioner pursuant to a series of delegations. The delegations include a determination by the board that providing authority to the commissioner improves the efficiency of the Agency's loan and grant programs. Each delegation includes an allowable scope as well as parameters and limitations by which it may be used and how actions may be approved. Housing Stability Division delegated authority continued to be nested within Multifamily delegated authorities in 2024. A number of delegations require an annual report to the board of actions taken pursuant to that authority.

Please note that a single project may be listed more than once on a table if the project received more than one approval through a delegated authority.

Summary of Housing Stability Delegation Usage in Calendar Year 2024			
Resolution No.	Board Delegation #	Description	Number of Uses
18-026	15	Grant Funding Modifications	4
18-028	19	Grant Commitment Extensions	2
18-029	20	Grant Agreement Extensions	1
		Total	7

Resolution No MHFA 18-021, Delegation No. 015: Housing Stability Grant Modifications: To authorize the commissioner to make certain funding modifications of Housing Stability Grants.

Actions Taken:

Program	Grantee	Approval Date	Original Selection Amount	Increase	Modified Amount
Housing Trust Fund	Amherst Wilder Foundation	10/16/2024	\$ 71,700	\$ 50,000	\$ 121,700
Housing Trust Fund	D.W. Jones Management, Inc.	10/16/2024	\$ 50,000	\$ 37,000	\$ 87,000
Housing Trust Fund	Hearth Connection - Greater Minnesota	11/20/2024	\$ 1,935,000	\$ 290,250	\$ 2,225,250
Bridges Rental Assistance	Lakes and Pines Community Action Council	12/4/2024	\$ 142,306	\$ 50,000	\$ 192,306

Resolution No MHFA 18-028, Delegation No. 019: Housing Stability Grant Commitment Extensions: To authorize the commissioner to approve grant commitment extensions for Housing Stability Grants.

Actions Taken:

Dev ID #	Development Name	City	Approval Date	Funding Source	Selected Grant Amount
D3890	Dream Catcher Homes	Waubun	9/23/2024	Operating Subsidy Grant Amendment Commitment Extensions	\$ 66,000
D7535	Giwanakimin	Mahnomen	9/23/2024	Operating Subsidy Grant Amendment Commitment Extensions	\$ 70,156

Resolution No MHFA 18-029, Delegation No. 020: Housing Stability Grant Agreement Extensions: To authorize the commissioner to approve grant agreement extensions for Housing Stability Grants.

Actions Taken:

Project	Grantee	Extension Approval Date	Funding Source	Existing Grant Agreement Expiration	Extension Length	New Grant Agreement Expiration	Grant Amount
Homework Starts With Home Round 3	Lutheran Social Service of Minnesota	7/24/2024	Housing Trust Fund	9/30/2024	6 months	3/31/2025	\$ 958,700



Item: Update FY 2024 Corrective Action Plans-Audit Findings

Information Item: 9.D
Date: 03/27/2025
Staff Contacts: Debbi Larson, 651-296-8183, debbi.larson@state.mn.us
Kayla Vang, 651-296-3598, kayla.vang@state.mn.us
Nellie Siers, 651-296-0749, nellie.siers@state.mn.us
Request Type: No Action, Information

Request Summary

Agency staff is providing an update to corrective action plans now in place in response to FY 2024 audit findings.

Fiscal Impact

none

Agency Priorities

- | | |
|--|---|
| <input type="checkbox"/> Improve the Housing System | <input type="checkbox"/> Make Homeownership More Accessible |
| <input type="checkbox"/> Preserve and Create Housing Opportunities | <input type="checkbox"/> Support People Needing Services |
| | <input type="checkbox"/> Strengthen Communities |

Attachments

- Corrective Action Plan Summary Document

FY24 Correction Action Plan Status Updates

Identifying Number 2024-001

Finding:

Material weakness in internal control over financial reporting-deferred outflow of resources related to pension.

Review Process:

Lead Accountant will review and double check the year-end pension entries to ensure the amounts booked are tied to the sources that Minnesota Management and Budget (MMB) provides.

Identifying Number 2024-002

Finding:

Material weakness in internal control over financial reporting - interfund services. The Agency identified expenses incurred in fiscal year 2024 that were eligible to be charged as interfund services which were not previously recorded as interfund service.

Review Process:

The Director of Financial Services will review the calculation and double check dates on the reports. The director will sign off on the worksheets as evidence of their review and approval.

Identifying Number 2024-003

Finding:

Significant deficiency in internal control over financial reporting-capital assets. Depreciation expense is understated.

Review Process:

Lead Accountant will review the monthly fixed assets spreadsheet and will have a checklist of several items that they utilize to double check on the fixed assets spreadsheets. Lead Accountant will sign off on the monthly fixed assets worksheets each month as evidence of their review and approval.

Identifying Number 2024-004

Finding:

Significant deficiency in internal control over financial reporting-loans receivable. Loans receivable was understated.

Review Process:

The Benedict Group (BGI) loan report is compiled monthly and reconciled to the general ledger monthly.

Identifying Number 2024-005

Finding:

Significant deficiency in internal control over financial reporting-nonexchange revenues. Nonexchange revenues were not recognized properly in accordance with revenue recognition criteria of Government Accounting Standards Board (GASB) Statement 33.

Review Process:

The Accountant compiles a “Bring It Home Sales and Use” spreadsheet monthly detailing the estimated amount accrued, which is used to post the monthly journal entries. Lead analyst will review this spreadsheet monthly.

Identifying Number 2024-006

Finding:

Significant deficiency in internal control over financial reporting-classified presentation. The funds held for others liability current portion is understated, and the noncurrent portion is overstated.

Review Process:

At year-end, Lead Accountant will review the current and noncurrent spreadsheet that is updated for the General Reserve fund to ensure the correct portion is classified correctly on the current asset line. Lead Accountant will review the calculation of the current and noncurrent portions of the funds held for others liability to ensure reasonableness for both the Insurance and taxes columns.

Identifying Number 2024-007 and 2024-008

Finding:

Schedule of expenditures of federal awards (SEFA) presentation. There was a breakdown in the Agency's procedures related to the preparation and review of the SEFA.

Compliance finding and material weakness in internal control over compliance – allowable costs.

Review Process:

Per Director of Federal Affairs, currently they have implemented a new review process in which the Federal Compliance Analysts meet monthly to implement the Corrective Action Plans for #2024-007 and 2024-008. This process includes:

- 1) Reviewing the HOME and HOME-ARP Loan Balances to ensure that there were no errors in the process of obtaining the numbers as well as to make sure that the loan balance amounts match with federal affairs' current understanding of HOME and HOME-ARP implementation.
- 2) Reviewing any indirect cost and administrative drawdowns with Federal Analyst to ensure that any administrative and indirect expenditures are incurred only for work performed during the current fiscal year.
- 3) Reviewing the monthly compliance SEFA and backup to ensure that expenditure levels look correct overall for the month at hand.
- 4) Provide written approval and date of review for #1 and #2 above on our SEFA compliance worksheet for our records and for audit purposes.