MINNESOTA HOUSING

MEETINGS SCHEDULED FOR AUGUST

Date: 08/28/25, 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: 1.877.568.4108 Access Code: 529-960-044

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, August 28, 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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MINNESOTA HOUSING

Agenda: Minnesota Housing Board Meeting

Date: 08/28/2025, 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 July 24, 2025

5. Reports

- Chair
- Commissioner
- Committee

6. Consent Agenda

A. (page 11) Approval, Homework Starts with Home, Reallocation of Award from Anoka County to Housing and Redevelopment Authority of Clay County and Three Rivers Community Action, Inc.

7. Action Items

A. (page 17) Approval, 2025 Greater Minnesota Small Cities (Tier II Cities) Housing Aid Grants Program Request for Proposals (RFP) Selections
B. (page 27) Approval, Amendment, 2025 Local Housing Trust Fund Grants Program Request for Proposals (RFP) Selections
C. (page 33) Approval, Selection and Commitment, 2025 Publicly Owned Housing Program (POHP) Recommended Selections
D. (page 49) Approval, Modifications to Grant Related Board Delegations

8. Discussion Items

A. (page 67) 2026-2027 Affordable Housing Plan: Public Comment Draft

9. Information Items

A. (page 163) Post Sale Report, Residential Housing Finance Bonds, Series 2025 IJ
B. (page 175) Chief Risk Officer Report
C. (page 179) Third Quarter 2025 Progress Report: 2024-2027 Strategic Plan and 2024-2025 Affordable Housing Plan

10. Other Business

None.

11. Adjournment

None.

MINNESOTA HOUSING

Draft Meeting Minutes: Minnesota Housing Board Meeting

Date: Thursday, July 24, 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 1:03 p.m.

2. Roll Call

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

Minnesota Housing staff present via hybrid: Arin Adebayo, Tal Anderson, Tom Anderson, Ryan Baumtrog, Mariah Becerra, Jennifer Bergman, Susan Bergmann, Scott Beutel, Nick Boettcher, Laura Bolstad Grafstrom, Sara Bunn, Cassandra Busch, Eric Chapin, Alex Curwick, Alex Curwick, Cindy Diel, Matt Dieveney, Diane Elias, Peter Elwell, Jennifer Finnesgard, Jessica Fowler, Rachel Franco, Terese Fritchman, Dory Goebel, Vanessa Haight, Amanda Hedlund, Kang Her, Adam Himmel, Jennifer Ho, Jon Holmseth, Summer Jefferson, Will Jensen-Kowski, Hannah Jirak, Dylan Johnson, Karen Johnson, Irene Kao, Erin Karkula-Peterson, Tiffany Kibwota, Aaron Kinski, Dan Kitzberger, Greg Krenz, Sue Ladehoff, Janine Langsjoen, Debbi Larson, Ger Lee, Song Lee, Joseph Marks, Sarah Matala, Dylan Mato, Eric Mattson, Jillian Mazullo, Don McCabe, Leighann McKenzie, Colleen Meier, Amy Melmer, Benjamin Miles, Krissi Mills, Rudi Mohamed, Kristen Mortenson, Jennifer Nelson, Michael Nguyen, John Patterson, Caryn Polito, Andy Pratt, Melissa Pugh, Rinal Ray, Annie Reierson, Brittany Rice, Rachel Robinson, Danielle Salus, Joel Salzer, Kayla Schuchman, Katie Seipel-Anderson, Nellie Sears, Meg Stinchcomb Sorenson, Lauren Stelter, Rachael Sterling, Kim Stuart, Jodell Swenson, Susan Thompson, Mike Thone, Nancy Urbanski, David Vang, Que Vang, Kayla Vang, Teresa Vaplon, Amanda Welliver, Bev Wilharm, Ji-Young Choi, Carole Wohlk, and Kristy Zack.

Others present via hybrid: Michelle Adams, Kutak Rock**;** Ramona Advani, Office of the Legislative Auditor; John Rocker, Greater Minnesota Housing Fund; Teresa Smude, Aitkin County HRA.

3. Agenda Review

None.

4. Approval

A. Regular Meeting Minutes of June 26, 2025

Motion: Chief Benjamin moved to approve the June 26, 2025, Regular Meeting Minutes. Seconded by Stephen Spears. Roll call was taken. Motion carries 7-0. 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

A. Approval, Selection and Commitment, FY 2026-27 Family Homeless Prevention and Assistance Program (FHPAP) - Dakota County

B. Approval, Updated Waiver of the Predictive Cost Model Threshold -Alexander Baker, D8310, International Falls

Motion: Chief Benjamin moved the Consent Agenda Items. Seconded by Stephanie Klinzing. Roll call was taken. Motion carries 7-0. All were in favor.

7. Action Items

A. Adoption, Series Resolution Authorizing Issuance and Sale of Additional Series of State Appropriation Bonds (Housing Infrastructure)

Matt Dieveney presented to the board a request for board approval of the resolution authorizing issuance and sale of additional series of state appropriation bonds. Michelle Adams, Kutak Rock 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 Issuance and Sale of Additional Series of State Appropriation Bonds. Seconded by Terri Thao. Roll call was taken. Motion carries 7-0. All were in favor.

B. Approval, 2025 Bring It Home Rental Assistance Program Request for Proposals (RFP) Selections

Peter Elwell and Cassi Reissmann-Doring presented to the board a request for approval of the 2025 Bring It Home Rental Assistance Program funding recommendations. Chair DeCramer opened up the discussion. Board members asked questions, and staff provided answers.

Motion: Stephanie Klinzing moved Approval, 2025 Bring It Home Rental Assistance Program Request for Proposals Selections. Seconded by Chief Benjamin. Roll call was taken. Motion carries 7-0. All were in favor.

C. Approval, Funding Modification and Extension, Capacity Building Funds – HOME Line

Joel Salzer presented to the board a request for approval of a resolution to amend HOME Line's grant contract agreement to extend the term end date from September 30, 2025, to September 30, 2027, and increase the award amount from $300,000 to $800,000. Chair DeCramer opened up the discussion. Board members asked questions, and staff provided answers.

Motion: Eric Cooperstein moved Approval, Funding Modification and Extension, Capacity Building Funds – HOME Line. Seconded by Stephen Spears. Roll call was taken. Motion carries 7-0. All were in favor.

D. Forbearance Extension, Preservation Affordable Rental Investment Fund (PARIF) Loan – Willow Wood Estates, D3427, Plymouth

Sarah Matala presented to the board a request for adoption of a resolution authorizing a forbearance extension for Willow Wood Estates. The requested forbearance extension is from July 30, 2025, to July 29, 2026, for the Preservation Affordable Rental Investment Fund loan with a current balance of $100,000. Chair DeCramer opened up the discussion. Board members asked questions, and staff provided answers.

Motion: Eric Cooperstein moved Forbearance Extension, Preservation Affordable Rental Investment

Fund Loan – Willow Wood Estates, D3427, Plymouth. Seconded by Stephanie Klinzing. Roll call was taken. Motion carries 7-0. All were in favor.

E. Forgiveness, Ending Long-Term Homelessness Initiative Fund (ELHIF) Program Loan, Housing Trust Fund (HTF) Program Loan – New San Marco Apartments, D3787, Duluth

Adam Himmel presented to the board a request to adopt a resolution authorizing the forgiveness of the $621,077 Ending Long-Term Homelessness Initiative Fund program loan and the $529,522 Housing Trust Fund program loan as part of the new financing structure for New San Marco Apartments. Chair DeCramer opened up the discussion. Board members asked questions, and staff provided answers.

Motion: Eric Cooperstein moved Forgiveness, Ending Long-Term Homelessness Initiative Fund Program Loan, Housing Trust Fund Program Loan – New San Marco Apartments, D3787, Duluth. Seconded by Stephanie Klinzing. Roll call was taken. Terri Thao was not present for the vote. Motion carries 6-0. All were in favor.

F. Approval, 2024 Workforce Housing Development Program (WHDP) RFP Selection – Wilderness Estates, D8733, Ely

Sara Bunn presented to the board a request for approval of resolution authorizing an additional selection from the 2024 Workforce Housing Development Program Request for Proposals. The selection would provide up to $1,500,000 of WHDP funds for Wilderness Estates. Selections are subject to final underwriting, the terms and conditions of the WHDP Program Guide, and loan agreements. Chair DeCramer opened up the discussion. Board members asked questions, and staff provided answers.

Motion: Stephanie Klinzing moved Approval, 2024 Workforce Housing Development Program RFP Selection – Wilderness Estates, D8733, Ely. Seconded by Eric Cooperstein. Roll call was taken. Terri Thao was not present for the vote. Motion carries 6-0. All were in favor.

G. Approval, HOME Investment Partnerships (HOME) and National Housing Trust Fund (NHTF) Combined Program Guide

Aaron Keniski presented to the board a request for approval of updates to the HOME Investment Partnerships and National Housing Trust Fund Combined Program Guide. Chair DeCramer opened up the discussion. There were no questions from board members.

Motion: Eric Cooperstein moved Approval, HOME Investment Partnerships and National Housing Trust Fund Combined Program Guide. Seconded by Chief Benjamin. Roll call was taken. Terri Thao was not present for the vote. Motion carries 6-0. All were in favor.

H. Funding Modification, Publicly Owned Housing Program (POHP) – Maryhill Manor, D7775, Aitkin

Bev Wilharm presented to the board a request for adoption of a resolution to increase the loan amount for Maryhill Manor by $166,280, increasing the total POHP loan from $351,000 to $517,280. Chair DeCramer opened up the discussion. Board members asked questions, and staff provided answers.

Motion: Chief Benjamin moved Funding Modification, Publicly Owned Housing Program - Maryhill Manor, D7775, Aitkin. Seconded by Stephanie Klinzing. Roll call was taken. Terri Thao was not present for the vote. Motion carries 6-0. All were in favor.

I. Funding Modification, Publicly Owned Housing Program (POHP) – Hill Lake Manor, D7776, Hill City

Susan Bergmann presented to the board a request for adoption of a resolution to increase the loan amount for Hill Lake Manor by $136,050, increasing the total POHP loan from $244,000 to $380,050. Chair DeCramer opened up the discussion. There were no questions from board members.

Motion: Eric Cooperstein moved Funding Modification, Publicly Owned Housing Program – Hill Lake Manor, D7776, Hill City. Seconded by Chief Benjamin. Roll call was taken. Terri Thao was not present for the vote. Motion carries 6-0. All were in favor.

J. Funding Modification, Publicly Owned Housing Program (POHP) – Pioneer Villa, D7777, McGregor

Susan Bergmann presented to the board a request for adoption of a resolution to increase the loan amount for Pioneer Villa by $105,850, increasing the total POHP loan from $244,000 to $349,850. Chair DeCramer opened up the discussion. There were no questions for board members.

Motion: Eric Cooperstein moved Funding Modification, Publicly Owned Housing Program – Pioneer Villa, D7777, McGregor. Seconded by Stephen Spears. Roll call was taken. Terri Thao was not present for the vote. Motion carries 6-0. All were in favor.

8. Discussion Items

None.

9. Information Items

None.

10. Other Business

None.

11. Adjournment

The meeting was adjourned at 2:42 p.m.

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John DeCramer, Chair

Item: Approval, Homework Starts with Home, Reallocation of Award from Anoka County to Housing and Redevelopment Authority of Clay County and Three Rivers Community Action, Inc.

Consent Item: 6.A
Date: 08/28/2025
Staff Contacts: Nancy Urbanski, 651.296.3683, nancy.urbanski@state.mn.us
Diane Elias, 651.284.3176, diane.elias@state.mn.us
Request Type: Approval, Resolution

Request Summary

Staff requests adoption of the attached resolution authorizing the additional commitment of $709,203 in Family Homeless Prevention and Assistance Program (FHPAP) funds and $367,797 in Housing Trust Fund (HTF) funds, for a total of $1,077,000, to two previously selected Homework Starts with Home (HSWH) grantees using funds from an award declined by a different HSWH grantee.

Fiscal Impact

The FHPAP and HTF funds are state appropriations, and individual awards are structured as grants, which do not earn interest for the Agency.

Agency Priorities

☒ Improve the Housing System

☒ Preserve and Create Housing Opportunities

☐ Make Homeownership More Accessible

☒ Support People Needing Services

☒ Strengthen Communities

Attachments

- Background
- Resolution

Background

Homework Starts with Home (HSWH) is an initiative comprising multiple community-based partners to help students succeed academically by obtaining and/or maintaining stable housing. In 2019, the legislature established HSWH as an ongoing program with a base appropriation of $3.5 million each biennium. The base appropriation was increased to $5.5 million in 2023.

At its June 26, 2025, meeting, the board approved Resolution No. MHFA 25-046, the selection and commitment of five grantees for HSWH funding, including Anoka County, for a total award of $1,077,000. Anoka County declined their award.

Staff recommend reallocating the $1,077,000 to other eligible grantees selected at the June 2025 board meeting. Two of the four grantees received their total request. The other two grantees, Housing and Redevelopment Authority of Clay County and THREE RIVERS COMMUNITY ACTION, INC. did not receive the full amount requested. Staff recommend increasing each applicant's awards, to 92% of the requested amount as follows:

Table 1: Recommended Amendment of HSWH Award to Housing and Redevelopment Authority of Clay County

Applicant	Award	FHPAP	HTF	TOTAL	% of Request	Projected # HHs
Housing and Redevelopment Authority of Clay County (original request $2,287,782)	Original (approved June 2025)	$ 867,425	$ 619,100	$ 1,486,525	65%	96
Housing and Redevelopment Authority of Clay County (original request $2,287,782)	Amended (proposed)	$ 1,228,000	$ 874,000	$ 2,102,000	92%	136

Project Description: Housing and Redevelopment Authority of Clay County, along with their FHPAP Administrator, Lakes and Prairies Community Action Partnership, Inc., will serve over 20 public school districts and one charter school in the West Central region. A recipient of three prior funding rounds (including the pilot), they report that HSWH is now a critical part of the system's infrastructure as they continue their unified work to end child homelessness.

Table 2: Recommended Amendment of HSWH Award to THREE RIVERS COMMUNITY ACTION, INC

Applicant		FHPAP	HTF	TOTAL	% of Request	Projected # HHs
THREE RIVERS COMMUNITY ACTION, INC. (original request $1,756,692)	Original (approved June 2025)	$ 861,372	$ 289,100	$ 1,150,472	65%	100
THREE RIVERS COMMUNITY ACTION, INC. (original request $1,756,692)	Amended (proposed)	$ 1,210,000	$ 401,997	$ 1,611,997	92%	140

Project Description: Located in southeastern Minnesota, THREE RIVERS COMMUNITY ACTION, INC. continues to serve their existing service area of Rochester and Mankato. In addition to HSWH funds, they will leverage Olmsted County's Local Homeless Prevention Aid funds to support this initiative. Olmsted County Housing and Redevelopment Authority will be the HTF administrator for the Rochester area. THREE RIVERS COMMUNITY ACTION, INC. is a current grantee, and this will be their third HSWH funding award.

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

RESOLUTION NO. MHFA 25-XXXX
Modifying Resolution No. MHFA 25-046

RESOLUTION MODIFYING COMMITMENT OF HOMEWORK STARTS WITH HOME (HSWH) FUNDS FOR HOUSING AND REDEVELOPMENT AUTHORITY OF CLAY COUNTY AND THREE RIVERS COMMUNITY ACTION, INC.

WHEREAS, at the June 26, 2025, meeting, the Minnesota Housing Finance Agency (Agency) board approved the Homework Starts with Home program selections through Resolution No. MHFA 25-046; and

WHEREAS, Anoka County was awarded $1,077,000 in Homework Starts with Home funds with $667,000 for Family Homeless Prevention and Assistance Program (FHPAP) and $410,000 for Housing Trust Fund (HTF), administered by Metropolitan Council Housing and Redevelopment Authority under the same application; and

WHEREAS, Anoka County and Metropolitan Council Housing Redevelopment Authority have declined the above-referenced Homework Starts with Home awards; and

WHEREAS, Agency staff have determined that these available funds should be utilized by other Homework Starts with Home applicants already approved by the board.

NOW THEREFORE, BE IT RESOLVED:

THAT, the board hereby authorizes Agency staff to enter into Grant Contract Agreements using state resources as set forth below, subject to changes allowable under Agency, board policies and applicable legislative allocations:

1. Agency staff shall review and approve the following grantees for up to the total recommended amount for the grant period of October 1, 2025, through September 30, 2027, and

Applicant	FHPAP Grant Administrator	FHPAP Award	HTF Grant Administrator	HTF Award	Contract Period
Housing and Redevelopment Authority of Clay County	Lakes and Prairies Community Action, Inc.	$ 1,228,000	Housing and Redevelopment Authority of Clay County	$ 874,000	10/1/2025 – 9/30/2027

THREE RIVERS COMMUNITY ACTION, INC.	THREE RIVERS COMMUNITY ACTION, INC.	$ 1,210,000	Housing and Redevelopment Authority of Olmsted County	$ 401,997	10/1/2025 – 9/30/2027
Anoka County	Anoka County	$ 0	Metropolitan Council – Housing Redevelopment Authority	$ 0	
Total		**$ 2,438,000**		**$ 1,275,997**	

2. All other terms and conditions of Resolution No. MHFA 25-046 remain in effect.

Adopted this 28th day of August 2025

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CHAIR

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Item: Approval, 2025 Greater Minnesota Small Cities (Tier II Cities) Housing Aid Grant Program Request for Proposals (RFP) Selections

Action Item: 7.A
Date: 8/28/2025
Staff Contacts: Nick Boettcher, 651.282.2575, nick.boettcher@state.mn.us
Colleen Meier, 651.296.9811, colleen.meier@state.mn.us
Annie Reierson, 651.296.3495, annie.reierson@state.mn.us
Request Type: Approval, Resolution

Request Summary

Staff requests board approval of the 2025 Greater Minnesota Small Cities (Tier II Cities) Housing Aid Grant Program funding recommendations.

Fiscal Impact

The Greater Minnesota Small Cities (Tier II Cities) Housing Aid Grant Program is funded by state appropriations. The Agency will retain up to 10% from the appropriations for administrative costs related to this competitively awarded grant program.

Agency Priorities

☒ Improve the Housing System

☒ Preserve and Create Housing Opportunities

☒ Make Homeownership More Accessible

☒ Support People Needing Services

☒ Strengthen Communities

Attachments

- Background and Funding Recommendations
- Funding Recommendations Table
- Funding Recommendations Map
- Regional Allocations Table
- Resolution

Background and Funding Recommendations

Background

The 2023 legislative session resulted in several new sources of funding for housing programs, including Statewide Affordable Housing Aid and Local Affordable Housing Aid (together referred to as Affordable Housing Aid). All Tribal Nations, Minnesota counties and cities with populations over 10,000 received direct Affordable Housing Aid payments from the Department of Revenue (DOR). A portion of Statewide Affordable Housing Aid is transferred from DOR to Minnesota Housing for a competitive grant program for cities outside the seven-county Twin Cities metropolitan area with populations below 10,000.

To make these funds available to these cities, Minnesota Housing administers the Greater Minnesota Small Cities (Tier II Cities) Housing Aid Grant Program. It is funded with up to $4.5 million of state appropriations for 2024 and 2025 under Minnesota Statutes Section 477A.36. After the 2024-2025 biennium, the funding steps down to a maximum of $1.25 million per year.

Funds for the Tier II Cities program can be used for a variety of qualifying projects that are generally the same as those allowed under the broader Statewide Affordable Housing Aid program. Prioritization must be given to households that have incomes that do not exceed 80 percent of the greater of state or area median income for homeownership and 50 percent of the greater of state or area median income for rental housing projects.

Grant funding to Tier II Cities is distributed through competitive requests for proposals (RFP).

2025 Request for Proposals (RFP)

Minnesota Housing issued a competitive RFP on February 20, 2025. Consistent with stakeholder feedback, the Request for Proposals was efficient and simple, presenting low barriers to entry for cities with limited staffing resources.

Applications were due April 24, 2025. The Agency received 48 eligible applications requesting approximately $11.3 million. In each of the six regions, requests exceed funding available.

Regional Allocations

To better ensure geographic distribution across the state, staff first allocated funds to six regions of Greater Minnesota according to the population of Tier II cities in each region. Staff further adjusted the allocations according to the share of applicants from each region, with more weight given to populations with greater housing-cost burdens. Regional allocation amounts are shown in the attached Funding Recommendations Map and included in the attached Regional Allocations Table for greater accessibility.

Funding Recommendations

Staff recommends funding 33 proposals, totaling $4,090,000. The funding methodology generally rewards the highest-scoring applicant in each region with its full request and ensures all applicants above a scoring threshold are awarded funding. Details are included in the attached Funding Recommendations Table.

Next steps

After board approval, staff will send letters to selected grantees informing them of selection. Awards will be subject to the program requirements outlined in the grant contract agreement. Agency staff will reach out to applicants not being recommended for funding and offer each a debrief meeting.

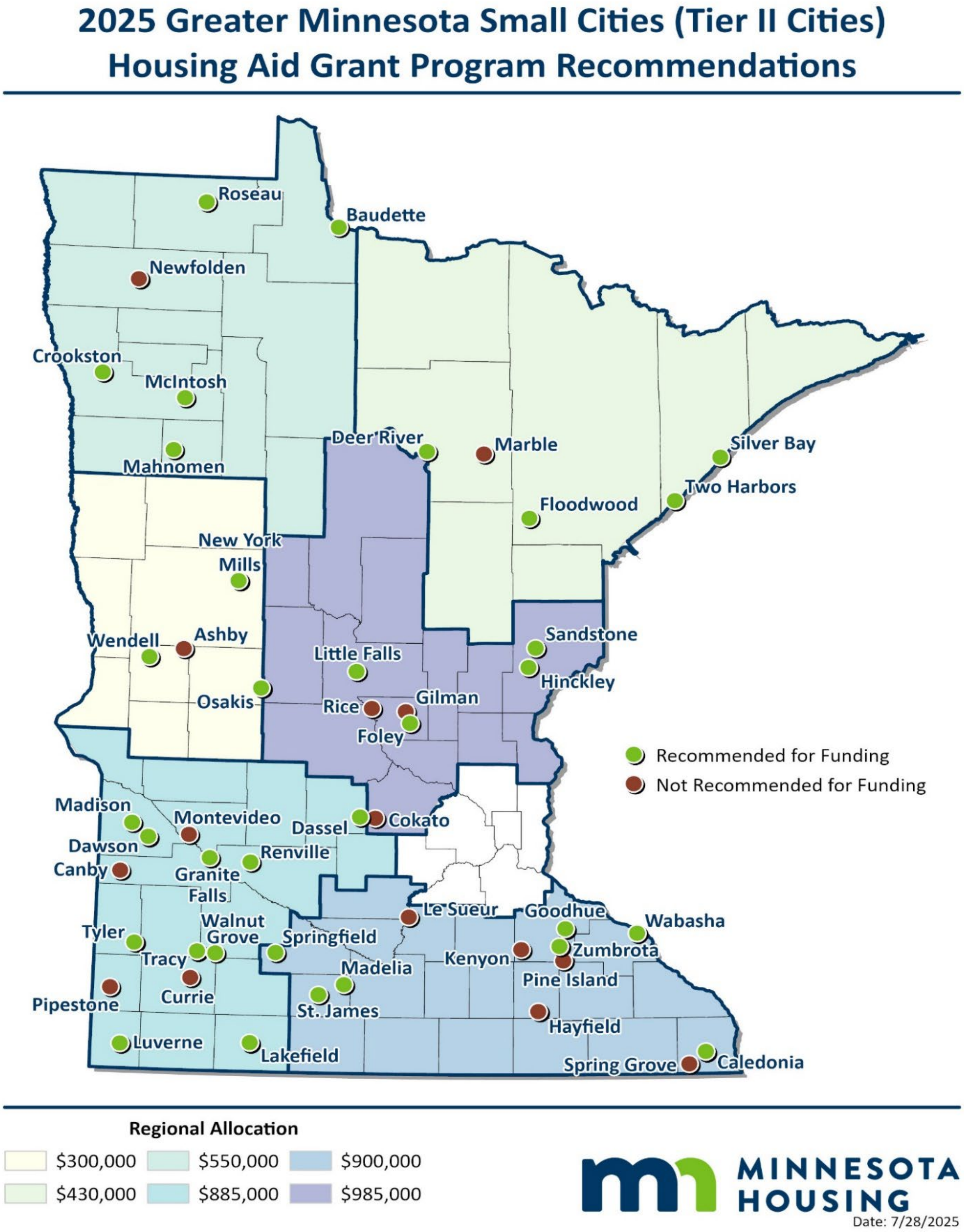
Funding Recommendations Table

Note: Applicants are listed alphabetically, first by region, then by name.

Applicant	Region	Funding Requested	Total Funding Recommended
Applications Recommended for Funding			
City of Foley	Central	$ 500,000	$ 200,000
City of Hinckley	Central	$ 500,000	$ 395,000
City of Little Falls	Central	$ 224,000	$ 220,000
City of Sandstone	Central	$ 550,000	$ 170,000
City of Deer River	Northeast	$ 250,000	$ 172,000
City of Floodwood	Northeast	$ 200,000	$ 134,000
City of Silver Bay	Northeast	$ 50,000	$ 50,000
City of Two Harbors	Northeast	$ 165,000	$ 100,000
City of Baudette	Northwest	$ 96,000	$ 96,000
City of Crookston	Northwest	$ 100,000	$ 100,000
City of Mahnomen	Northwest	$ 150,000	$ 150,000
City of McIntosh	Northwest	$ 100,000	$ 100,000
City of Roseau	Northwest	$ 78,000	$ 78,000
City of Caledonia	Southeast	$ 900,000	$ 110,000
City of Goodhue	Southeast	$ 55,000	$ 55,000
City of Madelia	Southeast	$ 386,000	$ 130,000
City of Springfield	Southeast	$ 130,000	$ 125,000
City of St. James	Southeast	$ 200,000	$ 120,000
City of Wabasha	Southeast	$ 275,000	$ 275,000
City of Zumbrota	Southeast	$ 85,000	$ 85,000
City of Dassel	Southwest	$ 200,000	$ 100,000
City of Dawson	Southwest	$ 50,000	$ 50,000
City of Granite Falls	Southwest	$ 670,000	$ 95,000
City of Lakefield	Southwest	$ 200,000	$ 95,000

Applicant	Region	Funding Requested	Total Funding Recommended
City of Luverne	Southwest	$ 50,000	$ 50,000
City of Madison	Southwest	$ 300,000	$ 95,000
City of Renville	Southwest	$ 150,000	$ 90,000
City of Tracy	Southwest	$ 100,000	$ 100,000
City of Tyler	Southwest	$ 150,000	$ 150,000
City of Walnut Grove	Southwest	$ 250,000	$ 100,000
City of New York Mills	West Central	$ 150,000	$ 80,000
City of Osakis	West Central	$ 200,000	$ 150,000
City of Wendell	West Central	$ 130,000	$ 70,000
Applications Not Recommended for Funding			
City of Cokato	Central	$ 150,000	$ -
City of Gilman	Central	$ 200,000	$ -
City of Rice	Central	$ 300,000	$ -
City of Marble	Northeast	$ 50,000	$ -
City of Newfolden	Northwest	$ 390,000	$ -
City of Hayfield	Southeast	$ 500,000	$ -
City of Kenyon	Southeast	$ 65,000	$ -
City of Le Sueur	Southeast	$ 250,000	$ -
City of Pine Island	Southeast	$ 80,000	$ -
City of Spring Grove	Southeast	$ 500,000	$ -
City of Canby	Southwest	$ 210,000	$ -
City of Currie	Southwest	$ 50,000	$ -
City of Montevideo	Southwest	$ 250,000	$ -
City of Pipestone	Southwest	$ 500,000	$ -
City of Ashby	West Central	$ 300,000	$ -
	Totals	**$ 11,389,000**	**$ 4,090,000**

Funding Recommendations Map



Regional Allocations Table

Region	Regional Allocation
Northwest Includes cities within the counties of: Beltrami, Clearwater, Hubbard, Kittson, Lake of the Woods, Mahnomen, Marshall, Norman, Pennington, Polk, Red Lake and Roseau	**$ 550,000**
Northeast Includes cities within the counties of: Aitkin, Carlton, Cook, Itasca, Koochiching, Lake and Saint Louis	**$ 430,000**
West Central Includes cities within the counties of: Becker, Clay, Douglas, Grant, Otter Tail, Pope, Stevens, Traverse and Wilkin	**$ 300,000**
Central Includes cities within the counties of: Benton, Cass, Chisago, Crow Wing, Isanti, Kanabec, Mille Lacs, Morrison, Pine, Sherburne, Stearns, Todd, Wadena and Wright	**$ 985,000**
Southwest Includes cities within the counties of: Big Stone, Chippewa, Cottonwood, Jackson, Kandiyohi, Lac qui Parle, Lincoln, Lyon, McLeod, Meeker, Murray, Nobles, Pipestone, Redwood, Renville, Rock, Swift and Yellow Medicine	**$ 885,000**

Southeast Includes cities within the counties of: Blue Earth, Brown, Dodge, Faribault, Fillmore, Freeborn, Goodhue, Houston, Le Sueur, Martin, Mower, Nicollet, Olmsted, Rice, Sibley, Steele, Wabasha, Waseca, Watonwan and Winona	**$ 900,000**

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

RESOLUTION NO. MHFA 25-XXX

RESOLUTION APPROVING SELECTION FOR GREATER MINNESOTA SMALL CITIES (TIER II CITIES) HOUSING AID GRANT PROGRAM

WHEREAS, the Minnesota Housing Finance Agency (Agency) has received applications to administer grants to tier II cities under Minnesota Statutes section 477A.36, subdivision 3; and

WHEREAS, Agency staff has reviewed the applications and determined that the applications are in compliance under the Agency's rules, regulations and policies; and that the recommended applicants will assist in fulfilling the purpose of this program.

NOW THEREFORE, BE IT RESOLVED:

1. The board authorizes Agency staff to enter into two-year grant contract agreements with the recommended applicants up to the amounts set forth below, subject to the terms and conditions contained herein and in the respective grant contract agreements:

Applicant Name	Award
City of Baudette	$ 96,000
City of Caledonia	$ 110,000
City of Crookston	$ 100,000
City of Dassel	$ 100,000
City of Dawson	$ 50,000
City of Deer River	$ 172,000
City of Floodwood	$ 134,000
City of Foley	$ 200,000
City of Goodhue	$ 55,000
City of Granite Falls	$ 95,000
City of Hinckley	$ 395,000
City of Lakefield	$ 95,000
City of Little Falls	$ 220,000

Applicant Name	Award
City of Luverne	$ 50,000
City of Madelia	$ 130,000
City of Madison	$ 95,000
City of Mahnomen	$ 150,000
City of McIntosh	$ 100,000
City of New York Mills	$ 80,000
City of Osakis	$ 150,000
City of Renville	$ 90,000
City of Roseau	$ 78,000
City of Sandstone	$ 170,000
City of Silver Bay	$ 50,000
City of Springfield	$ 125,000
City of St. James	$ 120,000
City of Tracy	$ 100,000
City of Two Harbors	$ 100,000
City of Tyler	$ 150,000
City of Wabasha	$ 275,000
City of Walnut Grove	$ 100,000
City of Wendell	$ 70,000
City of Zumbrota	$ 85,000

2. The applicant and any other parties shall execute all such documents relating to the grant contract agreement, terms and conditions, as Agency staff, in its sole discretion, deems necessary.

Adopted this 28th day of August 2025

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CHAIR

MINNESOTA HOUSING

Item: Approval, Amendment, 2025 Local Housing Trust Fund Grants Program Request for Proposals (RFP) Selections

Action Item: 7.B
Date: 08/28/2025
Staff Contacts: Colleen Meier, 651.296.9811, colleen.meier@state.mn.us
Annie Reierson, 651.296.3495, annie.reierson@state.mn.us
Request Type: Approval, Resolution

Request Summary

Staff requests board approval to amend Resolution No. MHFA 25-029 for the 2025 Local Housing Trust Fund Grants program Request for Proposals selections.

Fiscal Impact

The Local Housing Trust Fund Grants program is funded by state appropriations, with individual awards structured as grants that do not earn interest for the Agency. The Agency will retain up to 10% for administrative costs related to this competitively awarded grant program.

Agency Priorities

☐ Improve the Housing System

☒ Preserve and Create Housing Opportunities

☐ Make Homeownership More Accessible

☒ Support People Needing Services

☒ Strengthen Communities

Attachments

- Background & Revised Funding Recommendations
- Resolution

Background

The Local Housing Trust Fund Grants program provides grants to local housing trust funds to incentivize local funding for a broad range of affordable housing initiatives that must benefit households with incomes at or below 115% State Median Income (SMI).

Applicants could apply for grant funding in any amount up to $225,000 depending on the amount of eligible matching funds. Matching funds must be local income that is committed to the local housing trust fund on or after June 29, 2021, from any source other than the state or federal government. The first $150,000 of local funds may be matched with grant funds up to 100%. The second $150,000 to $300,000 of local funds can be matched with grant funds up to 50%.

Initial Selections Process

The initial Local Housing Trust Fund Grants Program RFP Selections were approved by the board of directors in May 2025. The applications were selected through a competitive RFP process, through which Minnesota Housing received 54 proposals from local governments totaling $9,620,100.

Applications were scored using three categories: project description and timeline, demographic information and households of focus, and funding leverage and historical housing initiatives.

Revised Funding Recommendations

After receiving board approval, staff conducted due diligence, including thorough review of grantees' local housing trust fund establishing documentation. Upon reviewing the documentation for the City of Rochester, staff determined that the affordable housing fund they established did not meet the statutory requirements to qualify as a local housing trust fund, which provided that applicants for the Local Housing Trust Fund Grants Program must have had a local housing trust fund established through a local government before the application period closed on March 19, 2025. The City of Rochester was selected to receive $150,000 in grant funding that needs to be reallocated because the local housing trust fund was not created by the City.

Staff recommend dividing the $150,000 in grant funds between the next two highest-scoring applicants who were tied: the City of Bloomington Housing and Redevelopment Authority and the City of Columbia Heights. Since both cities had the same score, and to fund as many local governments as possible, staff recommend awarding each city $75,000.

Note that Metro refers to the seven-county Twin Cities metropolitan area.

Applicant Name	Metro or Greater Minnesota	Requested Funding	Recommended Funding
Applications Recommended for Funding			
Beltrami County	Greater Minnesota	$ 76,000	**$ 76,000**

Blue Earth County Economic Development Authority	Greater Minnesota	$	150,000	**$**	**150,000**
City of Alexandria Housing and Redevelopment Authority	Greater Minnesota	$	150,000	**$**	**150,000**
City of Bloomington Housing and Redevelopment Authority	Metro	$	225,000	**$**	**75,000**
City of Brooklyn Park Economic Development Authority	Metro	$	225,000	**$**	**150,000**
City of Cokato	Greater Minnesota	$	150,000	**$**	**150,000**
City of Columbia Heights	Metro	$	225,000	**$**	**75,000**
City of Coon Rapids	Metro	$	225,000	**$**	**150,000**
City of Crookston Housing and Economic Development Authority	Greater Minnesota	$	150,000	**$**	**150,000**
City of Duluth	Greater Minnesota	$	225,000	**$**	**225,000**
City of Eden Prairie	Metro	$	225,000	**$**	**150,000**
City of Edina Housing and Redevelopment Authority	Metro	$	225,000	**$**	**150,000**
City of Floodwood	Greater Minnesota	$	30,000	**$**	**30,000**
City of Hackensack (The Hackensack Game Changers)	Greater Minnesota	$	45,000	**$**	**45,000**
City of Hibbing Economic Development Authority	Greater Minnesota	$	150,000	**$**	**150,000**
City of Hopkins	Metro	$	150,000	**$**	**150,000**
City of Madison	Greater Minnesota	$	150,000	**$**	**150,000**
City of Mankato Economic Development Authority	Greater Minnesota	$	225,000	**$**	**150,000**
City of Maplewood Economic Development Authority	Metro	$	225,000	**$**	**150,000**
City of Minnetonka	Metro	$	225,000	**$**	**150,000**
City of Northfield Housing and Redevelopment Authority	Greater Minnesota	$	158,250	**$**	**150,000**
City of Red Wing Housing and Redevelopment Authority	Greater Minnesota	$	225,000	**$**	**150,000**
City of Richfield Housing and Redevelopment Authority	Metro	$	225,000	**$**	**150,000**
City of Rushford	Greater Minnesota	$	150,000	**$**	**150,000**
City of Springfield Economic Development Authority	Greater Minnesota	$	225,000	**$**	**150,000**
City of St. Louis Park	Metro	$	225,000	**$**	**150,000**
City of Tracy Economic Development Authority	Greater Minnesota	$	150,000	**$**	**150,000**
City of Winona	Greater Minnesota	$	150,000	**$**	**150,000**
Crow Wing County Housing and Redevelopment Authority	Greater Minnesota	$	225,000	**$**	**150,000**

Douglas County Housing and Redevelopment Authority	Greater Minnesota	$ 150,000	**$ 150,000**
Itasca County Housing and Redevelopment Authority	Greater Minnesota	$ 225,000	**$ 225,000**
Kandiyohi County Housing and Redevelopment Authority	Greater Minnesota	$ 225,000	**$ 150,000**
Lake County Housing and Redevelopment Authority	Greater Minnesota	$ 225,000	**$ 225,000**
Otter Tail County Housing and Redevelopment Authority	Greater Minnesota	$ 225,000	**$ 150,000**
Renville County	Greater Minnesota	$ 150,000	**$ 150,000**
Scott County Community Development Agency	Metro	$ 225,000	**$ 150,000**
Swift County Housing and Redevelopment Authority	Greater Minnesota	$ 225,000	**$ 150,000**
Applications Not Recommended for Funding			
Aitkin County	Greater Minnesota	$ 75,000	**$ -**
Anoka County Housing and Redevelopment Authority	Metro	$ 225,000	**$ -**
Carver County Community Development Agency	Metro	$ 132,500	**$ -**
Chisago County Housing Redevelopment Authority-Economic Development Authority	Greater Minnesota	$ 225,000	**$ -**
City of Fairmont Housing and Redevelopment Authority	Greater Minnesota	$ 92,000	**$ -**
City of Golden Valley	Metro	$ 225,000	**$ -**
City of Hermantown	Greater Minnesota	$ 150,000	**$ -**
City of Rochester	Greater Minnesota	$ 225,000	**$ -**
Goodhue County - Southeastern Minnesota Multi-County Housing and Redevelopment Authority	Greater Minnesota	$ 225,000	**$ -**
Hubbard County Housing Redevelopment Authority-Economic Development Authority	Greater Minnesota	$ 225,000	**$ -**
Meeker County	Greater Minnesota	$ 150,000	**$ -**
Redwood County	Greater Minnesota	$ 40,850	**$ -**
Sherburne County Economic Development Authority	Greater Minnesota	$ 150,000	**$ -**
Stearns County Housing and Redevelopment Authority	Greater Minnesota	$ 175,000	**$ -**
Washington County Community Development Agency	Metro	$ 225,000	**$ -**
Winona County - Southeastern Minnesota Multi-County Housing and Redevelopment Authority	Greater Minnesota	$ 45,500	**$ -**
Totals:		**$ 9,420,100**	**$ 5,326,000**

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

RESOLUTION NO. MHFA 25-XXX
Modifying Resolution No. MHFA 25-029

RESOLUTION MODIFYING LOCAL HOUSING TRUST FUND PROGRAM SELECTIONS

WHEREAS, on May 22, 2025, the board approved the Local Housing Trust Fund selection to provide matching grant funds to local housing trust funds established under Minnesota Statutes, section 462C.16 in Resolution No. MHFA 25-029; and

WHEREAS, Agency staff have determined a previously selected applicant does not meet statutory requirements of the Local Housing Trust Fund; and

WHEREAS, Agency staff has reviewed the applications and determined that a modification is needed to the recommended applicants to ensure the selected grantees are in compliance under the Agency's rules, regulations and policies; and that the recommended applicants will assist in fulfilling the purpose of this program.

NOW THEREFORE, BE IT RESOLVED:

1. The board hereby authorizes Agency staff to enter into three-year grant contract agreements with the recommended applicants and in the amounts set forth below, subject to the terms and conditions contained herein and in the respective grant contract agreements:

Applicant Name	Award
City of Bloomington Housing and Redevelopment Authority	$ 75,000
City of Columbia Heights	$ 75,000
City of Rochester	$ 0
TOTAL	**$ 150,000**

2. All other terms and conditions of Resolution No. MHFA 25-029 remain in effect.

Adopted this 28th day of August 2025

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CHAIR

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MINNESOTA HOUSING

Item: Approval, Selection and Commitment, 2025 Publicly Owned Housing Program (POHP) Recommended Selections

Action Item: 7.C
Date: 08/28/2025
Staff Contacts: Janine Langsjoen, 651.296.6354, Janine.Langsjoen@state.mn.us
Susan Bergmann, 651.296.3797, Susan.Bergmann@state.mn.us
Request Type: Approval, Resolution

Request Summary

Staff requests approval and adoption of the attached resolutions authorizing the selection of 32 applicants for further processing for the 2025 Publicly Owned Housing Program (POHP). If approved, the selection would allocate a total of $53,435,200 of funding, of which $32,332,400 is from the 2023 state appropriations for 14 projects and $21,102,800 of 2025 General Obligation (GO) Bonds for 18 projects. Selections are subject to final underwriting, due diligence, and the terms and conditions of either the 2024 POHP Program Guide or the 2025 POHP Appropriations Round Program Guide, as applicable.

Fiscal Impact

The 2025 POHP loans are financed by State of Minnesota General Obligation Bonds and state appropriations, and the loans do not earn interest for the Agency.

Agency Priorities

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

Attachments

- Background and 2025 POHP Selection Recommendations
- Projects Recommended for Selection
- Maps: 2025 Funding Recommendations and 2020-2025 Funded Developments
- Resolutions

Background

2025 POHP Request for Proposal (RFP) Overview:

The 2023 Minnesota legislature allocated $40,132,000 in appropriations to Minnesota Housing, and the 2025 Minnesota legislature allocated $26,000,000 in state General Obligation (GO) Bonds to finance loans to rehabilite public housing. For the purposes of this program, public housing is defined as housing for low-income persons and households that were:

- Financed by the federal government and publicly owned,
- Financed by the federal government and owned by a federally recognized Indian Tribe in Minnesota or their associated Tribally Designated Housing Entity (Tribal Entity), or
- Housing that had been repositioned under the federal Rental Assistance Demonstration (RAD) or similar program.

GO Bonds require a public owner. Public owners include Public Housing Authorities (PHAs), Housing and Redevelopment Authoirities (HRAs) and Community Development Authorities (CDAs). For simplicity within this board report, the acronym PHA will be used and includes HRAs and CDAs.

State appropriations allow for a broader pool of eligible applicants, including housing owned by a Tribal Entity, or that had been repositioned under the federal Rental Assistance Demonstration (RAD) program. RAD was introduced in the mid-2010s and allows a PHA to convert public housing to another form of project based rental assistance. In that conversion, the ownership structure may change to a Limited Liability Company (LLC), Limited Partnerhip (LP) or other similar type of entity. In the POHP program, the PHA is still part of the ownership structure even if the ownership entity is an LLC, LP or other similar entity. As a result, RAD converted projects may not be eligible for GO Bonds but are eligible for appropriations.

In February 2025, Minnesota Housing released the 2025 POHP Request for Proposals (RFP). Applications were due on April 10, 2025. Because the timing of this RFP happens to align with the 2025 legislative session, we have the opportunity to select even more projects for funding than had been anticipated.

Minnesota Housing staff required each applicant to attend a technical assistance session prior to the application deadline. During technical assistance sessions, POHP staff explained program guidelines, learned more about each applicant's proposed rehabilitation project and provided guidance on how to submit a full and complete application.

The submitted applications included:

- Forty-seven applications requested over $80 million of funding.
- Applications were received from each region of the state.
- Seven applications were from RAD converted projects.
- Seven applications were from PHAs that have not previously received POHP funding.

- Twenty applications were for properties not previously funded with POHP.

Funding Priorities and Scoring:

Minnesota Housing staff assessed the applications to ensure that the proposed renovations were of a capital nature, as required by Minnesota Statute 16A.695 for GO Bonds. Items that meet this threshold include a significant building system or systems that is/are either failing or near the end of their intended useful life.

Along with this threshold, Minnesota Housing staff reviewed and scored applications based on the amount of rehabilitation work that fell into the following categories:

- Health and Life Safety (for example, environmental remediation of mold, radon or asbestos)
- Critical Physical Need (for example, replacement or repair of items that have outlived their expected useful life or are inoperable)
- Energy, Water Conservation, Climate Resiliency and Sustainability (for example, lighting or water conservation measures)
- Accessibility Improvements (for example, building and unit access features).

The top priority is to fund scope of work items that are in the worst condition and are the most time-sensitive, which are represented by the Health and Life Safety and Critical Physical Needs categories. Some funding recommendations reflect the removal of items that were ineligible or that were eligible but less critical based on the Minnesota Housing architect team's recommendation and as compared to other applications. Therefore, each funding recommendation is based upon both objective and comparative analysis.

POHP staff reviewed all developments for:

- Project Priorities (Health and Life Safety, Critical Needs, Energy, Accessibility)
- Overall project feasibility
- Demonstration of financial need
- Organizational capacity
- Compliance with POHP statutes, rules and priorities
- Geographic distribution

Minnesota Housing architects reviewed the proposed work scope, taking the following into consideration:

- Immediacy of need
- Health and Life Safety requests
- Applicant work scope priorities
- Consequences of the work not being completed
- Water and energy conservation measures to reduce operating expenses
- Accessibility improvements

Minnesota Housing credit review staff completed a credit analysis on each applicant.

Selection Overview:

- The POHP team recommends 32 projects for further processing. Ten projects are located in the seven county metro area and 22 in Greater Minnesota.
- Five RAD converted projects are recommended for selection. Of those, two projects are owned by a private entity (such as an LLC) controlled by a PHA and three remain in public ownership after RAD conversion.
- Five PHAs and 12 properties new to the POHP program are being recommended for selection.

Table 1: 2025 POHP Application Summary

	Applications Received	Total Recommended for Funding	Recommended for State Appropriations	Recommended for GO Bonds
Number of Developments	47	32	14	18
Number of PHAs*	34	27	13**	15**
Number of Units	4,197	3,220	1,586	1,634
Amount Requested	$ 80,694,624	$ 53,435,200	$ 32,332,400	$ 21,102,800
Metro	12 (25.5%)	$ 15,330,600	3	7
Greater Minnesota	35 (74.5%)	$ 38,104,600	11	11

*PHAs may submit more than one application.

**One PHA has projects funded with both appropriations and GO Bonds.

Remaining POHP Funding:

Because POHP applications are concept based, selected applicants only had to provide preliminary construction and development costs. POHP staff work closely with selected applicants to refine their project scope of work and will require applicants to engage a professional architect and/or engineer based on the specific rehabilitation needs. POHP staff will also review and approve all development budgets, including funds reserved for construction contingency. Given this approach, the Agency holds back funds from both the Appropriations and GO Bond allocation to account for cost increases. Funds withheld include $7,799,600 million in Appropriations and $4,897,200 in GO Bond funding. In the event any of this funding is not needed for funding gaps, the funds may be available through a future RFP.

Post-Selection:

With board approval, the 32 projects recommended to be selected for funding will receive a notice informing them that they have been selected for additional processing. The PHAs will work with Agency staff to finalize project details, including due diligence, so that they may close on funding to start construction.

The board will have final approval for projects that experience material changes or require modifications that exceed the delegated authorities previously established by the board.

Loan Structure and Compliance:

POHP loans funded with state appropriations are generally structured as 20-year, forgivable loans with a 20-year compliance period. POHP loans funded with GO Bonds are generally structured as 20-year, forgivable loans with a 35-year compliance period. Annual compliance reporting is required for all POHP loans.

POHP Funding History:

The first POHP RFP was released in 2012 and there have been seven rounds of funding (including this one). POHP has awarded just over $150 million to 163 rehabilitation projects, though some properties received multiple awards over time. The average award is approximately $11,000 per unit. In just the 2024 and 2025 RFPs, over $92 million has been awarded.

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

RESOLUTION NO. MHFA 25-XXX

RESOLUTION APPROVING SELECTION OF DEVELOPMENTS FOR FURTHER PROCESSING, LOAN COMMITMENTS, AND THE CLOSING OF LOANS RELATED TO THE PUBLICLY OWNED HOUSING PROGRAM (POHP) FUNDED WITH STATE APPROPRIATIONS

WHEREAS, the Minnesota Housing Finance Agency (Minnesota Housing) received applications to provide loans for the purpose of addressing critical health and safety needs and to fund conservation measures for public housing developments occupied by persons and families of low- and moderate-incomes; and

WHEREAS, Minnesota Housing staff reviewed the applications and has determined that the applications are in compliance under Minnesota Housing's rules, regulations and policies; that such loans are not otherwise available, wholly or in part, from private lenders upon equivalent terms and conditions; and that the rehabilitation of the developments will assist in fulfilling the purpose of Minnesota Statute Chapter 462A.

NOW THEREFORE, BE IT RESOLVED:

1. The board hereby authorizes Minnesota Housing staff to enter into loan agreements and to close said loans, for the applications and in the amounts set forth below, subject to the terms and conditions contained herein:

Property #	Project #	Applicant	Project Name	Selection Amount
D7820	M19931	PHA of the City of Saint Paul	Ravoux Hi-Rise	$ 790,000
D8811	M19926	MPHA in and for the City of Minneapolis	Snelling Manors	$ 5,314,600
D7818	M19932	PHA of the City of Saint Paul	Hamline Hi-Rise	$ 756,000
D8690	M19945	HRA of Itasca County	411 NW 7th St.	$ 2,063,400
D8799	M19914	HRA of Duluth, MN	North Point Apts.	$ 3,490,200

Property #	Project #	Applicant	Project Name	Selection Amount
D7779	M19950	HRA in and for the City of Austin, MN	Twin Towers	$ 5,000,000
D8839	M19929	HRA of Aitkin County, MN	McGregor Scattered Sites	$ 232,100
D7613	M19938	HRA of St. Cloud, MN	Empire Apts.	$ 4,840,000
D8809	M19917	HRA of Pipestone, MN	Nokomis Apts.	$ 2,331,000
D8404	M19916	HRA of St. James, MN	Park Apts.	$ 1,005,400
D7797	M19937	HRA of Bemidji, MN	Northland Apts.	$ 2,458,300
D7615	M19971	HRA of Glenwood, MN	Glenhaven Manor	$ 350,000
D7783	M19968	HRA of Cloquet, MN	Aspen Arms	$ 1,014,900
D6178	M19918	HRA of Jackson, MN	Jackson Scattered Site	$ 2,686,500
TOTALS				**$32,322,400**

2. Minnesota Housing staff shall review and approve the mortgagor; and

3. The issuance of a loan commitment for all POHP loans from Agency resources in form and substance acceptable to Minnesota Housing staff and the closing of all loans shall occur no later than 20 months from the adoption date of this resolution. If a development elects the End Loan option, the End Loan Commitment shall occur no later than 20 months from the adoption date of this Resolution, and rehabilitation of the development shall be completed within 18 months from the date of the End Loan Commitment; and

4. All selections are subject to available resources and requirements applicable to the funding source, including any conditions of approval; and

5. The Commissioner is authorized to approve non-material changes to the selections; and

6. The sponsor, the builder, the architect, the mortgagor and any other parties that Agency staff, in its sole discretion deem necessary, shall execute all such documents relating to the loan, to the security for the loan, to the construction of the development and to the

operations of the development, subject to such terms and conditions as Agency staff, in its sole discretion, deems necessary.

Adopted this 28th day of August 2025

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CHAIR

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

RESOLUTION NO. MHFA 25-XXX

RESOLUTION APPROVING SELECTION OF DEVELOPMENTS FOR FURTHER PROCESSING, LOAN COMMITMENTS, AND THE CLOSING OF LOANS RELATED TO THE PUBLICLY OWNED HOUSING PROGRAM (POHP) FUNDED WITH STATE GENERAL OBLIGATION BONDS

WHEREAS, the Minnesota Housing Finance Agency (Minnesota Housing) received applications to provide loans for the purpose of addressing critical health and safety needs and to fund conservation measures for public housing developments occupied by persons and families of low- and moderate-incomes; and

WHEREAS, Minnesota Housing staff reviewed the applications has determined that the applications are in compliance under Minnesota Housing's rules, regulations and policies; that such loans are not otherwise available, wholly or in part, from private lenders upon equivalent terms and conditions; and that the rehabilitation of the developments will assist in fulfilling the purpose of Minnesota Statute Chapter 462A.

NOW THEREFORE, BE IT RESOLVED:

1. The board hereby authorizes Minnesota Housing staff to enter into loan agreements and to close said loans, for the applications and in the amounts set forth below, subject to the terms and conditions contained herein:

Property #	Project #	Applicant	Project Name	Selection Amount
D6383	M19934	Housing Authority of St. Louis Park, MN	Hamilton House	$ 583,900
D2514	M19954	HRA for the City of South St. Paul, MN	John Carroll	$ 1,389,500
D3120	M19959	HRA for the City of South St. Paul, MN	Nan McKay Hi-Rise	$ 1,256,000
D8050	M19924	MPHA in and for the City of Minneapolis	Cedar High - 1611	$ 970,100
D7807	M19925	MPHA in and for the City of Minneapolis	Cedar High - 1627	$ 970,100

Property #	Project #	Applicant	Project Name	Selection Amount
D7806	M19923	MPHA in and for the City of Minneapolis	Cedar High - 620	$ 970,100
D6379	M19940	HRA of Hopkins, MN	Dow Towers	$ 2,330,300
D7795	M19951	HRA of Hibbing, MN	Seventh Avenue Apts.	$ 1,659,600
D8689	M19915	Fairmont HRA	Friendship Village	$ 1,952,500
D6387	M19909	Moorhead Public Housing Agency	River View Heights	$1,400,000
D6385	M19942	SEMMCHRA	Maple Grove Apts – A Bldg.	$ 194,000
D7801	M19947	Kandiyohi County HRA	Lakeview Apts	$ 2,639,600
D7770	M19936	Crookston HEDA	Oak Court Apts.	$ 152,600
D7810	M19949	HRA of Stevens County, MN	GrandView Apts.	$ 1,042,500
D6180	M19919	HRA of Sleepy Eye, MN	Ross Park Apts.	$ 545,100
D8813	M19939	HRA of Perham, MN	Lakeland Apts.	$ 79,000
D7793	M19980	HRA of Eveleth, MN	Hilltop Homes	$ 2,937,200
D6172	M19948	HRA of Hutchinson, MN	Park Tower Apts.	$ 30,700
TOTALS				**$21,102,800**

2. Minnesota Housing staff shall review and approve the mortgagor; and

3. The issuance of a loan commitment for all POHP loans from Agency resources in form and substance acceptable to Minnesota Housing staff and the closing of all loans shall occur no later than 20 months from the adoption date of this resolution; but if a development elects

the End Loan, the End Loan Commitment shall occur no later than 20 months from the adoption date of this Resolution, and construction of the development shall be completed within 18 months from the date of the End Loan Commitment; and

4. POHP loan commitments, and any future commitments, are subject to the ability of the state of Minnesota to sell General Obligation bonds on terms and conditions and in a time and manner acceptable to the state; and

5. The Commissioner is authorized to approve non-material changes to the selections; and

6. The sponsor, the builder, the architect, the mortgagor and any other parties that Agency staff, in its sole discretion deem necessary, shall execute all such documents relating to the loan, to the security for the loan, to the construction of the development and to the operations of the development, subject to such terms and conditions as Agency staff, in its sole discretion, deems necessary.

Adopted this 28th day of August 2025

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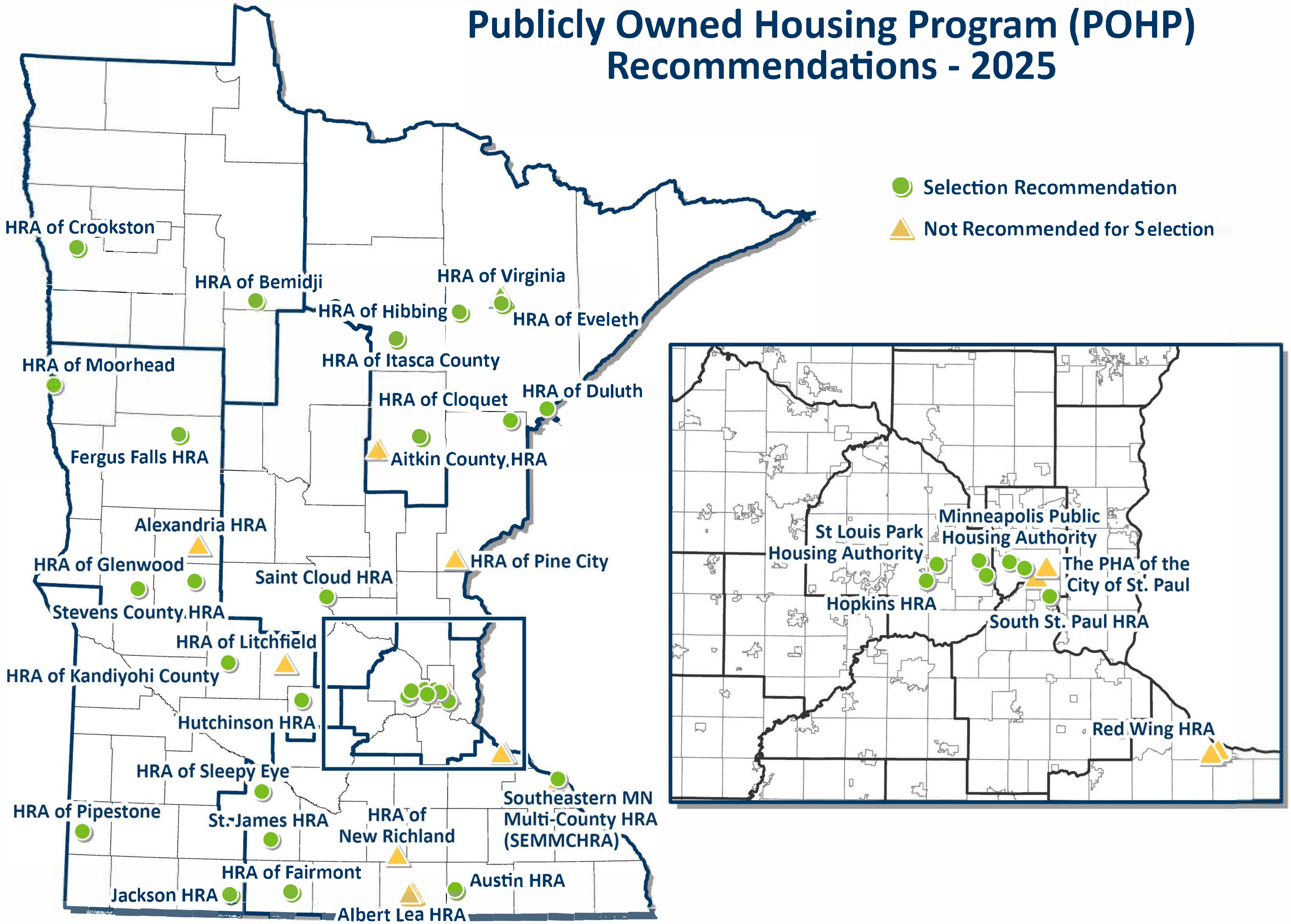
CHAIR

2025 POHP Selection Recommendations

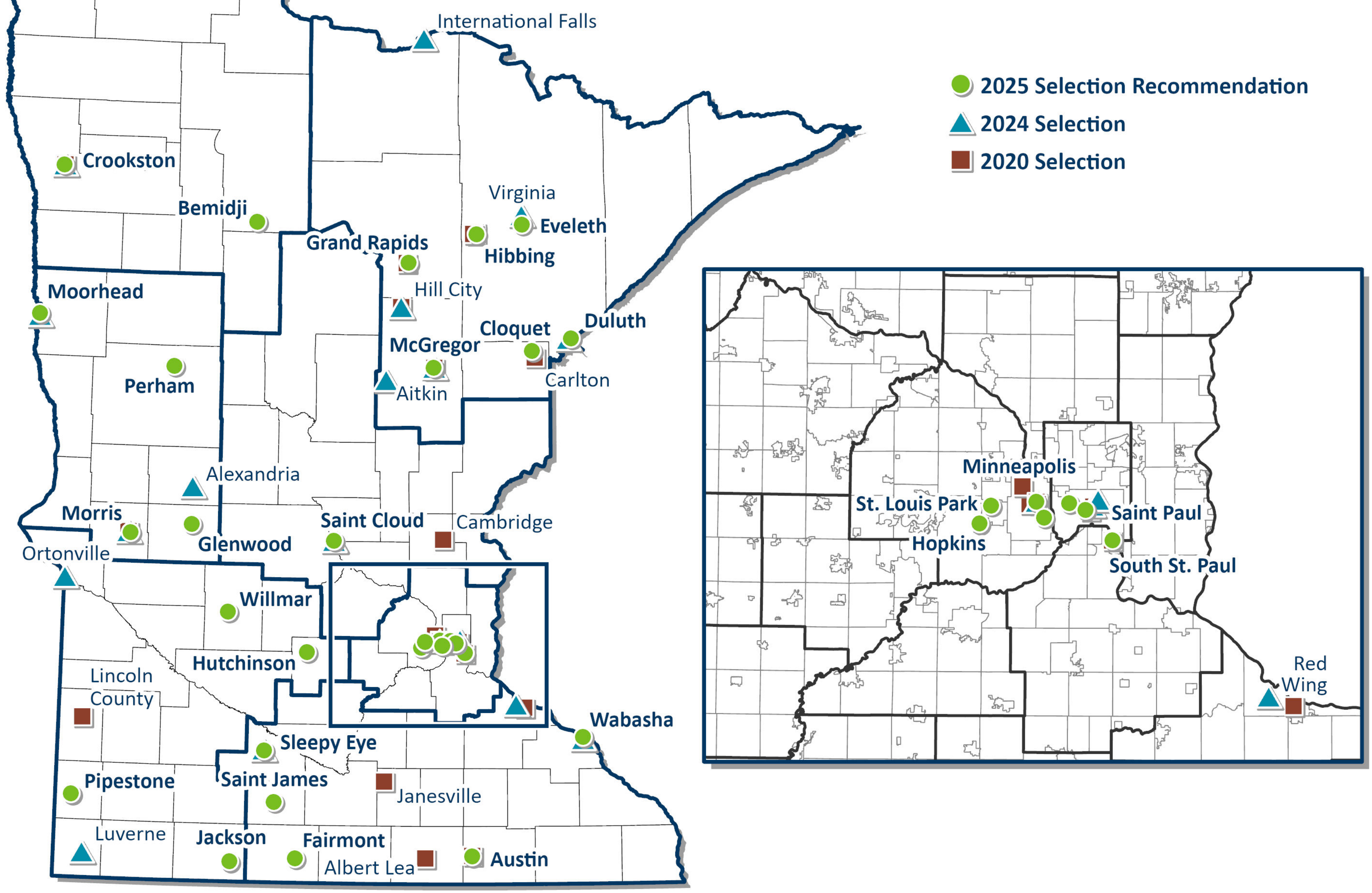
D #	Project Name	City	Sponsor/Owner	Region	# of Units	Recommended POHP Amount	Appropriations	General Obligation Bonds	Percentage of Leverage	Scope of Work	Applicable Program Guide
Metro											
Central Metro (6 projects)											
D7806	Cedar 620	Minneapolis	Minneapolis Public Housing Authority in and for the City of Minneapolis	Metro	116	970,100		970,100	30%	Electrical system replacement. Generator	2024 POHP Guide
D7807	Cedar 1627	Minneapolis	Minneapolis Public Housing Authority in and for the City of Minneapolis	Metro	116	970,100		970,100	30%	Electrical system replacement. Generator	2024 POHP Guide
D8050	Cedar 1611	Minneapolis	Minneapolis Public Housing Authority in and for the City of Minneapolis	Metro	116	970,100		970,100	30%	Electrical system replacement. Generator	2024 POHP Guide
D7818	Hamline Hi-Rise	Saint Paul	Public Housing Agency of the City of Saint Paul	Metro	186	756,000	756,000		1%	Elevator modernization	2025 POHP Appropriations Guide
D7820	Ravoux Hi-Rise	Saint Paul	Public Housing Agency of the City of Saint Paul	Metro	220	790,000	790,000		1%	Elevator replacement	2025 POHP Appropriations Guide
D8811	Snelling Manors	Minneapolis	Minneapolis Public Housing Authority in and for the City of Minneapolis/TBD	Metro	56	5,314,600	5,314,600		28%	Façade. Boiler. Domestic water	2025 POHP Appropriations Guide
Suburban (4 projects)											
D6379	Dow Towers	Hopkins	Housing and Redevelopment Authority of Hopkins, Minnesota	Metro	76	2,330,300		2,330,300	5%	Fire alarm system. Smoke detectors. Electrical	2024 POHP Guide
D6383	Hamilton House	St. Louis Park	Housing Authority of Saint Louis Park, Minnesota	Metro	110	583,900		583,900	26%	Replace fire doors. Upgrade electrical	2024 POHP Guide
D2514	John Carroll Apartments	South St. Paul	Housing and Redevelopment Authority for the City of South St. Paul, Minnesota	Metro	166	1,389,500		1,389,500	29%	Electrical. Roof. HVAC	2024 POHP Guide
D3120	Nan McKay High Rise Building	South St. Paul	Housing and Redevelopment Authority for the City of South St. Paul, Minnesota	Metro	132	1,256,000		1,256,000	22%	Electrical. Roof. HVAC	2024 POHP Guide
Metropolitan Total					**1,294**		**$ 6,860,600**	**$ 8,470,000**			
Greater Minnesota											
Central (1 project)											
D7613	Empire Apartments	St. Cloud	Housing and Redevelopment Authority of St. Cloud, Minnesota	Central	89	4,840,000	4,840,000		12%	Water and sewer lines	2025 POHP Appropriations Guide
Northeast (6 projects)											
D8690	411 NW 7th Street Apartments	Grand Rapids	Housing and Redevelopment Authority of Itasca County	Northeast	50	2,063,400	2,063,400		25%	Mechanical. Building envelope.	2025 POHP Appropriations Guide
D7783	Aspen Arms	Cloquet	Housing and Redevelopment Authority of Cloquet, Minnesota	Northeast	74	1,014,900	1,014,900		25%	Siding. Electrical breaker and GFCI	2025 POHP Appropriations Guide
D7793	Hilltop Homes	Eveleth	Housing and Redevelopment Authority of Eveleth, Minnesota	Northeast	34	2,937,200		2,937,200	10%	Siding. Insulation. Windows	2024 POHP Guide
D8839	McGregor Scattered Sites	Aitkin	Housing and Redevelopment Authority of Aitkin County, Minnesota	Northeast	13	232,100	232,100		6%	Roof replacement	2025 POHP Appropriations Guide
D8799	North Pointe Apartments	Duluth	Housing and Redevelopment Authority of Duluth, Minnesota/North Point Apartments, LLC	Northeast	387	3,490,200	3,490,200		20%	Air handler. Fire pump. Wastelines	2025 POHP Appropriations Guide

D7795	Seventh Avenue Apartments	Hibbing	Housing and Redevelopment Authority of Hibbing, Minnesota	Northeast	70	1,659,600		1,659,600	20%	Elevator. Storm sewer. Windows	2024 POHP Guide
Northwest (2 projects)											
D7797	Northland Apartments	Bemidji	Housing and Redevelopment Authority of Bemidji, Minnesota	Northwest	100	2,458,300	2,458,300		8%	Plumbing	2025 POHP Appropriations Guide
D7770	Oak Court Apartments	Crookston	Crookston Housing and Economic Development Authority	Northwest	66	152,600		152,600	14%	ADA door closures. Kitchen cabinets & countertops	2024 POHP Guide
Southeast (5 projects)											
D8689	Friendship Village	Fairmont	Fairmont Housing and Redevelopment Authority	Southeast	115	1,952,500		1,952,500	22%	Sewer lines. Sidewalks & patios	2024 POHP Guide
D6385	Maple Grove Apartments - A Building	Wabasha	Southeastern Minnesota Multi-County Housing and Redevelopment Authority	Southeast	45	194,000		194,000	33%	Elevator. Tuckpointing. Roof.	2024 POHP Guide
D8404	Park Apartments	St. James	Housing and Redevelopment Authority of St. James, Minnesota	Southeast	70	1,005,400	1,005,400		21%	Window. Electrical. Air handler	2025 POHP Appropriations Guide
D6180	Ross Park Apartments	Sleepy Eye	Housing and Redevelopment Authority of Sleepy Eye, Minnesota	Southeast	45	545,100		545,100	9%	Roof replacement	2024 POHP Guide
D7779	Twin Towers	Austin	Housing and Redevelopment Authority in and for the City of Austin, Minnesota	Southeast	205	5,000,000	5,000,000		32%	Water pipe replacement	2025 POHP Appropriations Guide
Southwest (4 projects)											
D6178	Jackson Scattered Site	Jackson	Housing and Redevelopment Authority of Jackson, Minnesota	Southwest	24	2,686,500	2,686,500		5%	Windows.Roof. Soffits, fascia & siding	2025 POHP Appropriations Guide
D7801	Lakeview Apartments	Willmar	Kandiyohi County Housing and Redevelopment Authority	Southwest	127	2,639,600		2,639,600	23%	Roof. Electrical.Fire alarm. Generator	2024 POHP Guide
D8809	Nokomis Apartments	Pipestone	Housing and Redevelopment Authority of Pipestone, Minnesota	Southwest	82	2,331,000	2,331,000		21%	Plumbing	2025 POHP Appropriations Guide
D6172	Park Towers Apts	Hutchinson	Housing and Redevelopment Authority of Hutchinson, Minnesota	Southwest	101	30,700		30,700	21%	Sewer main replacement	2024 POHP Guide
West Central (4 projects)											
D7615	Glenhaven Manor	Glenwood	Housing and Redevelopment Authority of Glenwood, Minnesota	West Central	30	350,000	350,000		15%	Window replacement	2025 POHP Appropriations Guide
D7810	GrandView Apartments	Morris	Housing and Redevelopment Authority of Stevens County, Minnesota	West Central	60	1,042,500		1,042,500	7%	Electrical.Fire alarm. Gas line	2024 POHP Guide
D8813	Lakeland Apartments	Perham	Housing and Redevelopment Authority of Perham, Minnesota	West Central	35	79,000		79,000	11%	Air handler. Dedicated Outdoor Air System	2024 POHP Guide
D6387	River View Heights	Moorhead	Moorhead Public Housing Agency	West Central	104	1,400,000		1,400,000	10%	Windows. Back up generator	2024 POHP Guide
Greater Minnesota Total					**1,926**		**$ 25,471,800**	**$ 12,632,800**			
					3,220		**$ 32,332,400**	**$ 21,102,800**			

Publicly Owned Housing Program (POHP) Recommendations - 2025



Publicly Owned Housing Program (POHP) Selections (2020 - 2025)



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MINNESOTA HOUSING

Item: Approval, Modifications to Grant Related Board Delegations

Action Item: 7.D
Date: 08/28/2025
Staff Contacts: Irene Kao, 651.296.9806, irene.kao@state.mn.us
Request Type: Approval, Resolution

Request Summary

Agency staff recommends modification of three grant-related board delegations to add Housing Stability, Policy and Community Development and Local Government Housing programs; update the grant funding modification thresholds; revise the grant execution extension provisions; and revise the grant agreement extension provisions:

- Board Delegation No. 15, Grant Funding Modifications (Resolution No. MHFA 18-026)
- Board Delegation No. 19, Grant Execution Extensions (Resolution No. MHFA 18-028)
- Board Delegation No. 20, Grant Agreement Extensions (Resolution No. MHFA 18-029)

The board considered these recommended board delegation changes at its May 22, 2025, meeting and provisionally adopted staff recommended changes for three months. Agency staff now recommends revised changes to these grant-related board delegations incorporating the board's discussion.

Fiscal Impact

None.

Agency Priorities

☐ Improve the Housing System

☐ Preserve and Create Housing Opportunities

☐ Make Homeownership More Accessible

☐ Support People Needing Services

☐ Strengthen Communities

Attachments

- Original Resolution No. MHFA 18-026, 18-028 and 18-029
- Proposed Resolutions with Red Lined Modifications

Background

The May 22, 2025, board meeting included a proposal to modify three grants-related board delegations (item 7.J of the May 2025 board packet). The board temporarily approved the modifications through August 2025. The temporary approval included a request for additional clarification regarding the administrative approval process in the three board delegations.

Based on that discussion, the administrative approval process in the board delegations have been updated to:

- Provide for a committee of up to seven staff members;
- Identify position titles for four of the members that will serve on the committee (including the ability for these members to have designees); and
- Allow the commissioner to appoint up to three additional members of the committee.

For these three grants-related board delegations, the assigned staff positions include the Deputy Commissioner, the Assistant Commissioner for Policy and Community Development, the Executive Finance Officer and the General Counsel.

Staff also recommends removing the $50,000 cap in the first parameter of Board Delegation No. 15 (Grant Funding Modifications) for grants under $400,0000. This recommended change is to bridge the gap between the other staff-recommended updates for grants under and over $400,000.

Otherwise, there are no other proposed changes to the three board delegations from the May 2025 board meeting.

As noted in each of the resolutions, staff will continue to provide a written report to the board at least annually on uses of these board delegations. When a grant funding modification or extension cannot meet the parameters of the board delegation, the proposed modification and/or extension remains subject to board approval.

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

RESOLUTION NO. MHFA 18-026
BOARD DELEGATION NO. 015

RESOLUTION APPROVING DELEGATED AUTHORITY TO THE COMMISSIONER REGARDING MULTIFAMILY GRANT MODIFCATIONS

WHEREAS, the Minnesota Housing Finance Agency ("Agency") Commissioner ("Commissioner") has requested the Minnesota Housing Finance Board ("Board") to delegate to the Commissioner certain authority regarding the administration 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; 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 shall remain in effect for the current and future Commissioners until revoked.

DELEGATED AUTHORITY To authorize the Commissioner to make certain funding modifications of Multifamily grants.

PARAMETERS OF DELEGATED AUTHORITY

1. Grants that are $325,000 or less may be increased (i) up to 15% of the original grant amount or (ii) $50,000, whichever is greater.
2. Grants that are greater than $325,000 may be increased up to 15% of the original grant amount, up to a maximum of $300,000.
3. The Agency Clearinghouse and Mortgage Credit Committees must approve all modifications that increase grant amounts.

REPORTING REQUIREMENTS

The Commissioner shall make a written report to the Board at least annually describing the actions taken utilizing the delegated authority.

OTHER CONSIDERATIONS

Supersedes Board Report dated October 24, 2013.

Adopted this 24th day of May, 2018

CHAIRMAN

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

RESOLUTION NO. MHFA 18-028
BOARD DELEGATION NO. 019

RESOLUTION DELEGATING AUTHORITY TO THE COMMISSIONER REGARDING MULTIFAMILY GRANT COMMITMENT EXTENSIONS

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; 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 shall remain in effect for the current and future Commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to approve grant commitment extensions for all Multifamily grants.

PARAMETERS OF DELEGATED AUTHORITY

1. The extension period must not exceed six months.
2. The Assistant Commissioner of Policy must be informed of the grant commitment extension prior to presentation to the Agency Clearinghouse Committee.
3. The Agency Clearinghouse Committee must approve the grant commitment extension.

REPORTING REQUIREMENTS

The Commissioner shall make a written report to the Board at least annually describing the actions taken utilizing the delegated authority.

OTHER CONSIDERATIONS

None.

Adopted this 24th day of May, 2018

CHAIRMAN

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

RESOLUTION NO. MHFA 18-029
BOARD DELEGATION NO. 020

RESOLUTION DELEGATING AUTHORITY TO THE COMMISSIONER REGARDING MULTIFAMILY GRANT AGREEMENT EXTENSIONS

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; 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 shall remain in effect for the current and future Commissioners until revoked.

<u>DELEGATED AUTHORITY</u>
To authorize the Commissioner to approve grant agreement extensions for all Multifamily grants.

<u>PARAMETERS OF DELEGATED AUTHORITY</u>
1. Up to four grant agreement extensions are permitted. The extension period of each extension must not exceed six months.
2. The total grant term, with extensions, must not exceed five years.
3. The Assistant Commissioner of Policy must be informed of the grant agreement extension prior to presentation to the Agency Clearinghouse Committee.
4. The Agency Clearinghouse and Mortgage Credit Committees must approve the grant agreement extension.

<u>REPORTING REQUIREMENTS</u> The Commissioner shall make a written report to the Board at least annually describing the actions taken utilizing the delegated authority.

<u>OTHER CONSIDERATIONS</u>
None.

Adopted this 24th day of May, 2018

CHAIRMAN

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

RESOLUTION NO. MHFA 25-XXX
Modifying Resolution No. MHFA 18-026

BOARD DELEGATION NO. 015

RESOLUTION APPROVING DELEGATED AUTHORITY TO THE COMMISSIONER TO APPROVE GRANT FUNDING AND WORK PLAN MODIFICATIONS FOR ~~REGARDING~~ MULTIFAMILY, HOUSING STABILITY, LOCAL GOVERNMENT HOUSING, AND POLICY AND COMMUNITY DEVELOPMENT- PROGRAMS ~~GRANT MODIFCATIONS~~

WHEREAS, the Minnesota Housing Finance Agency ("Agency") Commissioner ("Commissioner") has requested the Minnesota Housing Finance Board ("Board") to delegate to the Commissioner certain authority regarding the administration of 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; 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 shall remain in effect for the current and future Commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to make certain grant funding and work plan ~~funding~~ modifications~~ of Multifamily grants~~.

PARAMETERS OF DELEGATED AUTHORITY

1. Grants that are $~~325~~400,000 or less may be increased ~~(i)~~ up to 20~~15~~% of the original grant amount~~ or (ii) $50,000, whichever is greater~~.
2. Grants that are greater than $~~325~~400,000 may be increased up to ~~15~~20% of the original grant amount, up to a maximum of $300,000.
3. ~~2.~~3. The work plan modification must be necessary to further program goals, to aid the grantee to meet program outcomes and is consistent with the program guide, original request for proposals and the authorizing law.
4. The grant modification is subject to approval by a committee of up to seven members that includes the Deputy Commissioner, the Assistant Commissioner for Policy and Community Development, the Executive Finance Officer, and the General

Counsel or their designees. The Commissioner may appoint up to three additional Agency staff members.

~~3. The Agency Clearinghouse and Mortgage Credit Committees must approve all modifications that increase grant amounts.~~

REPORTING REQUIREMENTS

The Commissioner shall make a written report to the Board at least annually describing the actions taken utilizing the delegated authority.

OTHER CONSIDERATIONS

Supersedes Board Report dated October 24, 2013, and ~~October~~ May 24, 201~~3~~8.

Adopted this 28th day of August, 2025

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CHAIR~~MAN~~

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

RESOLUTION NO. MHFA 25-XXX
Modifying Resolution No. MHFA 18-028

BOARD DELEGATION NO. 019

RESOLUTION DELEGATING AUTHORITY TO THE COMMISSIONER TO APPROVE GRANT ~~REGARDING MULTIFAMILY GRANT~~ EXECUTION ~~COMMITMENT~~ EXTENSIONS FOR MULTIFAMILY, HOUSING STABILITY, LOCAL GOVERNMENT HOUSING, AND POLICY AND COMMUNITY DEVELOPMENT PROGRAMS

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; 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 shall remain in effect for the current and future Commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to approve certain grant ~~commitment~~ execution extensions ~~for all Multifamily grants~~.

PARAMETERS OF DELEGATED AUTHORITY

1. The grant execution extension period must not exceed six months.
2. The grant execution extension is subject to approval by a committee of up to seven members that includes the Deputy Commissioner, the Assistant Commissioner for Policy and Community Development, the Executive Finance Officer, and the General Counsel or their designees. The Commissioner may appoint up to three additional Agency staff members.
~~2. The Assistant Commissioner of Policy must be informed of the grant commitment extension prior to presentation to the Agency Clearinghouse Committee.~~
3. ~~The Agency Clearinghouse Committee must approve the grant commitment extension.~~

REPORTING REQUIREMENTS
The Commissioner shall make a written report to the Board at least annually describing the actions taken utilizing the delegated authority.

OTHER CONSIDERATIONS
~~None~~Supersedes Board Report dated May 24, 2018.

Adopted this 28th day of August, 2025

____
CHAIR~~MAN~~

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

RESOLUTION NO. MHFA 25-XXX
Modifying Resolution No. MHFA 18-029

BOARD DELEGATION NO. 020

RESOLUTION DELEGATING AUTHORITY TO THE COMMISSIONER TO APPROVE ~~REGARDING MULTIFAMILY~~ GRANT CONTRACT AGREEMENT EXTENSIONS FOR MULTIFAMILY, HOUSING STABILITY, LOCAL GOVERNMENT HOUSING, AND POLICY AND COMMUNITY DEVELOPMENT PROGRAMS

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; 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 shall remain in effect for the current and future Commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to approve certain grant agreement extensions ~~for all Multifamily grants~~.

PARAMETERS OF DELEGATED AUTHORITY

1. A grant contract agreement may be extended up to 24 months, and the first extension shall not exceed 12 months. ~~Up to four grant agreement extensions are permitted. The extension period of each extension must not exceed six months.~~
2. The total grant term, with extensions, must not exceed five years.
4. The grant agreement extension is subject to approval by a committee of up to seven members that includes the Deputy Commissioner, the Assistant Commissioner for Policy and Community Development, the Executive Finance Officer, and the General Counsel or their designees. The Commissioner may appoint up to three additional Agency staff members.

~~3. The Assistant Commissioner of Policy must be informed of the grant agreement extension prior to presentation to the Agency Clearinghouse Committee.~~
~~4. The Agency Clearinghouse and Mortgage Credit Committees must approve the grant agreement extension.~~

REPORTING REQUIREMENTS
The Commissioner shall make a written report to the Board at least annually describing the actions taken utilizing the delegated authority.

OTHER CONSIDERATIONS
Supersedes Board Report dated May 24, 2018.~~None.~~

Adopted this 28th day of August, 2025

____
CHAIR~~MAN~~

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

RESOLUTION NO. MHFA 25-XXX
Modifying Resolution No. MHFA 18-026

BOARD DELEGATION NO. 015

RESOLUTION APPROVING DELEGATED AUTHORITY TO THE COMMISSIONER TO APPROVE GRANT FUNDING AND WORK PLAN MODIFICATIONS FOR MULTIFAMILY, HOUSING STABILITY, LOCAL GOVERNMENT HOUSING, AND POLICY AND COMMUNITY DEVELOPMENT PROGRAMS

WHEREAS, the Minnesota Housing Finance Agency ("Agency") Commissioner ("Commissioner") has requested the Minnesota Housing Finance Board ("Board") to delegate to the Commissioner certain authority regarding the administration of grants in order to improve the efficiency of the Agency's grant programs; 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 shall remain in effect for the current and future Commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to make certain grant funding and work plan modifications.

PARAMETERS OF DELEGATED AUTHORITY

1. Grants that are $400,000 or less may be increased up to 20% of the original grant amount.
2. Grants that are greater than $400,000 may be increased up to 20% of the original grant amount, up to a maximum of $300,000.
3. The work plan modification must be necessary to further program goals, to aid the grantee to meet program outcomes and is consistent with the program guide, original request for proposals and the authorizing law.
4. The grant modification is subject to approval by a committee of up to seven members that includes the Deputy Commissioner, the Assistant Commissioner for Policy and Community Development, the Executive Finance Officer, and the General

Counsel or their designees. The Commissioner may appoint up to three additional Agency staff members.

REPORTING REQUIREMENTS
The Commissioner shall make a written report to the Board at least annually describing the actions taken utilizing the delegated authority.

OTHER CONSIDERATIONS
Supersedes Board Report dated October 24, 2013, and May 24, 2018.

Adopted this 28th day of August, 2025

____
CHAIR

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

RESOLUTION NO. MHFA 25-XXX
Modifying Resolution No. MHFA 18-028

BOARD DELEGATION NO. 019

RESOLUTION DELEGATING AUTHORITY TO THE COMMISSIONER TO APPROVE GRANT EXECUTION EXTENSIONS FOR MULTIFAMILY, HOUSING STABILITY, LOCAL GOVERNMENT HOUSING, AND POLICY AND COMMUNITY DEVELOPMENT PROGRAMS

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 grants in order to improve the efficiency of the Agency's grant programs; 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 shall remain in effect for the current and future Commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to approve certain grant execution extensions.

PARAMETERS OF DELEGATED AUTHORITY

1. The grant execution extension period must not exceed six months.
2. The grant execution extension is subject to approval by a committee of up to seven members that includes the Deputy Commissioner, the Assistant Commissioner for Policy and Community Development, the Executive Finance Officer, and the General Counsel or their designees. The Commissioner may appoint up to three additional Agency staff members.
3.

REPORTING REQUIREMENTS

The Commissioner shall make a written report to the Board at least annually describing the actions taken utilizing the delegated authority.

OTHER CONSIDERATIONS

Supersedes Board Report dated May 24, 2018.

Adopted this 28th day of August, 2025

____

CHAIR

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

RESOLUTION NO. MHFA 25-XXX
Modifying Resolution No. MHFA 18-029

BOARD DELEGATION NO. 020

RESOLUTION DELEGATING AUTHORITY TO THE COMMISSIONER TO APPROVE GRANT CONTRACT AGREEMENT EXTENSIONS FOR MULTIFAMILY, HOUSING STABILITY, LOCAL GOVERNMENT HOUSING, AND POLICY AND COMMUNITY DEVELOPMENT PROGRAMS

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 grants in order to improve the efficiency of the Agency's grant programs; 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 shall remain in effect for the current and future Commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to approve certain grant agreement extensions.

PARAMETERS OF DELEGATED AUTHORITY

1. A grant contract agreement may be extended up to 24 months, and the first extension shall not exceed 12 months.
2. The total grant term, with extensions, must not exceed five years.
4. The grant agreement extension is subject to approval by a committee of up to seven members that includes the Deputy Commissioner, the Assistant Commissioner for Policy and Community Development, the Executive Finance Officer, and the General Counsel or their designees. The Commissioner may appoint up to three additional Agency staff members.

REPORTING REQUIREMENTS
The Commissioner shall make a written report to the Board at least annually describing the actions taken utilizing the delegated authority.

OTHER CONSIDERATIONS
Supersedes Board Report dated May 24, 2018.

Adopted this 28th day of August, 2025

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CHAIR

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Item: 2026-2027 Affordable Housing Plan: Public Comment Draft

Discussion Item: 8.A
Date: 8/28/2025
Staff Contacts: John Patterson, 651.296.0763, john.patterson@state.mn.us
Request Type: No Action, Discussion

Request Summary

Staff have prepared and attached a draft of the 2026-2027 Affordable Housing Plan (AHP) for the board's review and discussion. We will release the draft for public comment at the start of September. The public comment period will be open for two weeks. For the September board meeting, staff will provide and summarize the public comments for the board's review and discussion. Based on that review and discussion, staff will finalize the AHP for final approval at the October board meeting.

Fiscal Impact

None.

Agency Priorities

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

Attachments

- 2026-2027 Affordable Housing Plan: Public Comment Draft

MINNESOTA HOUSING

2026-2027 Affordable Housing Plan

Public Comment Draft

8/21/2025

Minnesota Housing
400 Wabasha St. N.
Suite 400
Saint Paul, MN 55102
651.296.7608
mn.housing@state.mn.us
www.mnhousing.gov

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Summary – 2026 and 2027 at a Glance

The Affordable Housing Plan (AHP) identifies key activities that Minnesota Housing will carry out over the next two years and provides an initial estimate of the financial resources we expect to make available. This $3.66 billion plan is a return to more traditional funding levels than the Go Big funding that the Agency received for the 2024-2025 biennium. With the 2026-2027 resources, we expect to annually serve over 61,000 households.

Table 1: Expected Investments by Activity in 2026-2027

Program Category	2026-2027 Estimated Resources Available
Homebuyer Financing and Home Refinancing	$2,230,000,000
Homebuyer/owner Education and Counseling	$5,762,000
Home Improvement Lending	$95,041,000
Single-Family Production - New Construction and Rehabilitation	$17,161,000
Manufactured Housing	$5,238,000
Rental Production - New Construction and Rehabilitation	$269,004,000
Rental Assistance Contract Administration	$561,848,000
Housing Stability for Vulnerable Populations	$224,343,000
Multiple Use Resources	$246,967,000
Other	$4,784,000
Total	**$3,660,148,000**

These housing investments are critical. Minnesota continues to face large and persistent housing challenges, including a significant affordable housing shortage, some of the country's worst housing disparities, the potential loss of hundreds of thousands of homes that are currently affordable, and climate change creating additional housing instability. These issues are well documented in the Agency's Chart Book: Key Housing Issues & Trends.

As the Agency, working with its partners, takes on these large and persistent challenges over the next two years, we face several head winds, including:

- **A return to a much smaller funding level from the state.** The 2023 Legislature invested $1.3 billion in housing for the 2024-2025 biennium. This investment was a significant step in the right direction to address the state's housing challenges but nearly all the increase was one-time funding. State funding for Minnesota Housing's programs for the 2026-2027 biennium has returned to a much smaller amount of $376 million, which includes the base budget for ongoing Agency programs, one-time appropriations, resources from state-financed bonds, revenues from the new metro sale tax, and contributions to the State Housing Tax Credit program.

- **Substantial policy and budgetary uncertainty at the federal level.** In the first half of 2025, the federal government proposed and started to implement major changes in how it will address the nation's housing needs. Congress has both enacted increases to federal low-income housing tax credits and proposed funding reductions through the annual budgeting process for U.S. Housing and Urban Development (HUD). The outcome of these budget decisions is uncertain, which adds complexity to our planning and requires us to be nimble going forward.
- **More limited Agency resources.** Besides state and federal resources, Minnesota Housing distributes its own resources from bonding and Agency-generated resources (investment earnings). The Agency has deployed these much-needed resources into the community through highly successful lending and grant programs and partially relies on recycling loan repayments to fund new activity. With high interest rates, prepayment of loans has declined substantially in recent years (people are holding onto their existing low-interest loans rather than refinancing), which has reduced the amount of funding the Agency has on hand for additional activity. Previously, we were in a period when we fortunately had the resources on hand to carry out a substantial amount of discretionary lending. Now, we are in a period when we need to manage our discretionary lending more closely.

Despite these challenges and constraints, the Agency remains committed to stability and sustainability in its programs and financing. By creating and effectively implementing a full range of housing programs and sustaining strong finances, the Agency has navigated challenging and uncertain times in the past, including the financial and foreclosure crisis of 2007-2012 and the COVID-19 pandemic. While these events captured our attention and resources, we weathered them and came out strong. The Agency is in a position to continue financing its core work during the next two years while recognizing that more resources (similar to state appropriations for 2024 and 2025) are needed to systemically address the state's large and persistent housing challenges in the future. As documented in the Agency's Chart Book: Key Housing Issues & Trends, the state annually needs billions of dollars to: (1) build enough new housing to support communities and promote choice, (2) preserve existing housing, and (3) ensure that the housing supply is affordable. Minnesota Housing's base budget, including appropriations for Housing Infrastructure Bond debt service, is 0.4% of the overall state budget. For comparison, the Department Health and Human Services accounts for 35.9% and the E-12 Education accounts for 38.4%. Housing is the foundation of a strong state and the well-being of Minnesotans and improves health and educational outcomes.

For the next two years, we will:

- **Sustain our core work.** While our ability to finance major new initiatives in the short term will be limited, we will maintain our core programs at their traditional funding levels (serving over 61,000 each year) and continue to strengthen our balance sheet. Minnesota Housing functions as a financial institution, like a bank, providing loans and grants. Our balance sheet (assets and liabilities) is the foundation for our work and critical for financing our operations and increasing the amount of assistance that is available to help more households year after year.
- **Continue to create a more effective housing system where everyone thrives, not just some.** We are committed to all Minnesotans living and thriving in a stable, safe and accessible home they can afford in a community of their choice. To achieve the concept of One Minnesota where everyone thrives, we will orient how we work and expand who has a voice at the table and who participates in and benefits from our programs and the housing economy. We:
  - Center the people and places most impacted by housing instability at the heart of our decision making,
  - Listen and share the power we have, and
  - Honor, respect and strengthen communities.

  We acknowledge and understand the intentional harms of the past, how they came to be and show up today, and our responsibility to correct them and remove barriers.
- **Make our programs more accessible and easier to use.** This will include:
  - Reducing and eliminating barriers to programs and housing,
  - Simplifying and streamlining programs and processes,
  - Increasing flexibility in program eligibility and use of funds, and
  - Expanding housing choices and affordability.

  Human-centered design is a critical part of program improvement and an approach for designing/redesigning products, services, processes and systems that puts the customer at the center of the design process to create results that resonate with and are tailored to the customer's needs.
- **Continue to incorporate the voice and expertise of community and people with lived experience into all phases of our work.** This approach is also aligned with human-centered design and includes:
  - Supporting community vision and voices,
  - Co-creating solutions with community,
  - Utilizing the expertise of people with the lived experience of facing barriers to affordable housing in program design and operation and compensating them for their time,

  - Building community capacity and expanding the pool of organizations with which we partner, and
  - Providing technical assistance.

- **Address climate change**. Climate change resulting from the emission of greenhouse gases is a critical housing issue. Greenhouse gas emissions from Minnesota's residential sector increased 35% between 2005 and 2022,[1] and the state's climate has changed and will continue to change, affecting the well-being of our communities. Frequent and intense storms are now occurring more than at any time on record and are damaging Minnesota homes and costing property owners millions of dollars in cleanup/repairs and much higher property insurance costs, which can be passed down to residents. At the same time, high home energy bills disproportionately affect people with low incomes. Minnesotans with fewer financial resources are disproportionately impacted because they are less able to make money-saving home energy and climate-resiliency upgrades. All of this is contributing to greater housing instability.

Programmatic highlights for the next two years include:

- Maintaining annual home mortgage lending at about $1.0 billion,
- Making available nearly $50 million each year for home improvement loans,
- Annually awarding about $100 million for rental development and rehabilitation,
- Continuing to administer Project-Based Section 8 contracts on behalf of HUD and annually provide about $280 million of rental assistance (if current federal funding continues), and
- Fully launching our new Bring It Home rental assistance program, providing over $60 million of state assistance each year.

Allocation of Resources. We must use appropriated funds as the State Legislature and Congress have authorized and are generally unable to transfers funds from one program activity to another (see Table 1).

The source of funding also plays a role in how the funds may be used. Appendix A of the Affordable Housing Plan outlines the sources of funds and how those funds are allocated by program. Our home mortgage lending (an estimated $1 billion annually) comes primarily from bond financing. The funds we borrow from the bond market can only be used to finance loans with monthly principal and interest payments; they cannot be used for programs that provide grants or zero-interest, deferred loans. Loans with monthly payments allow us to pay back the bondholders with interest.

Chapter 1 – Advancing the Agency's Work

The 2026-2027 Affordable Housing Plan (AHP) is Minnesota Housing's business plan for implementing the final two years of our 2024-2027 Strategic Plan. The AHP covers October 1, 2025 through September 30, 2027 and provides information on the policy, program and operational initiatives we plan to carry out over the next two years. It also provides estimates of the financial resources we expect to make available through each of our programs.

Housing Needs for the Next Two Years

Minnesota continues to confront several large and persistent housing challenges.[2]

- Minnesota has a 65,000-unit shortage of housing. The additional units are need to: (1) achieve a balanced housing market with a 5% rental vacancy rate and 5.5-month supply of homes for sale, and (2) address homelessness and/or people doubling up in their housing. Having a balanced market means that there is enough housing overall, but it does not mean there is enough affordable housing.
- In Minnesota, 642,000 households are cost burdened by their housing, spending 30% or more of their income on it. Of these cost-burdened households, 430,000 have annual incomes less than $50,000.
- Only a very small share of new housing is deeply affordable. While 27% of all renter households in Minnesota have incomes at or below 30% of the area median income (AMI), only 4% of newly constructed housing is affordable for them. Depending on the county, 30% of AMI is at or just above the poverty level.
- With higher interest rates since 2021, many potential homebuyers have been priced out of the market. The monthly payment for buying the median-priced home in Minnesota increased by $700 from $2,500 to $3,200 because interest rates increased from 2.93% in June 2021 to 6.95% in June 2024. These high rates have continued through 2025.
- While Minnesota has the ninth highest homeownership rate in the country for white households (76.8%), the rate for Indigenous, Black and households of color (51.1%) is the 32nd highest, resulting in the 11th largest differential between white households and households of color.
- A Native American is 31 times more likely to experience homelessness in Minnesota than someone who is white.

- Over the next 10 years, the number of Minnesotans ages 75 and older will increase by 164,000 (35%). The share of people with a disability and households who are cost burdened by their housing increases substantially after age 74. When housing needs of older adults become more complex, their ability to pay for it declines.
- Minnesota has hundreds of thousands of housing units that need rehabilitation.

To tackle these challenges, Minnesota Housing pursued a strategy of Go Big So Everyone Can Go Home for the last six years. At the height of the effort, the Agency received $1.3 billion from the state legislature for the 2024-2025 biennium, predominantly as one-time funding. This funding was dramatically higher than what had been the Agency's historical base budget of $115 million and a step in the right direction to address the state's persistent housing challenges. Given the state's current fiscal constraints and forecasts of future budget deficits, the Agency's funding for the 2026-2027 biennium is closer to the historical base budget. Table 2 shows the new state funding provided for 2026 and 2027.

Table 2: New Funding from the State for 2026-2027

Type of Funding	Amount
Base Budget	$165,596,000
One-Time Funding	$20,789,000
Program Funding from Metro Sales Tax Revenue (estimate)	$86,650,000
Contributions to the State Housing Tax Credit Fund (estimate)	$23,294,000
Housing Infrastructure Bonds	$50,000,000
State General Obligation Bonds	$29,000,000
Total New Funding from the State	**$375,329,000**
Note: In total, this AHP makes available $565 million from state resources. The additional $190 million comes from uncommitted funds from previous appropriations and the repayment of loans funded from previous appropriations that Minnesota Housing expects to lend again.	

The Agency is also grappling with substantial policy and budgetary uncertainty at the federal level. In the first half of 2025, the federal government proposed and started to implement major changes in how it will address the nation's housing needs. For example, the National Council of State Housing Agencies (NCSHA) estimated that in the first part of 2025, 2,300 HUD employees were let go or accepted the Trump Administration's offer of early retirement. Congress was also discussing substantial cuts to housing programs.

On the other hand, Congress enacted the federal budget reconciliation bill (H.R. 1) in July 2025, which expanded the Low-Income Housing Tax Credit (LIHTC) program by:

- Permanently increasing the allocation of 9% LIHTCs by 12%, which will allow Minnesota Housing to finance roughly one more rental development each year.
- Reducing the bond threshold needed to receive 4% LIHTCs from 50% to 25%. To receive 4% LIHTCs, a development previously needed 50% of the project's land and building costs financed with private activity bonds. With the threshold now 25%, it makes accessing 4% LIHTCs easier, which is beneficial; however, most projects will continue to need the same amount or more of deferred loan resources to fill funding gaps.

Meanwhile, the reconciliation bill, which includes tax provisions, also continued lower corporate tax rates that were due to expire and go back up. Investors buy the LIHTCs to lower their federal tax obligations. Lower federal tax obligations generally mean there is less demand for the tax credits. When there is less demand for the tax credits, the tax credits have less value. As a result, the continued lower value of the tax credits may offset some of the benefits of the other changes.

Overall, the changes in federal funding and policy for housing will likely make tackling Minnesota's large and persistent housing problems more challenging.

On top of reduced state and federal resources, Minnesota Housing faces constraints in the resources that it makes available from the earning on its investments. The Agency has effectively deployed these much-needed resources into the community through highly successful lending and grant programs and partially relies on recycling loan repayments to fund new activity. With higher interest rates, prepayment of loans has declined substantially in recent years (people are holding onto their existing low-interest loans rather than refinancing), which has reduced the amount of funding the Agency has on hand for additional activity. Previously, we were in a period when we fortunately had the resources on hand to carry out a substantial amount of discretionary lending. Now, we have had to take steps to more closely manage our discretionary lending and the deployment of Agency-generated resources, including:

- Reducing the maximum loan amounts available for downpayment and closing-cost assistance (Deferred Payment Loans and Monthly Payment Loans),
- Restricting eligibility for home improvement loans (Fix Up) by reducing the maximum income allowed to qualify for a loan,
- Pausing lending for manufactured home parks to become community owned (Manufactured Home Community Financing), and
- Pausing zero-interest, deferred lending from Agency resources (Flexible Financing for Capital Costs, or FFCC, and asset management loans) to fill funding gaps in the development of rental housing. This only applies to lending from the Agency's Housing Affordability Fund and does not apply to zero-interest, deferred lending from federal and state appropriations.

Our Work for the Next Two Years

Over the next two years, we will:

- Sustain our core work,
- Continue to create a more effective housing system where everyone thrives, not just some,
- Make our programs more accessible and easier to use,
- Continue to incorporate the voice and expertise of community and people with lived experience into all phases of our work, and
- Address climate change.

Sustain our Core Work

Despite the challenges and constraints the Agency will face for the next two years, the Agency remains committed to creating stability and sustainability in our programs and financing. We will maintain our core programs at their traditional levels (serving over 61,000 households each year) and continue to strengthen our balance sheet. By creating and effectively implementing a full continuum of housing programs and sustaining strong finances, we have navigated challenging and uncertain times in the past, including the financial and foreclosure crisis of 2007-2012 and the COVID-19 pandemic. While these events captured our attention and resources, we weathered them and came out strong.

At its core, Minnesota Housing functions as a financial institution, like a bank, providing loans and grants to increase Minnesotans' access to housing that is safe, stable, accessible and affordable in a community of their choice. In a typical year, about two-thirds of our program financing comes from earnings on our investments and the bonds we issue. Our balance sheet (assets and liabilities) is the foundation for our work and critical for paying for our staff and operating costs and increasing the amount of assistance that is available to help more households. For the next two years, we will focus on:

- Maintaining a strong credit rating (currently, Aa1 and AA+ respectively from Moody's and S&P) so that we can access funds in municipal bond markets at the most favorable interest rates, which allows us to lend at favorable rates,
- Increasing our net assets, which allows us to have strong earnings and provide more financing on better terms, and
- Balancing the use of Agency earnings for operating costs, assistance provided, and reinvestment to support sustainable future earnings.

At the program level, we will maintain our core programs at traditional levels and expand them in a couple areas. These efforts will include:

- Maintaining annual home mortgage lending at about $1.0 billion,
- Making available nearly $50 million each year for home improvement loans,
- Annually awarding about $100 million for rental development and rehabilitation,
- Continuing to administer Project-Based Section 8 contracts on behalf of HUD and annually provide about $280 million of rental assistance (if current funding continues), and
- Fully launching our new Bring It Home rental assistance program, providing over $60 million of assistance each year.

With these funding levels, the Agency will finance as many housing activities as possible during the next two years while recognizing that more resources (similar to state appropriations for 2024 and 2025) are needed to systemically address the state's large and persistent housing challenges in the future. As documented in the Agency's Chart Book: Key Housing Issues & Trends, the state annually needs billions of dollars to: (1) build enough new housing to support communities and promote choice, (2) preserve existing housing, and (3) ensure that the housing supply is affordable. Minnesota Housing's base budget, including appropriations for Housing Infrastructure Bond debt service, is 0.4% of the overall state budget. For comparison purposes, the Department Health and Human Services accounts for 35.9% and E-12 Education accounts for 38.4%. Housing is the foundation to a strong state and the well-being of Minnesotans and improves health and educational outcomes.

Continue to Create a More Effective Housing System where Everyone Thrives, not Just Some

As outlined in our 2024-2027 Strategic Plan, Minnesota Housing is fully committed to this work, and we have made important progress. Key work going forward will include:

- **Identifying and addressing barriers faced by those experiencing housing challenges.** A lack of resources to pay for downpayment and closing costs is a primary barrier to homeownership. According to the National Association of Realtors, 25% of first-time homebuyers used a gift or loan from family and friends for their downpayment,[3] and it is more difficult for people who do not have access to intergenerational wealth to become homeowners. The First-Generation Homebuyer Loan Program (downpayment assistance for first-time homebuyers whose parents had been excluded from homeownership) that we created with one-time funding for 2024 and 2025 proved to be very successful in overcoming this barrier, particularly for Indigenous, Black and households of color. As referenced earlier, Minnesota has the 11th largest homeownership rate disparity in the country between white household and households of color. The success of the program led us to incorporate a first-generation homebuyer component into our ongoing Deferred Payment Loan Plus program, which provides downpayment assistance.

- **Adapting and incorporating the experiences of those facing housing instability into our work.** The Agency recently had cultural competency training for staff about veteran homelessness.

The training involved representatives from the Minnesota Assistance Council for Veterans talking about veteran homelessness and their efforts to provide housing. To meet the needs of the people most impacted by housing instability, Minnesota Housing prioritizes serving households with incomes at or below 30% of the area median income (AMI). During the training, staff learned that a significant number of veterans have incomes above 30% of AMI with their pensions and benefits and are still experiencing homelessness. This has led the Agency to re-think how it communicates expectations about income limits.

- **Expanding the partners with whom we work so that we have a broad set of perspectives and community connections.** In the last few years, the Agency had added more organizations to administer our Housing Trust Fund Rental Assistance program. These new organizations have ties to specific communities, who are often underserved, increasing their access to the program. For example, we have added organizations that serve survivors of domestic violence, Native Americans, people with mental illness leaving segregated settings, Latinos, people on the path to recovery, and other communities.

- **Co-creating solutions with communities.** The Agency is in the process of creating a new homebuying program to provide financing to buyers who are interest averse. For several years, Minnesota Housing, our partners, and many community leaders have identified that traditional mortgage products that are structured with interest payments pose a barrier to access for some homebuyers who are averse to paying interest. Unable to use traditional mortgage products, community partners have raised concerns about homebuyers turning instead to unregulated and potentially high-risk contract for deeds. To design and create this future program, we are issuing an RFP to bring in people from the community who are interest averse to participate in the design process. The program would have parity with our current first-time homebuyer program so that homebuyers using either program would receive a similar economic benefit.

- **Thoroughly analyzing program outcomes and processes to identify which communities are benefiting from our work and which ones need more support.** Our evaluation of our RentHelpMN program, which provided emergency rental assistance to people who fell behind on their housing payments because of COVID-19, showed that the program did a very good job of reaching households most impacted by COVID-related hardships. However, the analysis also showed a gap in reaching some portions of low-income renter populations. Our data identified that, while Asian households accounted for 6% of renter households who were income eligible to receive assistance (about $75,000), they only accounted for 2% of program participants. Language access may be a reason why. Low-income Asians have the highest rate of having limited English proficiency among lower-income renters (45%). Language access may be a particularly challenging for languages, such as Hmong, that have only recently had a standard written form.[4] To effectively reach all communities across the state, we need to understand how people most effectively get information and learn about and use our programs.

Make our Programs More Accessible and Easier to Use

This will include:

- Reducing and eliminating barriers to programs and housing,
- Simplifying and streamlining programs and processes,
- Increasing flexibility in program eligibility and use of funds, and
- Expanding housing choices and affordability.

Human-centered design is a critical step in this process and an approach for designing/redesigning products, services, processes and systems that puts the customer at the center of the design process to create results that resonate with and are tailored to the customer's needs.[5] Minnesota Housing has two levels of partners/customers. We work directly with lenders, developers, property owners/managers, service providers and local communities (initial partners/customers) who access our programs and financing to make housing available and affordable to homebuyer/owners and renters (end-use customers). How we design and implement our programs for the initial partners/customers directly impacts how homebuyers/owners and renters experience the products and services they receive.

To lead our human-centered design efforts, we have added a Continuous Improvement Manager within the Agency's newly created Operations Department. While continuous improvement has been a priority of the Agency for years, this position will ensure that the work is done consistently and with rigor and support across the Agency. Over the next two years, we will start incorporating a human-center-design lens into all our programs. The Continuous Improvement Manager has created an Agency-wide framework for carrying out this work, started to train program managers, and launched pilot initiatives. The process includes:

- Understanding the needs and aspirations of customers with empathy, focusing on listening and learning,
- Framing the issues, problems and/or challenges that customers face,
- Brainstorming and prioritizing ideas and solutions,
- Developing and exploring prototypes,
- Implementing the final products, and
- Evaluating and creating a feedback loop for continuous improvement.

The whole process is centered on the experience of the customers with the goal of making our programs more accessible and easier to use.

Continue to Incorporate the Voice and Expertise of Community and People with Lived Experience into all Phases of our Work

This approach is centered on community and the end-use customers that we serve and is aligned with human-centered design. For the next two years we will focus on:

- **Holding engagement events and housing dialogues to understand and lift up the vision and voice of communities across Minnesota.** For example, at the West Central Regional Housing forum in Fergus Falls, we recently heard from community members about their housing challenges and goals. We also featured presenters with the lived experience of housing instability to discuss their role in informing housing developments in their community.
- **Providing capacity building grants to community-based organizations so they can more effectively carry out our work.** Small community-based organizations, typically with limited resources, often have the deepest understanding of community needs along with strong connections and high level of trust in the community to effectively meet those needs. For example, in 2024, we awarded a capacity building grant to fund the work of the SHIP (Stable Housing is Priority) Collaborative, with the Housing Justice Center serving as fiscal agent. As a collaboration of people with lived experience of homelessness, the SHIP Collaborative aims to: (1) shift the Twin Cities Metro area towards a homelessness prevention-oriented framework with a diverse set of stakeholders, and (2) organize community members to use their voices to create the framework.
- **Engaging and compensating people with the lived experience of housing challenges to help design and implement our programs.** For example:
    - Mirroring the work of the Minnesota Interagency Council on Homelessness, the Olmstead Implementation Office (an interagency initiative hosted and supported by Minnesota Housing to have people with disabilities live, learn, work and enjoy life in the most integrated setting) has hired a consulting firm to provide 18 consultants with disabilities to co-create the next Olmstead Plan. Two of these consultants are working directly with Minnesota Housing to set a course for how the Agency will serve and support people with disabilities going forward. These consultants are compensated for their time.
    - For the last several years, the Agency has brought on community reviewers to assess and score grant applications for several of our programs. These reviewers have a direct, hands-on understanding of community needs and how the applicants and grants can most effectively meet those needs. Their perspective and expertise are invaluable in making effective grant decisions. These reviewers are compensated for their time.

Minnesota Housing has just hired a community reviewer manager to coordinate this work across the Agency.

Address Climate Change

Climate change resulting from the emission of greenhouse gases is a critical housing issue. Greenhouse gas emissions from Minnesota's residential sector increased 35% between 2005 and 2022,[6] and the state's climate has changed and will continue to change, affecting the well-being of our communities. Frequent and intense storms are now occurring more than at any time on record and are damaging Minnesota homes and costing owners millions of dollars in cleanup/repairs and much higher property insurance costs, which can be passed onto residents. At the same time, high home energy bills disproportionately affect people with low incomes. Minnesotans with fewer financial resources are disproportionately impacted because they are less able to make money-saving home energy and climate-resiliency upgrades. All of this is contributing to greater housing instability.

Over the next two years, Minnesota Housing will take steps to decarbonize, electrify and make the homes we finance resilient to the impacts of a changing climate. These actions will make our homes safer, healthier and more affordable to live in. Minnesota Housing will continue to participate in the Governor's Climate Change Subcabinet and participate in Enterprise-wide decarbonization and climate resiliency planning activities, including releasing the 2026 Climate Action Framework and serving on the Board of the Minnesota Climate Innovation Finance Authority. In addition, the Agency will work to implement recommendations from the Minnesota Housing Climate Resilience and Housing Decarbonization Roadmap. Decarbonization and climate resilience are incorporated as key considerations in our programs across the Agency. Developers and homeowners are required to meet minimum sustainability requirements and incentivized to do more. Anticipated updates to sustainability standards and potential new activities include:

- Updating in 2026 the Single-Family Overlay and Guide to Enterprise Green Communities and requiring that it be used when developing properties funded through the Community Impact Fund (single-family development funded by the Economic Development and Housing Challenge program, Housing Infrastructure resources and the Workforce and Affordable Homeownership program);
- Updating in 2027 the Multifamily Overlay and Guide to Enterprise Green Communities and requiring that it be used when developing properties funded through the Consolidated RFP (multifamily development funded by a range of programs);
- Exploring new and innovative financing sources that would allow us to invest more decarbonization and climate-resilience funds in affordable housing across the state; and

- Continuing to coordinate and align with other federal, state and local energy programs, such as local utility incentive programs, the Weatherization Assistance Program, and the Minneapolis Green Cost Share Program.

Chapter 2 – Resources for Our Work

For 2026 and 2027 combined, we estimate we will make available $3.66 billion for program investments, which is a return to a more traditional funding level after the Go Big investments of 2024 and 2025. These resources include state, federal, Agency and bond funds and encompass funds that are: (1) newly available, (2) made available in previous AHPs but went unused, and (3) repayments of loans.

With the 2026-2027 resources, we expect to serve over 61,000 households annually. As shown in Table 3, this will be a return to a more traditional level, when COVID-19 recovery funds and Go Big resources are not available.

Table 3: Number of Households Served in the Past

Program Year	Annual Households Served
2019	56,000
2020	59,000
2021	94,000
2022	109,000
2023	70,000
2024	74,000

In 2021 and 2022, the number of households served by Minnesota Housing increased significantly with the availability of COVID-19 housing resources from the federal government. Some of these funds carried over into 2023 and 2024. In addition, starting in program year 2024, Minnesota started to award the Go Big resources made available by the 2023 legislature, but it can take a year or two for awarded funds to start serving households, particularly for the development and rehabilitation of housing. The impact of the Go Big investment will be seen in the number of households being served in 2025 and later.

Overview of Our Program Investment Plan

Through our programs, we provide a wide continuum of tools for financing affordable housing and related services, ranging from grants for homelessness prevention and rental assistance to mortgages for home purchases and improvements. As shown in Table 4, seven of the Agency's 41 active programs account for 87% of the estimated investment plan.

- **Home Mortgage Loans** (line 1) will involve an estimated $2.1 billion in lending over the two-year period, supporting about 4,570 homebuyers in each of the two years.
- **Deferred Payment Loans** (line 2) will provide $86.6 million for downpayment and closing-cost assistance, supporting about 2,910 homebuyers each year.
- **Fix Up Loans** (line 9) will provide $78.0 million for owner-occupied home improvement projects, supporting roughly 1,220 homeowners each year.
- **Low- and Moderate-Income Rental (LMIR)** (line 21) will provide over the two years an estimated $110.0 million of first mortgage lending for rental housing development, rehabilitation and refinancing, which will help finance roughly 250 rental units in each of the two years. This will be a mix of permanent financing and bridge/construction loans. This financing is driven by demand and can vary from year to year.
- **Low-Income Housing Tax Credits** (line 23) is one of our primary programs for developing and rehabilitating affordable rental housing. Over the next two years, we expect to allocate nearly $28.8 million of 9% credits from the federal government. While the tax credit allocation alone is not one of our seven largest programs from an award perspective, these tax credits should generate from the investors who buy the credits approximately $215 million to $235 million, depending on credit pricing, in private equity for the construction or rehabilitation of rental housing. This will support roughly 430 units of affordable rental housing in each of the next two years, making it a primary program for the Agency.
- **Contract Administration for Section 8 Project-Based Rental Assistance** (line 34) will provide an estimated $561.8 million of federal project-based rental assistance over the two years and annually support nearly 34,260 of the state's lowest-income households. With this assistance, households generally spend no more than 30% of their income on rent and utilities.
- **Bring It Home Rental Assistance** (line 38) will provide over the two years an estimated $131.4 million for rental assistance, which will be: (1) administered by local Public Housing Authorities (PHAs) and Housing and Redevelopment Authorities (HRAs) and Tribal nations, and (2) modeled after the federal Housing Choice Voucher program. However, Bring It Home will allow the maximum subsidized rents to be up to 20% higher than allowed for Housing Choice Vouchers. We estimate that the program will annually assist about 4,700 households when fully operational.
- **Community Stabilization** (Line 48) is a major investment but from a one-time appropriation that has gone through some changes since it was first authorized by the state legislature. Originally, the legislature appropriated $90 million for 2024-2025; however, during the 2024

session, the state legislature increased the amount to $115 million and allocated amounts for specific purposes: (1) recapitalizing distressed multifamily properties, (2) preserving multifamily properties that are naturally occurring affordable housing (NOAH), (3) preserving single-family NOAH, and (4) funding for two specific properties. The funds for the two named properties are now under contract and no longer available. Of the remaining funds, the 2025 legislature transferred $2 million that had been designated for single-family NOAH to other Agency programs. After this change, the balance of funds for the three remaining uses is $99.7 million. The request for proposal (RFP) processes to award these funds are underway and will be completed in 2026.

We will also use portions of our tax-exempt private activity bond allocation for multifamily projects to generate private equity from 4% Low-Income Housing Tax Credits (LIHTCs). Some of these projects also utilize our deferred loan resources, so the units produced by these jointly funded projects are already included in our overall unit count for 2024 and 2025.

4% Tax Credits. While not in our program investment plan, we allocate 4% LIHTCs to rental housing developments that are financed with tax-exempt private activity bonds, which are regulated by the Internal Revenue Service and can be used by states for a variety of purposes. Unlike 9% LIHTCs, awards of 4% LIHTCs are not directly capped, but there are statewide volume limitations on the use of tax-exempt private activity bonds for housing. On a yearly basis, the use of 4% LIHTCs generates a significant amount of private equity for affordable housing.

In Table 4, we have identified with an asterisk (*) the 19 programs that are not ongoing programs and received one-time funding as COVID-19 assistance or from either the 2024-2025 or 2026-2027 state appropriation bills.

To provide context, Table 4 describes the type of funding provided under each program, with more detailed descriptions of each program provided in Appendix B. Besides the 2026-2027 expected funding levels, Table 4 also provides the original projected funding for 2024-2025, which was our Go Big AHP. In addition, the table shows, by program, the median incomes of the households that we served in 2024 (the most recent year for which complete data is available), which ranged from $2,364 to $106,953. According to HUD, the statewide median family income in Minnesota in 2024 was $111,800.

Sample Programs	2024 Median Income
• Rental assistance programs (lines 34-39)	$9,800 to $14,000
• Rehabilitation Loan Program (line 10)	$18,444
• Low-Income Housing Tax Credits (line 23)	$25,075
• Single-Family Economic Development and Housing Challenge (line 43)	$51,025

- Home Mortgage Loans (line 1) $80,629
- Monthly Payment Loans (line 3) $106,953

Table 4: Overview of 2024-2025 Program Investment Plan

		Resources to be Made Available for 2026-2027	Resources Originally Made Available for 2024-2025	Activity	Median Income Served (2024)	Share BIPOC (2024)
	Homebuyer Financing and Home Refinancing	**$2,230,000,000**	**$2,498,000,000**			
1	Home Mortgage Loans	$2,100,000,000	$2,200,000,000	First Mortgage	$80,629	40.6%
2	Deferred Payment Loans	$86,600,000	$92,000,000	Downpayment and Closing Cost Loans	$69,616	41.4%
3	Monthly Payment Loans	$41,400,000	$46,000,000	Downpayment and Closing Cost Loans	$106,953	34.2%
4	First Generation Homebuyer Loan Program - Minnesota Housing*	$0	$50,000,000	Downpayment Assistance	$79,190	80.4%
5	Community-Based First-Generation Homebuyers Assistance*	$2,000,000	$100,000,000	Downpayment Assistance	$82,888	90.6%
6	NeighborWorks Fee-Based Home Purchasing*	$0	$10,000,000	Downpayment Assistance	Not Available	Not Available
	Homebuyer/owner Education and Counseling	**$5,762,000**	**$7,369,000**			
7	Homeownership Education, Counseling & Training (HECAT)	$2,762,000	$4,369,000	Education & Counseling	$54,000	62.1%
8	Homeownership Capacity	$3,000,000	$3,000,000	Education & Counseling	$47,532	89.4%
	Home Improvement Lending	**$95,041,000**	**$75,544,000**			
9	Fix Up Loans	$78,000,000	$60,000,000	Home Improvement Loan	$104,019	16.1%
10	Rehabilitation Loan Program (RLP)	$17,041,000	$15,544,000	Home Improvement Loan	$18,444	18.6%

		Resources to be Made Available for 2026-2027	Resources Originally Made Available for 2024-2025	Activity	Median Income Served (2024)	Share BIPOC (2024)
	Single Family Production - New Construction and Rehabilitation	**$17,161,000**	**$120,513,000**			
11	Single-Family Interim Lending	$4,400,000	$20,000,000	Construction Loans	$60,279	43.8%
12	Workforce and Affordable Homeownership Development Program	$12,761,000	$60,513,000	Loans and Grants	$50,445	30.0%
13	Homeownership Investment Grants*	$0	$40,000,000	Grants for Affordable Housing Lending	Not Available	Not Available
	Manufactured Housing and Communities	**$5,238,000**	**$44,071,009**			
14	Manufactured Home Community Financing	$0	$7,000,000	Amortizing and Deferred Loans	Not Available	Not Available
15	Manufactured Home Community Redevelopment Grants	$2,238,000	$17,071,000	Grants	Not Available	Not Available
16	Cooperative Manufactured Housing Infrastructure Grants*	$3,000,000	$9	Grants	Not Available	Not Available
17	Manufactured Home Park Cooperative Acquisition*	$0	$10,000,000	Grant for Revolving Loan Fund	Not Available	Not Available
18	Manufactured Home Lending Grants*	$0	$10,000,000	Grants for Lending Services	Not Available	Not Available
19	Manufactured Home Relocation Trust Fund	$0	$0	Relocation Assistance	Not Available	Not Available
	Other Single Family	**$0**	**$5,000,000**			
20	BuildWealth 9,000 Equities*	$0	$5,000,000	Grant for a Targeted Loan Pool	Not Available	Not Available
	Rental Production - New Construction and Rehabilitation	**$269,004,000**	**$426,771,700**			
21	Multifamily First Mortgages - Low- and Moderate-Income Rental (LMIR)	$110,000,000	$160,000,000	Amortizing Loans	$30,000	54.2%

		Resources to be Made Available for 2026-2027	Resources Originally Made Available for 2024-2025	Activity	Median Income Served (2024)	Share BIPOC (2024)
22	Flexible Financing for Capital Costs (FFCC)	$0	$0	Primarily Deferred Loans	Not Available	Not Available
23	Low Income Housing Tax Credits (LIHTC) - 9%	$28,764,000	$23,633,700	Investment Tax Credits	$25,075	49.4%
24	National Housing Trust Fund (NHTF)	$6,269,000	$11,583,000	Deferred Loans and Operating Grants	$2,364	61.3%
25	HOME	$37,260,000	$30,560,000	Deferred Loans	Not Available	Not Available
26	Preservation - Affordable Rental Investment Fund (PARIF)	$24,853,000	$24,362,000	Deferred Loans	$15,114	56.8%
27	HOME - ARP (American Rescue Plan)*	$28,024,000	$28,024,000	Loans and Grants	Not Available	Not Available
28	Asset Management	$0	$0	Loans	Not Available	Not Available
29	Rental Rehabilitation Deferred Loan (RRDL) Pilot	$7,993,000	$10,617,000	Deferred Loans	$19,825	13.0%
30	Publicly Owned Housing Program (POHP)	$12,697,000	$88,794,000	Deferred Loans	$13,003	47.2%
31	Local Public Housing Program*	$2,439,000	$0	Grants and Loans	Not Available	Not Available
32	Workforce Housing Development Program	$4,160,000	$39,198,000	Deferred Loans and Grants	Not Available	Not Available
33	High-Rise Sprinkler Grants*	$6,545,000	$10,000,000	Grants	Not Available	Not Available
	Rental Assistance Contract Administration	**$561,848,000**	**$472,000,000**			
34	Section 8 - Project-Based Rental Assistance	$561,848,000	$472,000,000	Rental Assistance	$13,928	41.7%
	Housing Stability for Populations Needing Extra Support	**$224,343,000**	**$292,910,000**			
35	Housing Trust Fund (HTF)	$28,200,000	$31,183,000	Rental Assistance and Operating Support	$9,817	64.3%
36	Homework Starts with Home	$5,832,000	$5,500,000	Rental Assistance and Other Supports	$11,280	74.1%

		Resources to be Made Available for 2026-2027	Resources Originally Made Available for 2024-2025	Activity	Median Income Served (2024)	Share BIPOC (2024)
37	Bridges	$15,000,000	$10,676,000	Rental Assistance	$12,204	34.0%
38	Bring It Home Rental Assistance	$131,400,000	$124,000,000	Rental Assistance	Not Available	Not Available
39	Section 811 Supportive Housing Program	$3,402,000	$2,930,000	Rental Assistance	$12,288	53.7%
40	Family Homeless Prevention and Assistance Program (FHPAP)	$30,688,000	$92,538,000	Grants	$11,808	60.7%
41	Housing Opportunities for Persons with AIDS (HOPWA)	$454,000	$1,083,000	Grants	Not Available	Not Available
42	Strengthen Supportive Housing*	$9,367,000	$25,000,000	Grants	Not Available	Not Available
	Multiple Use Resources	**$246,967,000**	**$452,250,000**			
43	Economic Development and Housing Challenge (EDHC)	$46,297,000	$124,850,000	Loans and Grants	MF: $22,793 SF: $51,025	MF: 71.8% SF: 59.8%
44	Housing Infrastructure Resources	$70,412,000	$214,100,000	Primarily Deferred Loans	MF:$7,000 SF: $56,530	MF: 58.7% SF: 37.8%
45	State Housing Tax Credit Program	$23,294,000	TBD	Deferred Loans	Not Available	Not Available
46	Local Housing Aid Grants (Tier II cities)	$1,250,000	$4,500,000	Grants	Not Available	Not Available
47	Greater Minnesota Housing Infrastructure *	$2,000,000	$8,000,000	Grants	Not Available	Not Available
48	Community Stabilization*	$99,732,000	$90,000,000	Grants or Loans	Not Available	Not Available
49	Lead-Safe Homes*	$3,982,000	$4,000,000	Grants	Not Available	Not Available
50	Local Housing Trust Fund Grants*	$0	$6,800,000	Grants	Not Available	Not Available
51	Strategic Investments / Loans	$0	$0	Loans	Not Available	Not Available
	Other	**$4,784,000**	**$62,702,000**			
52	Technical Assistance and Operating Support	$3,790,000	$8,702,000	Grants	Not Applicable	Not Applicable

		Resources to be Made Available for 2026-2027	Resources Originally Made Available for 2024-2025	Activity	Median Income Served (2024)	Share BIPOC (2024)
53	Disaster Recovery and Relief Contingency Fund	$0	$0	Grants	Not Available	Not Available
54	Stable Housing Organizational Relief Program*	$0	$50,000,000	Grants	Not Applicable	Not Applicable
55	Housing Mediation Grant Programs*	$0	$3,000,000	Grants	Not Applicable	Not Applicable
56	Grant to City of Minneapolis*	$994,000	$1,000,000	Grant	Not Available	Not Available
	COVID Housing Recovery	**$0**	**$76,240,000**			
57	Emergency Rental Assistance (ERA) - Targeted Assistance*	$0	$37,140,000	Renter Assistance	$23,148	78.0%
58	Emergency Rental Assistance (ERA) - Capital Funding*	$0	$39,100,000	Deferred Loans	Not Available	Not Available
	Total	**$3,660,148,000**	**$4,533,370,709**			

Annual Household and Unit Projections

As shown in Table 5, we expect the resources in this AHP will annually assist over 61,000 households or housing units. Our household and housing unit estimates assume that all the resources shown in this AHP will be deployed. In the end, we may not reach our resource estimates for some programs but may exceed the estimates for other programs. Our Home Mortgage Loans, Multifamily First Mortgages and Home Improvement Loans are driven by demand and financed with resources that may be constrained but do not have a fixed limit.

Table 5: 2026-2027 Forecast of Households or Housing Units Annually Assisted, by Program

Program		Annual Households or Units
Homebuyer Financing and Home Refinancing		**4,600**
1	Home Mortgage Loans	4,570
2	Deferred Payment Loans	Included in First Mortgage Count
3	Monthly Payment Loans	
4	First Generation Homebuyer Assistance Program - Minnesota Housing	
5	Community-Based First-Generation Homebuyers Assistance (excluding loans paired with Minnesota Housing mortgages)	30

	Program	Annual Households or Units
Homebuyer/owner Education & Counseling		**4,750**
6	Homeownership Education, Counseling & Training (HECAT)	3,680
7	Homeownership Capacity	1,070
Home Improvement Lending		**1,490**
8	Fix Up Loans	1,220
9	Rehabilitation Loan Program (RLP)	270
Single Family Production - New Construction and Rehabilitation		**280**
10	Impact Fund - EDHC and Housing Infrastructure Resources	230
11	Single-Family Interim Lending	Included with Impact Fund
12	Workforce and Affordable Homeownership Development Program	50
Manufactured Housing and Communities		**370**
13	Manufactured Home Community Financing	0
14	Manufactured Home Community Redevelopment Grants (including Housing Infrastructure Resources)	340
15	Cooperative Manufactured Housing Infrastructure Grants	30
16	Manufactured Home Relocation Trust Fund	TBD
Rental Production - New Construction and Rehabilitation		**1,830**
17	Multifamily RFP/LIHTC/Pipeline Production	770
18	Multifamily First Mortgage - Low- and Moderate-Income Rental (LMIR)	Part of RFP/ LIHTC/ Pipeline Total
19	Flexible Financing for Capital Costs (FFCC)	
20	Low Income Housing Tax Credits (LIHTC) - 9%	
21	National Housing Trust Fund (NHTF)	
22	Housing Infrastructure Resources - Multifamily RFP	
23	Economic Development and Housing Challenge (EDHC)	
24	HOME	
25	Preservation - Affordable Rental Investment Fund (PARIF)	
26	HOME - ARP (American Rescue Plan)	90
27	Asset Management	0
28	Rental Rehabilitation Deferred Loan (RRDL) Pilot	110
29	Publicly Owned Housing Program (POHP)	320
30	Local Public Housing Program	20
31	Workforce Housing Development Program	50
32	High-Rise Sprinkler Grants	470
Rental Assistance Contract Administration		**34,260**
33	Section 8 - Project-Based Rent Assistance	34,260
Housing Stability for Populations Needing Extra Support		**12,340**
34	Housing Trust Fund (HTF)	1,830

Program		Annual Households or Units
35	Homework Starts with Home	320
36	Bridges	750
37	Bring It Home Rental Assistance	4,700
38	Section 811 Supportive Housing Program	210
39	Family Homeless Prevention and Assistance Program (FHPAP)	4,380
40	Housing Opportunities for Persons with AIDS (HOPWA)	150
41	Strengthen Supportive Housing	TBD
Multiple Use Resources		**1,650**
42	State Housing Tax Credit Program	580
43	Local Housing Aid Grants (Tier II cities)	10
44	Greater Minnesota Housing Infrastructure	40
45	Community Stabilization	620
46	Lead-Safe Homes	400
47	Strategic Investments / Loans	0
Other		**100**
48	Grant to City of Minneapolis	100
Total		**61,670**

The following graphs show three sets of numbers:

- **Households and units that we expect to assist annually with the funding we will award over the next two years (2026 through 2027), which are shown in the green bars and with the "2026-2027 Projected Annual Average" label.** AHP funding covers two years, but we annualized the data by taking the average for the two years.

- **Households and units that we actually assisted over the last 10 years (2015 through 2024), which are presented in the dark blue bars and with the "Actuals" label.** For these years, we counted households as assisted when we disburse the funds, which happens after we originally awarded the funds to specific housing projects, homes or partner organizations. This captures the actual number of households assisted, rather than planned to be assisted.

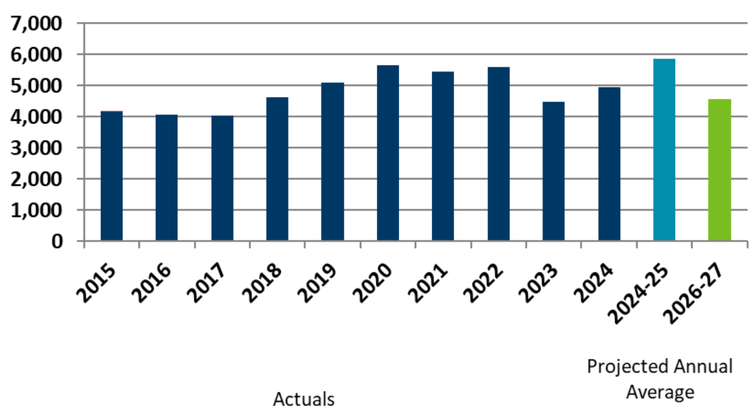
- **Households and units that we expected to annually assist with funds made available under the previous AHP (2024 through 2025), which are shown in the light blue bars and with the "2024-2025 Projected Annual Average" label.** These levels are based on households and units that we originally projected/planned to assist with funds made available under the previous plan. After the start of a program year, it can take time to award funds (particularly for new programs) and additional time to disburse the funds (particularly for housing developments). For example, a new rental housing development awarded funding in December of 2024 may not start construction and have funds disbursed until the spring or 2026 or even later. Thus, only a portion of the funds awarded in 2024 or 2025 will disburse in those years, which results in a timing mismatch between the household and unit data in the light blue and dark blue bars.

The comparisons provide context from two perspectives: (1) relative to historical activity, and (2) what we made available in the last AHP.

Homebuyer Financing and Home Refinancing

Figure 1 shows our historical home mortgage lending, which served around 4,000 households annually in 2015 through 2017. Production increased in 2018 through 2020, reaching nearly 5,700 households in 2020 and leveling off through 2022. The rise in interest rates a few years ago, which priced many low- and moderate-income households out of homeownership, limited our lending in 2023 when rates reached their highest level in over two decades. With the availability of additional downpayment assistance from the legislature starting in 2024 for first-generation homebuyers, we increased our lending.[7] Now, with the first-generation assistance largely gone and interest rates remaining high, we expect lending levels to be lower in 2026. In addition, as discussed previously, we recently made program changes, such as lower maximum loan amounts, to limit our downpayment lending. (Figure 1 includes not only our first mortgage lending and downpayment assistance but lending that we support through: (1) Community-Based First-Generation Homebuyers Assistance, and (2) Neighborworks Fee-Based Home Purchasing.)

Figure 1: Households/Homes Assisted – Homebuyer Financing and Home Refinancing

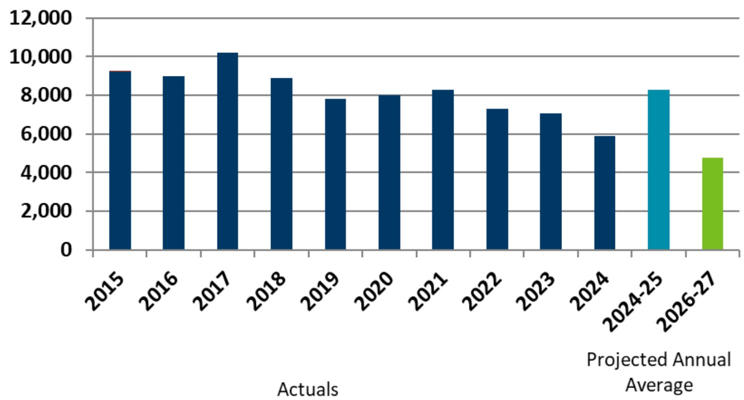


Homebuyer/owner Education, Counseling and Coaching

As shown in Figure 2, the number of households assisted through education and counseling that we directly fund has been declining over the past several years. Framework, which is an online course not funded by Minnesota Housing, is a growing alternative. In addition, the average cost of providing these services is going up, but the amount of funding is not, other than a one-time increase under the 2024-

2025 AHP. (Figure 2 includes Homebuyer Education, Counseling and Training (HECAT) and the Homeownership Capacity.)

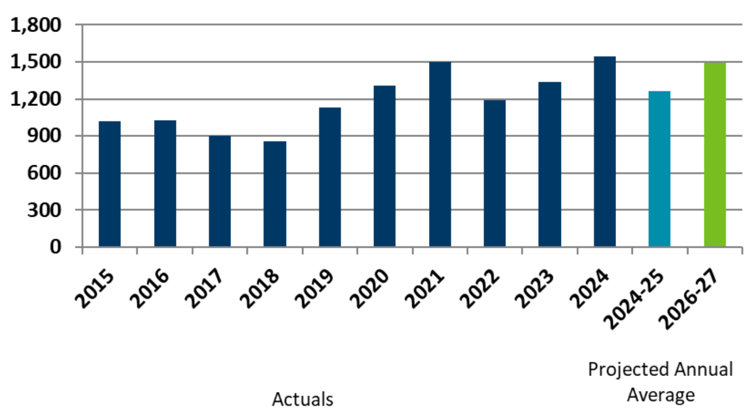
Figure 2: Households Assisted – Homebuyer/owner Education, Counseling and Coaching



Home Improvement Lending

For several years (2015-2018), demand for our home improvement programs was reduced due to the availability of home equity lines of credit and cash from mortgage refinancing that was driven by low interest rates. The Agency then made changes to the Fix Up Loan program, making it more desirable for borrowers and easier to administer, which increased our lending in 2019 through 2021. Lending then dropped off in 2022. Construction costs and interest rates limited activity. Lending increased again in 2023 and 2024, which was unexpected with continuation of high interest rates. This past year, we made program changes (such as a lower income limit to restrict eligibility) to keep the lending volume at about 1,500 loans per year going forward to help address the Agency's liquidity position. The lower level of forecasted lending anticipated in the 2024-2025 AHP (light blue bar) was an underestimate. At the time we developed that plan, we did not anticipate the subsequent increase in lending and thought it would stay at the 2022 level of about 1,200 loans each year. (Figure 3 includes both the Fix Up Loan Program and the Rehabilitation Loan Program.)

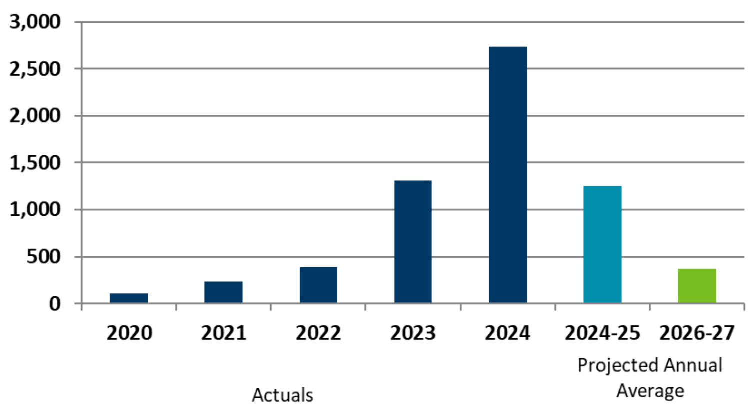
Figure 3: Households/Homes Assisted – Home Improvement Programs



Manufactured Housing and Communities

Over the past few years, Minnesota Housing has expanded its manufactured housing activities, as reflected in Figure 4. With the additional funds under the 2024-2025 AHP, we saw a large-scale increase in activity. On top of the additional funding, the level of assistance to support each lot in a community was much less than we had originally expected, allowing us to support even more lots. For example, when we developed the 2024-2025 AHP, we expected to spend $13,000 per lot to improve a manufactured home community's infrastructure (roads, water and sewer systems, storm shelters, etc.), and the actual investment in 2024 turned out to be just $4,200 per lot. As a result, we ended up supporting over 2,700 lots in 2024 when we anticipated serving closer to 1,250. With the more limited funding available under the 2026-2027 AHP, we will probably support closer to 500 lots annually. (Figure 4 includes Community-Owned Manufactured Home Parks, Manufactured Home Park Redevelopment Grants, Manufactured Home Community Infrastructure Grants, Manufactured Home Park Acquisition and Manufactured Home Lending Grants.)

Figure 4: Households/Homes Assisted – Manufactured Housing and Communities

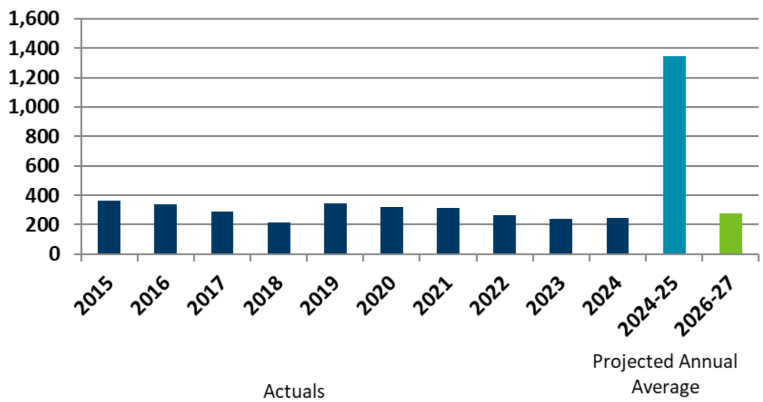


Single Family New Construction, Rehabilitation and Gap Financing Assistance

Typically, we see 200 to 400 single-family homes financed each year through these programs. The Go Big investment in 2024 and 2025 dramatically increased the available funding as reflected in Figure 5. Because the disbursement of funds for single-family developments can take a year or two after being awarded, the impact of the 2024-2025 funding won't show up in our actual results until 2025 or later. With funding returning to more traditional levels, we expect to assist the construction, rehabilitation and/or purchase of just over 200 homes annually with the funds that will be made available under the 2026-2027 AHP. (Figure 5 includes the single-family portion of the Economic Development and Housing Challenge program and Housing Infrastructure Bond proceeds along with Single-Family Interim

Lending, Workforce and Affordable Homeownership Development, and Homeownership Investment Grants.)

Figure 5: Households/Homes Assisted – Single-Family Housing New Construction, Rehabilitation and Support

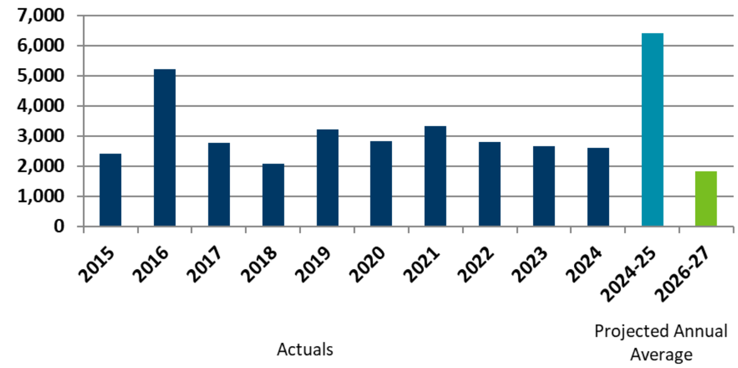


Rental New Construction and Rehabilitation

In a typical year, the rental new construction and rehabilitation that we finance has varied between 2,000 and 3,000 units. Production is particularly high in years that have a large amount of state general obligation (GO) bond resources to finance the rehabilitation of public housing through our Publicly Owned Housing Program (POHP). Because the funding per unit is quite low for this program (often $5,000 to $25,000 per unit), we can rehabilitate a large number of units.

For the last few years, the cost of construction, higher interest rates and lower pricing for low-income housing tax credits have limited the number of new development and rehabilitation units we can finance. Just like single-family, multifamily development saw a major increase in funding for 2024 and 2025. Again, with development funding, it will take a couple years to see the impact in actual households assisted. For 2026-2027, funding is going back to traditional levels and the annual number of households assisted will drop to just under 2,000. (Figure 6 captures all the programs in the rental production area and the multifamily portion of the Economic Development and Housing Challenge program and Housing Infrastructure resources.)

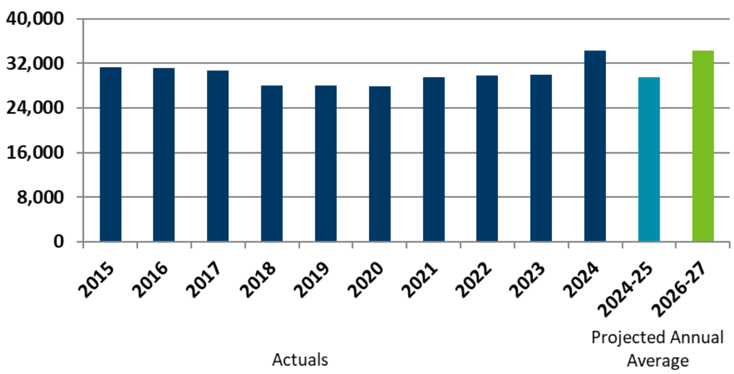
Figure 6: Units Assisted - Rental New Construction and Rehabilitation



Rental Assistance Contract Administration

Activity in Section 8 contract administration has been very steady (Figure 7) for years. These are ongoing project-based Section 8 contracts that we administer on behalf of HUD, and the number of households served varies little from year to year.

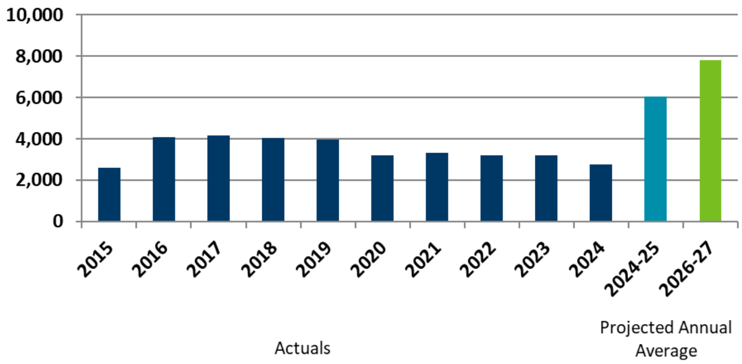
Figure 7: Housing Units Assisted – Rental Assistance Contract Administration



Housing Stability for Populations Needing Extra Supports

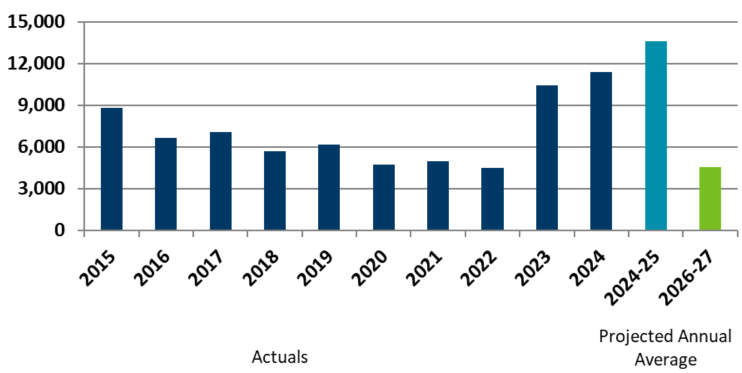
As shown in Figure 8, the creation of the Bring It Home Rental Assistance Program more than doubles the number households receiving assistance. When we created the 2024-2025 AHP, we anticipated creating a large program from scratch would take time, and the projected number of households for 2024 and 2025 reflects an anticipated ramp-up period. The initial funds have now been awarded to local public housing authorities, housing and redevelopment authorities and Tribal nations. The program will be fully ramped up in program years 2026 and 2027. (Figure 8 includes our five rental assistance programs and Housing Trust Fund operating subsidies.)

Figure 8: Households/Units Assisted – Agency Rental and Operating Assistance



The number of households assisted by the Family Homeless Prevention and Assistance Program (FHPAP) and Housing Opportunities for Persons with AIDS (HOPWA) (Figure 9) declined between 2015 and 2022 because FHPAP has been targeting clients needing more support, which requires more funding per household. However, the 2023 Legislature made available $115.5 million for FHPAP, which was $95 million more than the base appropriation for a two-year biennium. About $23 million of this was made available in program year 2023 , which left $92.5 million for 2024 and 2025. With funding returning to more traditional levels for 2026 and 2027, the number of households to be assisted is also declining.

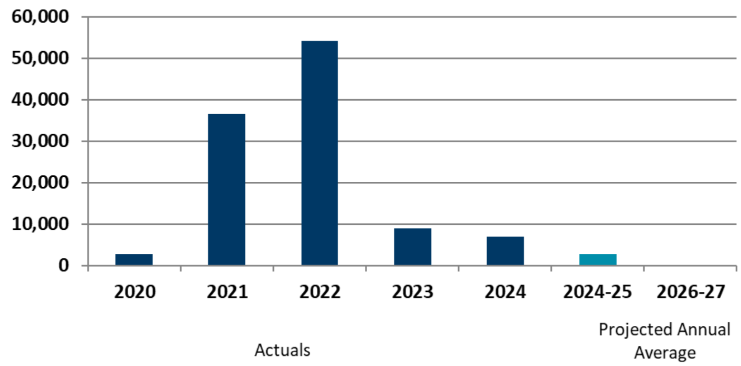
Figure 9: Households Assisted – Targeted Assistance – FHPAP and HOPWA



COVID-19 Housing Recovery

Our COVID-19 Housing Recovery efforts started in the summer of 2020 and reached peak activity in 2022, when we served more than 50,000 households who were behind on their rent or mortgage payments because of a COVID-related hardship. We awarded the last of these COVID funds in 2024 and 2025, largely from reallocations that we received from the U.S. Department of Treasury for effectively deploying our original rental assistance. The 2026-2027 AHP has no funding for these activities. Some of the COVID recovery funds (Emergency Rental Assistance – Capital Funding and HOME-ARP) have or will finance the development or rehabilitation of rental housing and are reflected in the rental production graph (Figure 6).

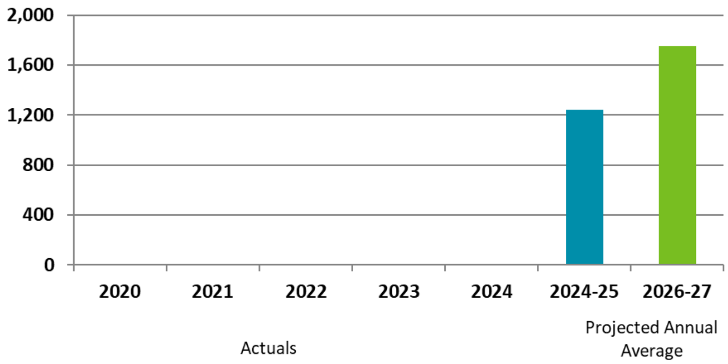
Figure 10: Households Assisted – COVID Housing Recovery (Renter and Homeowner Payment Assistance)



Other Programs

Finally, several new programs that we started launching under the 2024-2025 AHP serve specific needs or are for broad, general use and do not fit neatly into one of the previous activity areas. This "other" activity captures the programs listed under the Multiple Use Resources and Other categories of Table 5. This activity area has programs with one-time 2024-2025 funds that went uncommitted and carried forward to the 2026-2027 AHP, most notably the Community Stabilization Program. In addition, this area includes the State Housing Tax Credit program, under which eligible Minnesota taxpayers can contribute to the program and, in return, receive a state Tax Credit Certificate (TCC). The program does not receive any state appropriations and relies entirely on contributions. In the 2024-2025 AHP, this program was new, and it was very unclear the extent to which taxpayers would make contributions to get the tax credits. Given that, our estimate of the housing units to be assisted was "to be determined." The program has turned to be very popular and, when fully subscribed, can provide a maximum overall contribution of $11.6 million annually. If the full amount of contributions are received, we estimate that we'll annually assist in the development of roughly 580 housing units.

Figure 11: Households or Housing Units Assisted – Other


2,000
1,600
1,200
800
400
0
2020
2021
2022
2023
2024
2024-25
2026-27
Actuals
Projected Annual Average

Appendix A-1: Overview of Funding Sources

Our strong balance sheet and financial resources are a key strength. This Appendix describes each of our funding sources and outlines how we will use them in 2026 and 2027. Table A-1 shows estimates of our planned program investments by funding source. Table A-2 is a crosswalk that shows how we currently plan to allocate resources from each source to each program.

Table A-1: 2026-2027 Estimated Program Investments by Funding Source

Program Category	2026-2027 Estimated Resources Available
Federal Resources	$666,021,000
State Resources	$500,660,000
Capital from Agency and State Bonding	$2,249,337,000
Housing Investment Fund (Pool 2)	$148,800,000
Housing Affordability Fund (Pool 3)	$95,330,000
Total	$3,660,148,000

Funding Source Description

Federal Resources: There are various types of federal resources, including appropriations to the U.S. Department of Housing and Urban Development (HUD) that are made available to Minnesota Housing and Low-Income Housing Tax Credits from the Internal Revenue Service (IRS). For planning purposes, we generally assume that 2026 and 2027 HUD appropriations will remain at 2025 levels, which is subject to change. The amount of federal housing tax credits is based on a per capita formula.

State Resources: This includes state appropriations, dedicated revenues from the metro sales tax and contributions to the state housing tax credit fund.

Capital from Agency and State Bonding

State Capital Investments: These resources come from the state capital budget (bonding bill) and have traditionally funded the Publicly Owned Housing Program (POHP) with state General Obligation (GO) Bond proceeds and Housing Infrastructure resources with Housing Infrastructure Bond (HIB) debt authorization, for which the State pays the debt service.

Agency Bond Proceeds and Other Mortgage Capital: Bond proceeds are generated by the issuance of tax-exempt and taxable bonds. Certain tax-exempt bonding activity is limited statewide by IRS rules, which cap the amount of new issuance, making it a limited resource. We can also sell mortgage-backed securities backed by loans originated under our Home Mortgage program on the secondary market.

Housing Investment Fund (Pool 2): We generate earnings from our lending and investment activities and reinvest them in a wide variety of housing programs. Most of our investment-earning assets are carried in Pool 2, and most assets in Pool 2 produce revenue that supports our operations and programs. The earning assets that use the Pool 2 are required to be of investment-grade quality.

Housing Affordability Fund (Pool 3): Housing Affordability Fund resources come from: (1) transfers from Pool 2 that capture a portion of the Agency's earnings, and (2) repayments or prepayments from loans previously funded under Pool 3. We can transfer Pool 2 earnings to Pool 3 only to the extent that we project that our aggregate net position will satisfy our board policy and rating agency stress tests. Because Pool 3 has no earnings requirements, it is more flexible than Pool 2 and can be used for deferred loans and grants. However, Pool 3 is a more limited resource than Pool 2 because it is dependent on the transfer of earnings from Pool 2.

Appendix A-2: 2026-2027 Estimated Program Resources by Source

	Program	2024-2025 Estimated Total	Federal Resources	State Resources	Capital from Agency and State Bonding	Housing Investment Fund (Pool 2)	Housing Affordability Fund (Pool 3)
Homebuyer Financing and Home Refinancing		**$2,230,000,000**	**$0**	**$9,770,000**	**$2,100,000,000**	**$41,400,000**	**$78,830,000**
1	Home Mortgage Loans	$2,100,000,000	$0	$0	$2,100,000,000	$0	$0
2	Deferred Payment Loans	$86,600,000	$0	$7,770,000	$0	$0	$78,830,000
3	Monthly Payment Loans	$41,400,000	$0	$0	$0	$41,400,000	$0
4	Community-Based First-Generation Homebuyers Assistance	$2,000,000	$0	$2,000,000	$0	$0	$0
Homebuyer/owner Education & Counseling		**$5,762,000**	**$0**	**$3,762,000**	**$0**	**$0**	**$2,000,000**
5	Homeownership Education, Counseling & Training (HECAT)	$2,762,000	$0	$2,762,000	$0	$0	$0
6	Homeownership Capacity	$3,000,000	$0	$1,000,000	$0	$0	$2,000,000
Home Improvement Lending		**$95,041,000**	**$0**	**$5,041,000**	**$0**	**$78,000,000**	**$12,000,000**
7	Fix Up Loans	$78,000,000	$0	$0	$0	$78,000,000	$0
8	Rehabilitation Loan Program (RLP)	$17,041,000	$0	$5,041,000	$0	$0	$12,000,000
Single Family Production - New Construction and Rehabilitation		**$17,161,000**	**$0**	**$12,761,000**	**$0**	**$4,400,000**	**$0**
9	Single-Family Interim Lending	$4,400,000	$0	$0	$0	$4,400,000	$0
10	Workforce and Affordable Homeownership Development Program	$12,761,000	$0	$12,761,000	$0	$0	$0
Manufactured Housing and Communities		**$5,238,000**	**$0**	**$2,238,000**	**$3,000,000**	**$0**	**$0**
11	Manufactured Home Community Financing	$0	$0	$0	$0	$0	$0

Appendix A-2: 2026-2027 Estimated Program Resources by Source

	Program	2024-2025 Estimated Total	Federal Resources	State Resources	Capital from Agency and State Bonding	Housing Investment Fund (Pool 2)	Housing Affordability Fund (Pool 3)
12	Manufactured Home Community Redevelopment Grants	$2,238,000	$0	$2,238,000	$0	$0	$0
13	Cooperative Manufactured Housing Infrastructure Grants	$3,000,000	$0	$0	$3,000,000	$0	$0
14	Manufactured Home Relocation Trust Fund	$0	$0	$0	$0	$0	$0
Rental Production - New Construction and Rehabilitation		**$269,004,000**	**$100,317,000**	**$53,790,000**	**$89,897,000**	**$25,000,000**	**$0**
15	Multifamily First Mortgage - Low- and Moderate-Income Rental	$110,000,000	$0	$0	$85,000,000	$25,000,000	$0
16	Flexible Financing for Capital Costs (FFCC)	$0	$0	$0	$0	$0	$0
17	Low Income Housing Tax Credits (LIHTC) - 9%	$28,764,000	$28,764,000	$0	$0	$0	$0
18	National Housing Trust Fund (NHTF)	$6,269,000	$6,269,000	$0	$0	$0	$0
19	HOME	$37,260,000	$37,260,000	$0	$0	$0	$0
20	Preservation Affordable Rental Investment Fund (PARIF)	$24,853,000	$0	$24,853,000	$0	$0	$0
21	HOME - ARP (American Rescue Plan)	$28,024,000	$28,024,000	$0	$0	$0	$0
22	Asset Management	$0	$0	$0	$0	$0	$0
23	Rental Rehabilitation Deferred Loan (RRDL) Pilot	$7,993,000	$0	$7,993,000	$0	$0	$0

Appendix A-2: 2026-2027 Estimated Program Resources by Source

	Program	2024-2025 Estimated Total	Federal Resources	State Resources	Capital from Agency and State Bonding	Housing Investment Fund (Pool 2)	Housing Affordability Fund (Pool 3)
24	Publicly Owned Housing Program (POHP)	$12,697,000	$0	$7,800,000	$4,897,000	$0	$0
25	Local Public Housing Program	$2,439,000	$0	$2,439,000	$0	$0	$0
26	Workforce Housing Development Program	$4,160,000	$0	$4,160,000	$0	$0	$0
27	High-Rise Sprinkler Grants	$6,545,000	$0	$6,545,000	$0	$0	$0
Rental Assistance Contract Administration		**$561,848,000**	**$561,848,000**	**$0**	**$0**	**$0**	**$0**
28	Section 8 - Project-Based Rental Assistance	$561,848,000	$561,848,000	$0	$0	$0	$0
Housing Stability for Populations Needing Extra Support		**$224,343,000**	**$3,856,000**	**$220,487,000**	**$0**	**$0**	**$0**
29	Housing Trust Fund (HTF)	$28,200,000	$0	$28,200,000	$0	$0	$0
30	Homework Starts with Home	$5,832,000	$0	$5,832,000	$0	$0	$0
31	Bridges	$15,000,000	$0	$15,000,000	$0	$0	$0
32	Bring It Home Rental Assistance	$131,400,000	$0	$131,400,000	$0	$0	$0
33	Section 811 Supportive Housing Program	$3,402,000	$3,402,000	$0	$0	$0	$0
34	Family Homeless Prevention and Assistance Program (FHPAP)	$30,688,000	$0	$30,688,000	$0	$0	$0
35	Housing Opportunities for Persons with AIDS (HOPWA)	$454,000	$454,000	$0	$0	$0	$0
36	Strengthen Supportive Housing	$9,367,000	$0	$9,367,000	$0	$0	$0
Multiple Use Resources		**$246,967,000**	**$0**	**$190,527,000**	**$56,440,000**	**$0**	**$0**

Appendix A-2: 2026-2027 Estimated Program Resources by Source

	Program	2024-2025 Estimated Total	Federal Resources	State Resources	Capital from Agency and State Bonding	Housing Investment Fund (Pool 2)	Housing Affordability Fund (Pool 3)
37	Economic Development and Housing Challenge (EDHC)	$46,297,000	$0	$46,297,000	$0	$0	$0
38	Housing Infrastructure Resources	$70,412,000	$0	$13,972,000	$56,440,000	$0	$0
39	State Housing Tax Credit Program	$23,294,000	$0	$23,294,000	$0	$0	$0
40	Local Housing Aid Grants (Tier II cities)	$1,250,000	$0	$1,250,000	$0	$0	$0
41	Greater Minnesota Housing Infrastructure	$2,000,000	$0	$2,000,000	$0	$0	$0
42	Community Stabilization	$99,732,000	$0	$99,732,000	$0	$0	$0
43	Lead-Safe Homes	$3,982,000	$0	$3,982,000	$0	$0	$0
44	Strategic Investments / Loans	$0	$0	$0	$0	$0	$0
Other		**$4,784,000**	**$0**	**$2,284,000**	**$0**	**$0**	**$2,500,000**
45	Technical Assistance and Operating Support	$3,790,000	$0	$1,290,000	$0	$0	$2,500,000
46	Disaster Recovery and Relief Contingency Fund	$0	$0	$0	$0	$0	$0
47	Grant to City of Minneapolis	$994,000	$0	$994,000	$0	$0	$0
AHP Total		**3,660,148,000**	**666,021,000**	**500,660,000**	**2,249,337,000**	**148,800,000**	**95,330,000**

[1] Minnesota Pollution Control Agency and Department of Commerce, *Greenhouse Gas Emissions in Minnesota 2005-2022* (January 2025).
[2] The following housing issues, needs and trends are documented in: Minnesota Housing, Key 2025 Housing Issues & Trends – Chart Book.
[3] National Association of REALTORS, 2024 Profile of Homebuyers and Sellers 2024, p. 75.
[4] This website explains the challenge of Hmong translations: https://etcetera-translations.com/2025/02/why-hmong-to-english-translation-requires-a-professional-touch/#:~:text=Translating%20between%20languages%20is%20rarely,translations%2C%20professional%20expertise%20is%20essential.
[5] Human-Centered Design is a business practice that ensures a product meets the customer's needs. As Harvard Business School Online states, "Creating a successful business requires identifying an underserved need, validating your idea, and crafting an effective value proposition. When taking these steps, one way to ensure you're on the right path and developing products and services the market will adopt and embrace is bringing prospective customers into the process and leveraging human-centered design."
[6] Minnesota Pollution Control Agency and Department of Commerce, *Greenhouse Gas Emissions in Minnesota 2005-2022* (January 2025).
[7] The downpayment assistance for first-generation homebuyers involved two separate programs – one run by the Agency and another run by Midwest Minnesota Community Development Corporation.

Appendix B
Program Descriptions

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Notes on Reading the Program Descriptions

- This appendix only covers active programs, those that have the potential to provide assistance in 2026 and 2027. A description of programs that were active in 2024 and/or 2025 but no longer active can be found in Appendix B of the 2024-2025 Affordable Housing Plan.
- The following descriptions provide a general overview of each program and do not capture every facet of the programs. Readers should go to Minnesota Housing website and program guides for specific details and complete descriptions.
- “Housing Investment Fund” and “Pool 2” refer to the same resource, which is described in Appendix A.
- “Housing Affordability Fund” and “Pool 3” refer to the same resource, which is described in Appendix A.
- The sum of the projections for the number of housing units or households assisted by individual programs during the plan period exceed the total number of households projected to be served across all programs. This occurs because some households or housing units will receive assistance from multiple programs to achieve needed affordability levels.
- The projections for the number of households or units assisted generally are based on the average assistance per household or unit for the last five years, by program, adjusted for inflation and program trends and changes.
- The funding levels described in the narratives are estimates of the amounts we expect to deploy with partners in 2026-2027. The number of households the Agency expects to serve with each funding source is an estimate, and the final numbers will depend on actual expenditures and will be reported in the annual Program Assessment Report.
- “Program” is used broadly throughout the Affordable Housing Plan to refer to Minnesota Housing programs, initiatives and activities.

HOMEBUYER FINANCING AND HOME REFINANCING

Home Mortgage Loans

We offer two home mortgage programs – Start Up, serving first-time home buyers, and Step Up, for borrowers who do not qualify for Start Up. Step Up offers both purchase and refinance options. Under the programs, participating lenders originate fully amortizing first mortgages throughout the state. To support home mortgage borrowers, we also offer downpayment and closing cost loans structured to meet the needs of low- and moderate-income homeowners. To promote successful homeownership, our home mortgage programs also require at least one borrower in a first-time homebuyer household to complete homebuyer education.

In our current business model for homeownership, we access capital to finance the purchase of mortgage-backed securities containing our program mortgages primarily by selling bonds in the municipal bond market. Program mortgages not eligible for bond sales are sold on the secondary market.

We remain committed through our programs to address housing disparities by reaching households who face barriers to homeownership, including those with incomes below 80% of the area median income and Indigenous, Black and households of color.

Current household income limits for Start Up:

Property Location	Maximum Household Income	
	1-2 person	3 or more
Minneapolis/Saint Paul Metro Area (11-county)	$132,400	$152,200
Dodge and Olmsted Counties	$125,600	$144,400
All Other Counties	$116,900	$134,400

Current income limits for Step Up:

Property Location	Maximum
Minneapolis/Saint Paul Metro Area (11-county)	$197,900
Dodge and Olmsted Counties	$197,900
All Other Counties	$174,800

Purchase price limits for Start Up:

Property Location	Maximum
Minneapolis/Saint Paul Metro Area (11-county)	$515,200
All Other Counties	$472,030

Program Performance and Trends

For the Program Assessment period of October 1, 2023 – September 30, 2024, we reported:

- 4,957 loans
- $1,144,572,596 total loan amount
- $230,900 average loan
- A median household income of $78,227 or 70% of the statewide median family income
- 41% of households were Indigenous, Black or households of color overall, and 42% of first-time Start Up borrowers were Black, Indigenous or households of color.

Our home mortgage production is heavily supported by downpayment and closing-cost loans. About 98% of home mortgage borrowers use some type of downpayment and closing-cost loan, which is comparable with other top-producing housing finance agencies nationally.

Expected Activity for 2026-2027

The estimated 2026-2027 resources are $2.1 billion. Industry changes or changes in market conditions could affect production.

Based on resources available for new activity, we expect to finance on average about 4,570 home mortgages each year.

Deferred Payment Loans

We offer two ongoing downpayment and closing-cost loans—Deferred Payment Loans (DPLs) and Monthly Payment Loans (MPLs)—that support homeowners receiving Start Up and Step Up first lien mortgages. Generally, about 98% of our borrowers have received one of these downpayment and closing-cost loans.

The Deferred Payment Loan provides an interest-free, deferred loan for downpayment and closing costs to income-eligible first-time homebuyers purchasing a home under the Start Up program. Borrowers that receive DPL lack the necessary funds for standard mortgage downpayment and closing costs. The maximum loan amount is $18,000. The program serves lower income households than the amortizing Monthly Payment Loan and is funded through a combination of state appropriations and Pool 3 funds.

To ensure that funds support successful homeownership, DPL requires borrowers to contribute a minimum cash investment of the lesser of one percent of the purchase price or $1,000 and have a credit score of at least 640.

Current income limits are adjusted by household size. Limits for households of one to two members are:

Property Location	Maximum

Minneapolis/Saint Paul Metro Area (11-county)	$85,000
Dodge and Olmsted Counties	$85,000
All Other Counties	$75,000

Current purchase price limits are:

Property Location	Maximum
Minneapolis/Saint Paul Metro Area (11-county)	$515,200
All Other Counties	$472,030

Current purchase price limits match the Start Up program purchase price limits.

Program Performance and Trends

The availability of DPL is a driver of overall home mortgage production, particularly among lower-income and more targeted borrowers. DPL has been our most effective tool for serving Black and Indigenous communities and communities of color.

For the Program Assessment period of October 1, 2023 – September 30, 2024, we reported:

- 3,400 loans
- $54,297,786 total loan amount
- $15,970 average loan
- A median household income of $69,616 or 62% of the statewide median income
- 41% of households were Indigenous, Black or households of color

Expected Activity for 2026-2027

The estimated 2026-2027 resources are $86,600,000.

If home mortgage demand is very strong, additional resources may be needed to support DPL, or we will have to make program changes.

Based on resources available for new activity, we expect to support on average about 2,910 households each year.

Monthly Payment Loans

Monthly Payment Loans (MPLs) are interest-bearing, amortizing loans that provide downpayment and closing-cost funds. MPLs support our Start Up and Step Up home mortgage loan programs. Borrowers who qualify for MPLs receive up to $14,000. MPLs use Pool 2 resources and have a 10-year term with an interest rate equal to that of the first mortgage.

To ensure that funds support successful homeownership, MPL requires borrowers to contribute a minimum cash investment of the lesser of one percent of the purchase price or $1,000 and have a credit score of at least 640.

Current household income limits for Start Up:

Property Location	Maximum Household Income 1-2 person	Maximum Household Income 3 or more
Minneapolis/Saint Paul Metro Area (11-county)	$132,400	$152,200
Dodge and Olmsted Counties	$125,600	$144,400
All Other Counties	$116,900	$134,400

Current income limits for MPL with Step Up:

Property Location	Maximum Household Income 1-2 person	Maximum Household Income 3 or more
Minneapolis/Saint Paul Metro Area (11-county)	$139,000	$159,900
Dodge and Olmsted Counties	$139,000	$159,900
All Other Counties	$122,700	$141,200

Purchase price limits:

Property Location	Maximum
Minneapolis/Saint Paul Metro Area (11-county)	$515,200
All Other Counties	$472,030

Program Performance and Trends

For the Program Assessment period of October 1, 2023 – September 30, 2024, we reported:

- 1,345 loans
- $20,156,677 total loan amount
- $14,986 average loan
- A median household income of $106,953 or 96% of the statewide median income
- 34% of households were Indigenous, Black or households of color

Expected Activity for 2026-2027

The estimated 2026-2027 resources are $41,400,000.

We anticipate approximately one-third of overall home mortgage production will involve MPL. MPL production is subject to overall home mortgage production trends, the interest-rate environment, the overall percentage of our borrowers who need a downpayment and closing-cost loan, and program design. Given that MPL is available with both home mortgage options, the demand for MPL depends upon the demand for first mortgage loans.

Based on resources available for new activity, we expect to support on average about 1,570 households each year.

Community-Based First-Generation Homebuyers Assistance

The Community-Based First-Generation Homebuyers Assistance Program is a new statewide pilot program and is administered by Midwest Minnesota Community Development Corporation (MMCDC). MMCDC originates and services funds and authorizes other Community Development Financial Institutions (CDFIs), Tribal entities, and nonprofit organizations administering downpayment assistance to reserve, originate, fund, and service funds for eligible households. Administrative costs are capped at $3,200 per loan.

Funds may be used for closing costs, downpayment or principal reduction. An eligible household may select any first mortgage lender or broker of their choice, provided that the funds are used in conjunction with a conforming first mortgage loan. Funds may be used in conjunction with other programs for which the eligible household may qualify, and the loan may be placed in any priority position.

Assistance is limited to ten percent of the purchase price of a one or two unit home, but not to exceed $32,000, and is provided in the form of a forgivable loan that becomes repayable if the property: (1) converts to nonowner occupancy, (2) is sold, (3) is subjected to an ineligible refinance, (4) is subjected to an unauthorized transfer of title, or (5) is subjected to a completed foreclosure action within the five-year loan term. Recapture can be waived in the event of financial or personal hardship.

To be an eligible for this program, a household must:

- Have income at or below 100 percent of the area median income at the time of purchase; and
- Include at least one adult member who:
  - Is preapproved for a first mortgage loan,
  - Who has either never owned a home or owned a home but lost it due to foreclosure, and
  - Whose parent or prior legal guardian either never owned a home or owned a home but lost it due to foreclosure.

At least one adult household member must complete an approved homebuyer education course prior to signing a purchase agreement and occupy the home as their primary residence.

Program Performance and Trends

For the Program Assessment period of October 1, 2023 – September 30, 2024, we reported:

- 171 loans
- $5,094,567 total loan amount
- $29,793 average loan
- A median household income of $82,888 or 74% of the statewide median income
- 91% of households were Indigenous, Black or households of color

Expected Activity for 2026-2027

The estimated 2026-2027 resources are $2,000,000.

Based on resources available for new activity, we expect to support on average about 30 households each year with a few of them using a Minnesota Housing home mortgage and the rest using other home mortgages.

HOMEBUYER/OWNER EDUCATION AND COUNSELING

Homeownership Education, Counseling and Training (HECAT) Fund

The Homeownership Education, Counseling and Training (HECAT) Fund supports comprehensive pre-purchase services, including: (1) in-person homeownership education (Home Stretch and Realizing the American Dream), (2) homeownership services (financial wellness and homebuyer counseling), (3) home equity conversion (reverse mortgage) counseling, and (4) foreclosure prevention counseling. Besides the state appropriation, the Minnesota Homeownership Center contributes to the program. We award the funds through a competitive Request for Proposals (RFP) process. The online homeownership education course, Framework, is an alternate option to HECAT-funded homeownership education. While Framework is part of the overall homebuyer educations system that we support, HECAT does not fund Framework.

Program Performance and Trends

For the Program Assessment period of October 1, 2023 – September 30, 2024, we reported:

- 5,180 households served through HECAT program
- $2,253,392 total funding
- $435 average Minnesota Housing assistance per household
- A median household income of $54,000 or 48% of the statewide median income

- 62% of households were Indigenous, Black or households of color

Expected Activity for 2026-2027

The estimated 2026-2027 resources are $2,762,000 a portion of which is contingent on funds being made available by partner organizations.

Based on the resources available for new activity, we anticipate that on average roughly 3,680 households will receive homebuyer/owner education and counseling each year through HECAT.

Homeownership Capacity

Indigenous, Black and households of color are an increasing share of the state's population, yet Minnesota's homeownership disparity (the homeownership rate differential between white/non-Latinx households and Black Indigenous and households of color) is the 11th highest in the nation. These households often struggle to access the mortgage market.

The Homeownership Capacity program is funded with Pool 3 resources and state appropriations to BuildWealth MN and provides intensive financial education, coaching and case management services to prepare families for sustainable homeownership. It serves a range of households but has targeted efforts to reach households of color and low- to moderate-income households to increase their probability of successful homeownership.

This initiative supports new and expanded homeowner training efforts through existing organizations, which leverage funds from several sources.

Program Performance and Trends

For the Program Assessment period of October 1, 2023 – September 30, 2024, we reported:

- 728 households served
- $721,700 total grant amount
- $991 average Minnesota Housing funding per household
- A median household income of $47,532 or 43% of the statewide median income
- 89% of households were Indigenous, Black or households of color

Expected Activity for 2026-2027

The estimated 2026-2027 resources are $3,000,000.

Based on the resources available for new activity, we anticipate serving on average about 1,070 households each year.

HOME IMPROVEMENT LENDING

Fix Up Loans

Fix Up Loans (including Community Fix Up) use Pool 2 resources to provide fully amortizing home-improvement loans to low- and moderate-income homeowners to improve the livability and energy efficiency of their homes. The Community Fix Up component is an add-on for eligible Fix Up lending partners and provides affordable financing to support community partnerships that target resources. Lending partners working with Community Fix Up may offer a slightly lower interest rate compared to the regular Fix-Up Loan Program by using leveraged funds. Fix Up and Community Fix Up loans are key tools for addressing the state's aging housing stock.

The program serves a broad range of incomes. With higher loan-to-value limits than traditional loan products and an unsecured loan option, borrowers can improve and preserve their homes when other financing options may not be available to them.

Income limit:

Property Location	Income Limit
Minneapolis/Saint Paul Metro Area (11-county)	$172,100
Dodge and Olmsted Counties	$172,100
All Other Counties	$152,000

(Energy Loan Plus has lower income limits: $105,900 for the 11-County Twin Cities Metro Area, $100,400 for Dodge and Olmstead Counties and $93,500 for all other counties. There is no Income limit for accessibility loans.)

Maximum loan amount:

- $75,000 for secured loans
- $25,000 for unsecured loans
- $30,000 for unsecured energy loans
- $60,000 for secured energy loans
- $35,000 for secured accessibility

Program Performance and Trends

For the Program Assessment period of October 1, 2023 – September 30, 2024, we reported:

- 1,262 loans
- $39,427,230 total loan amount

- $31,242 average loan
- A median household income of $104,019 or 93% of the statewide median income
- 16% of households were Indigenous, Black or households of color

Expected Activity for 2026-2027

The estimated 2026-2027 resources are $78,000,000.

Based on current loan production trends and the resources available for new activity, we anticipate serving on average about 1,220 households each year.

Rehabilitation Loan Program (RLP)

The Rehabilitation Loan Program (RLP) provides zero-interest, deferred loans to homeowners with income at or below 30% of the area median income (AMI) to improve the safety, livability or energy efficiency of their homes. The homes are rehabilitated to the greatest extent practicable to meet rehabilitation standards. Homeowners who need emergency assistance or have an essential accessibility need are referred to the Emergency and Accessibility Loan component of the program.

A network of over 30 lender partners, such as community action agencies, tribal governments and local units of government, administer the program throughout the state. The maximum loan term is 15 years for properties taxed as real property and 10 years for manufactured homes taxed as personal property and located in a manufactured home community. All loans are forgiven after the loan term if the borrower does not sell, transfer title or cease to occupy the property during the loan term.

Current income limits are adjusted by household size, from $27,800 for a single person household to $39,300 for a four-person household. Other borrower assets cannot exceed $25,000.

Program Performance and Trends

For the Program Assessment period of October 1, 2023 – September 30, 2024, we reported:

- 279 loans
- $7,920,055 total loan amount
- $28,387 average loan
- A median household income of $18,444 or 16% of statewide median income
- 19% of households were Indigenous, Black or households of color

Expected Activity for 2026-2027

The estimated 2026-2027 resources are $17,041,000.

Based on resources available for new activity, we expect to fund on average rehabilitation loans for approximately 270 households each year.

SINGLE FAMILY PRODUCTION – NEW CONSTRUCTION, REHABILITATION AND SUPPORTS

Besides the programs listed below, this activity includes the Economic Development Housing and Housing Challenge (EDHC) program and Housing Infrastructure resources, which are included the Multiple Use Resources section of this appendix because they can be used for both single-family and multifamily development.

Single-Family Interim Lending

Single-Family Interim Lending provides loans, most often to smaller nonprofit organizations, to acquire, rehabilitate, demolish or construct owner-occupied housing under the Community Homeownership Impact Fund ("Impact Fund"). The homes are then sold to households with incomes at or below 115% of the area median income (AMI). Interim loans are financed with Agency resources and have a term of 42 months. Funds are awarded annually through the Request for Proposals process for the Impact Fund program and in accordance with our mission and priorities.

Program Performance and Trends

Performance data on interim lending are reported under the Impact Fund program in the EDHC description. The Impact Fund is the umbrella program under which we deliver the EDHC program, Housing Infrastructure resources, Workforce Affordable Homeownership Development Program, and interim construction financing for single-family owner-occupied housing.

Expected Activity for 2026-2027

The estimated 2026-2027 resources are $4,400,000.

Based on resources available for new activity, we expect to support on average the construction of about 20 homes each year.

Workforce and Affordable Homeownership Development Program

The funds for the Workforce and Affordable Homeownership Development Program may be used for development costs, rehabilitation, land development and residential housing. In addition, the legislation allows for manufactured home community infrastructure development and repair and storm shelter development. Eligible program applicants are cities, Tribal governments, nonprofit organizations, cooperatives and community land trusts.

Program Performance and Trends

For the Program Assessment period of October 1, 2023 – September 30, 2024, we reported:

- 12 units
- $1,278,992 of funds disbursed
- $106,583 average assistance per household
- A median household income of $50,445 or 45% of statewide median income
- 30% of households were Indigenous, Black or households of color

Expected Activity for 2026-2027

The estimated 2026-2027 resources are $12,761,000.

Based on resources available for new activity, we expect to support on average about 50 homes each year.

MANUFACTURED HOUSING AND COMMUNITIES

Besides the programs listed below, this activity includes Housing Infrastructure resources, which are included the Multiple Use Resources section of this appendix because they can be used for single-family and multifamily development and manufactured home community redevelopment.

Manufactured Home Community Financing

Minnesota Housing has made available Agency resources (Pool 2, possibly in conjunction with some Pool 3 funds) for the acquisition, improvement and/or permanent financing of manufactured home communities throughout the state. These funds have been used independently or in connection with other resources, including our Manufactured Home Community Redevelopment Program.

Program Performance and Trends

For the Program Assessment period of October 1, 2023 – September 30, 2024, we reported:

- Two loans for communities with 117 homes total
- $1,993,500 total loan amount
- $17,039 average assistance per home

Expected Activity for 2026-2027

Given the Agency's current fiscal constraints (limited cash on hand from Agency resources for new lending), we do not expect to award funds under this program over the next two years.

Manufactured Home Community Redevelopment Grants

This program was funded for the first time for the 2020-2021 biennium. Program funds are awarded as grants to eligible applicants for infrastructure improvements, such as storm shelters, street improvements and water and sewer system upgrades, or acquisition of manufactured home parks, as described in statute. The activities under statute are also an eligible use for Housing Infrastructure resources.

Program Performance and Trends

For the Program Assessment period of October 1, 2023 – September 30, 2024, we reported:

- 2,614 manufactured home lots
- $10,918,359 total grant amount
- $4,177 average assistance per lot

Expected Activity for 2026-2027

The estimated 2026-2027 resources are $2,238,000.

Based on these funds, we expect to support on average about 140 manufactured home lots each year. In addition, Housing Infrastructure resources (which are described in the Multiple Use Resource section of this appendix) can also be used for manufactured home community redevelopment. With those additional resources, we expect to support on average about 200 additional lots each year.

Cooperative Manufactured Housing Infrastructure Grants

Cooperative Manufactured Housing Infrastructure Grants is a new program financed with General Obligation bond proceeds. Under the program, Minnesota Housing provides counties and cities grants to fund up to 50% of the capital costs for developing the housing infrastructure in eligible cooperatively-owned manufacture home communities. The Agency must prioritize projects with commitments of nonstate resources, which can be either in-kind or cash. The housing infrastructure must be publicly owned and include, but not limited to, sewers, water supply systems, utility extensions, streets, wastewater treatment systems, stormwater management systems, and facilities for the pretreatment of wastewater to remove phosphorus. Minnesota Housing will evaluate applications for funding to determine if: (1) the project will provide adequate housing stock for the current and future workforce, and (2) the increase in workforce housing will result in substantial public and private capital investment in the county or city. A county or city may receive no more than $60,000 per manufactured home lot.

Program Performance and Trends

This is a brand-new program that will be launched in 2026 and 2027.

Expected Activity for 2026-2027

The estimated 2026-2027 resources are $3,000,000.

Based on resources available for new activity, we expect to fund about 30 rental units each year on average.

Manufactured Home Relocation Trust Fund

The Manufactured Home Relocation Trust Fund requires owners of manufactured home parks to pay $15 per licensed lot into a Trust Fund each year if the fund's balance is below $2,000,000. Park owners are authorized to collect funds from each manufactured homeowner either monthly or in a lump sum that is paid to the State. The Trust Fund is available to homeowners who must relocate because the park they live in is being closed.

The statute sets out a process for determining the amount of money for which a homeowner is eligible for either moving or selling their home. Starting in 2024, Minnesota Housing has responsibility to collect the assessment from park owners, but since the Trust Fund balance has been above $2 million, the assessment has not been collected. We also make payments to homeowners for eligible costs, with claims overseen by an appointed neutral third party selected by the city where the park is closing.

Program Performance and Trends

For the Program Assessment period of October 1, 2023 – September 30, 2024, we reported:

- Less than 5 home lots
- $20,943 total grant amount

Expected Activity for 2026-2027

As of March 31, 2025, the fund had a $2.06 million uncommitted balance, which is above the $2 million threshold.

Disbursements from the fund vary significantly from year to year, depending on the level of park closures. Currently, we are not making an estimate of the assistance needs.

RENTAL PRODUCTION – NEW CONSTRUCTION AND REHABILITATION

In addition to the programs listed below, this activity area includes two other programs – the multifamily part of the Economic Development and Housing Challenge program and Housing Infrastructure resources, which are described in the Multiple Use Resources section of this appendix. Those resources can be used for either single-family or multifamily development.

Multifamily First Mortgages – Low- and Moderate-Income Rental (LMIR)

We make available Multifamily First Mortgages through our Low- and Moderate-Income Rental (LMIR) program, using resources from Housing Investment Fund (Pool 2) and Agency bond proceeds. Direct loans are generally made under LMIR in combination with HUD's Risk-Sharing Program.

The LMIR program makes interest-bearing, amortizing first mortgages available for the refinance, acquisition, rehabilitation, new construction or conversion of rental developments that house low- and moderate-income Minnesotans. LMIR loans include both rent and income restrictions. Financing is available to housing sponsors both through the Consolidated Request for Proposals (RFP) process and on a year-round basis. To enhance LMIR loans, we may also offer a companion low- or no-interest, deferred loan under the Flexible Financing for Capital Cost (FFCC) program, resulting in a lower overall interest rate on a blended basis. Additionally, construction (bridge) loans may be available in conjunction with a LMIR program loan.

Current rent restrictions: a minimum of 40% of units must be affordable to households with incomes at 60% of the area median income; or 20% of units must be at affordable to households with incomes at 50% area median income; and the balance of units may have rents at the Minnesota Housing determined "market rate."

Current tenant income restrictions: 40% of units must be occupied by households with incomes at 60% or less of the area median income; [1] or 20% of units must be occupied by households with incomes at 50% or less of area median income; and 25% of units may be occupied by households with unrestricted incomes. The balance of the units may be occupied by households with incomes equal to or less than 100% of the area median income.

Program Performance and Trends

For the Program Assessment period of October 1, 2023 – September 30, 2024, we reported:

- 17 loans for developments with 1,066 units
- $108,957,000 total loan amount
- $102,211 average LMIR funding per unit
- A median household income of $30,000 or 27% of the statewide median income
- 54% of households were Indigenous, Black or households of color

Expected Activity for 2026-2027

The estimated 2026-2027 resources are $110,000,000 for both permanent first mortgages and construction loans.

Based on resources we expect to be available for new permanent first mortgages, we expect to finance on average roughly 140 rental units each year. For bridge loan construction financing, we expect to assist on average approximately 110 units each year.

Flexible Financing for Capital Costs (FFCC)

We provide Flexible Financing for Capital Costs (FFCC) deferred loans at low- or no-interest, using Housing Affordability Fund (Pool 3) resources. FFCC is generally available only in conjunction with Agency-originated first mortgage loans for the refinance, acquisition, rehabilitation, or new construction of rental developments that house low- and moderate-income Minnesotans. FFCC loans may also be used in tandem with Housing Infrastructure loans to fund costs not otherwise eligible from Housing Infrastructure proceeds. Loans include both rent and income restrictions.

[1] It is actually 60% of MTSP (Multifamily Tax Credit Subsidy Projects), which is very similar to AMI (area median income). We are using AMI in this explanation because it is a more widely used term.

Current rent restrictions: a minimum of 40% of units must be affordable to households with incomes at 60% of the area median income; or 20% of units must be at affordable to households with incomes at 50% of the area median income; and the balance of units may have rents at the Minnesota Housing determined "market rate."

Current tenant income restrictions: 40% of units must be occupied by households with incomes at 60% or less of the area median income; or 20% of units must be occupied by households with incomes at 50% or less of the area median income; and 25% of units may be occupied by households with unrestricted incomes. The balance of the units may be occupied by households with incomes equal to or less than 100% of the area median income.

Program Performance and Trends

For the Program Assessment period of October 1, 2023 – September 30, 2024, we reported:

- 1 FFCC loan for developments with 36 units
- $575,000 total loan amount
- $15,972 average FFCC assistance per unit

Expected Activity for 2026-2027

At this point, we are not expecting to use any FFCC funding in 2026 and 2027.

Low Income Housing Tax Credits – 9%

The Low-Income Housing Tax Credit (LIHTC) Program provides federal income tax credits to owners and investors in the construction or acquisition/substantial rehabilitation of eligible rental housing. The U.S. Department of Treasury's Internal Revenue Service (IRS) allocates 9% LIHTCs based on state population and a per-capita amount that increases each year with the cost of living. Syndication proceeds are the amounts of private equity invested in developments because of the allocation and sale of federal LIHTCs. The allocation of 9% LIHTCs to developments is a highly competitive process, with requests far exceeding available credits. Housing financed with 9% LIHTCs must meet income and rent restrictions for a minimum of 30 years.

The Minnesota Legislature designated Minnesota Housing as the primary allocating agency of LIHTCs in Minnesota and qualified local cities and counties as suballocators.

We select housing development to award 9% LIHTCs in two rounds of a competitive allocation process held each year. Round 1 is held concurrent with our Multifamily Consolidated Request for Proposals, and a smaller Round 2 is traditionally held early in the next calendar year. We establish a waiting list of unfunded or partially funded applications at the conclusion of Round 2.

Section 42 of the Internal Revenue Code requires that LIHTC allocating agencies develop an allocation plan for the distribution of the LIHTCs within the jurisdiction of the allocating agency. Our Qualified Allocation Plan (QAP) includes selection criteria and preferences required by Section 42 and deemed appropriate to local conditions and established by us based on input from the public, partners and stakeholders.

The federal LIHTC program is separate from the State Housing Tax Credit program.

Program Performance and Trends

For the Program Assessment period of October 1, 2023 – September 30, 2024, we reported:

- 9 projects with 481 LIHTC units receiving 9% LIHTCs
- $100,359,050 in syndication proceeds (investor equity from the sale of credits)
- $208,647 average syndication amount per unit
- A median household income of $25,075 or 22% of the statewide median income
- 49% of households were Indigenous, Black or households of color

Expected Activity for 2026-2027

We estimate that that Minnesota Housing will allocate $28,764,000 in 9% LIHTCs in 2026-2027, which should generate about $215 million to $235 million in syndication proceeds for the two years combined.

Based on the resources available for new activity, we expect to allocate 9% LIHTCs to support about 430 rental units each year on average.

National Housing Trust Fund (NHTF)

The National Housing Trust Fund (NHTF) Program is an affordable housing production program that complements existing federal, state and local efforts to increase and preserve the supply of safe, affordable housing for extremely low-income households, including families experiencing homelessness. NHTF is capitalized through contributions from the government sponsored enterprises Fannie Mae and Freddie Mac and is administered by the U.S. Department of Housing and Urban Development (HUD).

The program provides financing for:

- New construction,
- Acquisition with rehabilitation,

- Rehabilitation without acquisition, and
- Operating cost assistance for one of the above developments (up to 33% of the annual grant)

Rent Restrictions: Rents for an extremely low-income tenant shall not exceed affordability at 30% of the area median income (AMI), as published by HUD for the NHTF program.

Income Restrictions: NHTF-assisted units must be occupied by households with incomes at or below 30% of the AMI, as published by HUD for the NHTF program.

Program Performance and Trends

For the Program Assessment period of October 1, 2023 – September 30, 2024, we reported:

- 1 loan for development of 45 units
- $8,518,499 total loan amount
- $189,300 average funding per unit
- A median household income of $2,364 or 2% of the statewide median income
- 61% of households were Indigenous, Black or households of color

Expected Activity for 2026-2027

The estimated 2026-2027 resources are $6,269,000.

Based on the resources available for new activity, we expect to support roughly 30 rental units each year on average.

HOME

The HOME Investment Partnership (HOME) Program provides deferred loans for the new construction, rehabilitation or acquisition/rehabilitation of permanent affordable rental housing for low- and very low-income households, including housing with state or federal project-based rental subsidies. The program is funded with federal appropriations.

We allocate HOME funds through the annual Multifamily Consolidated Request for Proposals (RFP) process.

Tenant income limits: The U.S. Department of Housing and Urban Development (HUD) annually sets limits for the HOME program.

Rent Restrictions: HUD annually sets limits for the HOME program.

Maximum assistance amount: HUD annually sets the maximum per-unit subsidy limits.

Program Performance and Trends

For the Program Assessment period of October 1, 2023 – September 30, 2024, we reported no HOME program activity.

Expected Activity for 2026-2027

The estimated 2023-2024 resources are $37,260,000.

Based on resources available for new activity, we expect to fund about 110 rental units each year on average.

Preservation Affordable Rental Investment Fund (PARIF)

PARIF provides loans to fund the preservation of: (1) permanent affordable rental housing with federal project-based rent subsidies that are in jeopardy of being lost, (2) existing supportive housing developments, and (3) naturally occurring affordable housing (as determined by the commissioner). Eligible activities under PARIF include rehabilitation, acquisition and rehabilitation, and debt restructuring.

We allocate PARIF funds, which are state appropriations, through our annual Multifamily Consolidated Request for Proposals (RFP) process and on a year-round basis, if funding is available.

This program is a critical tool in the long-term preservation of expiring project-based Section 8 contracts, properties with Rural Development rental assistance, and other project-based federally assisted housing.

Tenant income limit: PARIF is subject to the federal guidelines for the units being preserved.

Maximum assistance amount: None

Program Performance and Trends

For the Program Assessment period of October 1, 2023 – September 30, 2024, we reported:

- 1 loan for developments with 86 units
- $5,883,000 total loan amount
- $68,407 average PARIF assistance per unit
- A median household income of $15,114 or 14% of the statewide median income
- 57% of households were Indigenous, Black or households of color

Expected Activity for 2026-2027

The estimated 2026-2027 resources are $24,853,000.

Based on resources available for new activity, we expect to fund 170 rental units each year on average.

HOME-ARP (HOME American Rescue Plan)

Minnesota Housing received a one-time allocation of approximately $31 million in HOME American Rescue Plan funding (HOME-ARP) to assist individuals or households who are experiencing or at risk of homelessness, along with other vulnerable populations. This funding allocation is separate from Minnesota Housing's regular annual HOME Investment Partnerships appropriation.

Minnesota Housing's approved allocation plan provides for a request for proposal (RFP) process for and tailored to eligible HOME-ARP activities. Specifically, Minnesota Housing plans to spend approximately $27 million (90% of the grant) on the development of affordable rental housing, and approximately $3 million (10% out of an allowable 15% of the grant) on administration and planning.

Additionally, the allocation plan allows for a preference for the "qualifying population" of homeless as defined by 24 CFR § 91.5. Having a preference in the allocation plan allows Minnesota Housing to entertain proposals that are tailored to one qualifying population, rather than all of HOME-ARP's qualifying populations; however, having a preference does not limit Minnesota Housing's ability to choose projects or proposals focused only on that one qualifying population. As of the publication of this Affordable Housing Plan, the RFP timeline is still being determined.

Program Performance and Trends

So far, this program has not had any activity.

Expected Activity for 2024-2026

The estimated 2026-2027 resource availability is $28,024,000.

Based on resources available for new activity, we expect to support about 90 units each year on average.

Asset Management

Under the Asset Management program, resources are available on a year-round basis and are designed to fund properties with immediate critical health and life safety needs. Properties with financing from Minnesota Housing are eligible, including those with existing affordability restrictions or rental assistance contracts administered by Minnesota Housing. Because we prioritize properties already in Minnesota Housing's portfolio, referrals primarily come from Minnesota Housing's asset management and compliance staff.

Under the Asset Management program, we can provide a range of loan types, including interest-bearing, non-interest bearing, amortizing and/or deferred loans.

Owners receiving funds under this program must agree to extend affordability restrictions to be coterminous with the new loan.

Funding for Asset Management comes from two sources: (1) Financing Adjustment Factor (FAF)/Financing Adjustment (FA), and (2) Housing Affordability Fund (Pool 3). FAF/FA are federal funds and come from a financing agreement between the U.S. Department of Housing and Urban Development (HUD) and Minnesota Housing.

Program Performance and Trends

For the Program Assessment period of October 1, 2023 – September 30, 2024, we provided no asset management assistance.

Expected Activity for 2026-2027

At this point, we are not expecting to use any Asset Management funding for 2026 and 2027.

Rental Rehabilitation Deferred Loan (RRDL) Pilot Program

RRDL provides deferred loans at no interest to individuals, developers, nonprofits, units of government and Tribal entities for the moderate rehabilitation of permanent rental housing outside the metro area. The program is funded with state appropriations and designed to serve owners of smaller properties that do not apply or would not be competitive in our regular Consolidated Request for Proposals (RFP) process.

RRDL funds are available through a targeted Request for Proposals process. Owners can apply directly to Minnesota Housing for RRDL funds. Loan terms range from 20 to 30 years. RRDL loans are also subject to a minimum affordability period of 15 years. Properties containing eight or more units may apply for loans where 10% of the loan amount is forgiven after successful completion of the loan term and maintaining the RRDL rent and income requirements.

Current tenant income limit: 80% of the greater of the statewide or area median income (AMI) for a family of four, not adjusted for family size.

Program Performance and Trends

For the Program Assessment period of October 1, 2023 – September 30, 2024, we reported:

- 8 loans for development with 218 units
- $5,801,400 total loan amount
- $26,612 average RRDL assistance per unit
- A median household income of $19,825 or 17% of the statewide median income
- 13% of households were Indigenous, Black or households of color

Expected Activity for 2026-2027

The estimated 2026-2027 resources are $7,993,000.

Based on resources available for new activity, we expect to fund about 110 rental units each year on average.

Publicly Owned Housing Program (POHP)

Through the Publicly Owned Housing Program (POHP), we provide deferred, forgivable loans at no interest to eligible public housing authorities or housing and redevelopment authorities to preserve/rehabilitate properties that they own and operate under HUD’s Public Housing program. The program is traditionally funded with state General Obligation (GO) bond proceeds. Loans from GO bonds are structured with a 20-year term and a 35-year compliance period.

For the 2024-2025 biennium, the program was funded with direct appropriations, which also allowed eligible Rental Assistance Demonstration (RAD) or similarly converted property owners and Tribal entities to apply for funding. Loans from POHP appropriations are structured with a 20-year term and a 20-year compliance period.

POHP loans can be used only for eligible capital costs of a non-recurring nature that add value or life to the buildings. POHP funds are available through a Request for Proposals process with owners applying directly to the Agency. The loan amount is forgiven after the loan term has been met provided there is no evidence of default.

Program Performance and Trends

For the Program Assessment period of October 1, 2023 – September 30, 2024, we reported:

- 4 loans for developments with 296 units
- $5,405,300 total loan amount
- $18,261 average POHP assistance per unit
- A median household income of $13,003 or 12% of the statewide median
- 47% of households were Indigenous, Black or households of color

Expected Activity for 2026-2027

The estimated 2026-2027 resources are $12,967,000. The 2025 legislature made available $26 million of GO bond resources for this program, and the Agency was able to award a portion of that through an RFP process that we completed in August 2025, which falls under the 2024-2025 AHP. The funds available in 2026 and 2027 are mix of GO bond resources and state appropriations.

Based on resources currently available for new activity, we expect to support roughly 320 rental each year on average.

Local Public Housing Program

The Local Public Housing Program is a new program that provides funds to cities, counties, Tribal nations, or Tribally designated housing entities to develop or acquire housing that will be owned by the recipient. The recipient must use the funds for qualifying capital costs, including predesign, design, property acquisition, construction, furnishing and equipping the property for use as housing. The recipient must maintain ownership of the housing for at least 50 years.

At least 30% of the units in a multifamily property must be occupied by households with an income at or below 50% of the area median income at the time of initial lease agreement; and at least 30% of the units must be occupied by households with an income at or below 100% of the area median income. No household in a multifamily property may have an income greater than 400% of the area median income at the time of the initial lease agreement. In a single-family property, the home must be occupied by a household with an income at or below 80% of the area median income. The recipient of the funding may act as a community land trust with respect to single-family properties.

The program will have two accounts:

- The housing development fund, which is funded with state appropriations. Awards must be provided as loans. Minnesota Housing must operate this account as a revolving loan fund.

- The bond proceeds fund, which is funded with bond proceeds. Awards must be provided as grants.

Cities and counties are eligible to receive funds from either account, and Tribal nations and Tribally designated housing entities are eligible to receive loans from the housing development fund.

Program Performance and Trends

This is a brand-new program that will be launched in 2026 and 2027.

Expected Activity for 2026-2027

The estimated 2026-2027 resources are $2,439,000.

Based on resources available for new activity, we expect to fund about 20 rental units each year on average.

Workforce Housing Development Program

This competitive program targets small to mid-size cities, communities or federally recognized Tribal reservations in Greater Minnesota with rental workforce housing needs. Funds may be used for qualified expenditures that result in the direct development of rental properties. Funds are targeted to proposals with the greatest proportion of market-rate units but can be used for developments with rent and income restrictions imposed by other funding sources for some units. Communities with 30,000 or fewer residents have a funding priority.

Funding is available under a stand-alone Request for Proposals (RFP). Proposals are ranked and scored according to the Workforce Housing Development Program statute. Proposed rents are evaluated against the current and projected jobs and wages within the community. Funding is solely from state appropriations.

Program Performance and Trends

For the Program Assessment period of October 1, 2023 – September 30, 2024, we reported:

- 3 loans for developments with 135 units
- $1,195,700 total loan amount
- $8,857 average assistance per unit

Expected Activity for 2026-2027

The estimated 2026-2027 resources are $4,160,000.

Based on resources available for new activity, we expect to fund about 50 rental units each year on average.

High-Rise Sprinkler Grant and Loan Program

High-Rise Sprinkler System Grant and Loan Program was a new, one-time program under the previous AHP with unused funds carrying over to the 2026-2027 AHP. The program will make grants and loans up to $2 million to owners of eligible buildings for installation of sprinkler systems and, if necessary, for relocation of residents during the installation of sprinkler systems. Nonprofit applicants will be prioritized and require a 25% match, while for-profit applicants require a 50% match.

To be eligible, existing residential buildings must have: (1) at least seven stories or more in height or 75 feet or more above the lowest level of fire department vehicle access, and (2) at least two-thirds of its units being affordable to households with an annual income at or below 60 percent of the area median income.

Program Performance and Trends

For the Program Assessment period of October 1, 2023 – September 30, 2024, we reported no High-Rise Sprinkler Grant program activity.

Expected Activity for 2026-2027

The estimated 2026-2027 resources are $6,545,000.

Based on resources available for new activity, we expect to fund roughly 470 rental units each year on average.

RENTAL ASSISTANCE CONTRACT ADMINISTRATION

Section 8 – Project-Based Rental Assistance

The Housing and Community Development Act of 1974 created the project-based Section 8 Housing Assistance Payments Program. Under the program, the U.S. Department of Housing and Urban Development (HUD) entered contracts with property owners to provide rental assistance for a fixed period for families with incomes no greater than 80% of the area median income. No new development has been funded under this program since the mid-1980s; however, HUD and the Agency collaborate to not only preserve and extend existing contracts but also transfer project-based budget authority from developments with owners that want to exit the program to partially-assisted or previously-unassisted properties. Under existing contracts, tenants pay no more than 30% of adjusted household income for rent. HUD pays the difference between tenant rent payments and the contract rent of assisted units.

Through a contract with HUD under the Performance Based Contract Administration (PBCA) authority, the Agency, as a Public Housing Authority (PHA), administers the existing project-based Section 8 contracts in Minnesota. Currently, the Agency has 533 Section 8 contracts covering 34,259 rental units.

Under these contracts, the Agency helps administer this important federal program, including performing management and occupancy reviews, processing contract renewals and annual rent adjustments, processing monthly payment vouchers, responding to tenant concerns and following up on Real Estate Assessment Center physical inspections. In addition to ensuring that this deeply affordable housing resource remains viable and in compliance with federal requirements, these activities assist us in identifying and planning for the preservation needs of developments with Section 8 assistance.

Program Performance and Trends

For the Program Assessment period of October 1, 2023 – September 30, 2024, for PBCA properties we reported:

- 34,333 households assisted
- $256,194,628 in Housing Assistance Payments (HAP)
- $7,462 average (HAP) assistance per household
- A median household income of $13,928 or 13% of the statewide median
- 42% of households were Indigenous, Black or households of color

Expected Activity for 2026-2027

Our current PBCA agreement with HUD has been extended several times. The Agency continues to work with HUD regarding extensions to that agreement and the possibility of a federal RFP regarding PBCA services in the future. PBCA revenue earned through administration of the contracts pays 100% of the cost of administering the program.

The estimated 2026-2027 resources are $561,848,000.

Based on resources available for new activity, we expect to support about 34,260 rental units each year on average.

HOUSING STABILITY FOR POPULATIONS NEEDING EXTRA SUPPORT

Housing Trust Fund (HTF)

Historically, funding for the HTF has been used to fund capital, rental assistance and operating subsidy expenses. In recent years, we have used HTF state appropriations for rental assistance and operating subsidies at some developments previously financed by Minnesota Housing. Households served by HTF include High Priority Homeless (HPH) families and individuals, defined as households prioritized for permanent supportive housing by the Coordinated Entry System for homelessness services.

Current tenant income limit: 60% of the area median income (AMI) for the supported household's region, with a priority for people at 30% of AMI and/or High Priority Homeless households.

Minnesota Housing provides HTF rental assistance and operating subsidies under two-year contracts with local administrators. For rent assistance, the new two-year contracts will start in October 2025. For operating subsidies, we will issue a Request for Proposals in 2026.

Program Performance and Trends

For the Program Assessment period of October 1, 2023 – September 30, 2024, we reported:

- 1,180 households assisted
- $10,321,314 in total disbursements
- $11,096 average HTF assistance per household
- A median household income of $10,092 or 9% of the statewide median income
- 62% of households were Indigenous, Black or households of color

Expected Activity for 2026-2027

The estimated 2026-2027 resources are $28,200,000 for all HTF activities.

Based on resources available for new activity, we expect to support about 1,830 renter households each year on average, about 1,040 through rental assistance and 790 through operating subsidies.

Homework Starts with Home

Homework Starts with Home is a state-funded program that provides direct assistance, such as rent assistance and supportive services to students and their families experiencing housing instability. The program was created in response to the increasing number of students experiencing homelessness and is built upon the successful Housing Trust Fund Rental Assistance Pilot for Homeless and Highly Mobile Families. The program serves students and their families who are experiencing homelessness or imminent risk of homelessness, including: (1) families with children eligible for a pre-Kindergarten through grade 12 academic program, and (2) youth (with or without children of their own) who are eligible for an academic program and facing housing instability without their parent or guardian. The goals of the program are to achieve housing stability as well as improve academic achievement and school attendance among students participating in the program.

A collaborative approach involving local housing organizations, schools and service providers is a key feature of the local program design.

Grant funds are awarded through a competitive Request for Proposals (RFP) process.

Program Performance and Trends

For the Program Assessment period of October 1, 2023 – September 30, 2024, we reported:

- 238 households assisted
- $4,939,788 in total disbursements
- $20,755 average Homework Starts with Home assistance per unit
- A median household income of $11,280 or 10% of the statewide median
- 74% of households were Indigenous, Black or households of color

Expected Activity for 2026-2027

The estimated 2026-2027 resources are $5,832,000.

Based on resources available for new activity, we expect to support about 320 renter households each year on average.

Bridges

Bridges is a state-funded rental assistance program for people with a mental illness. The program goal is to assist individuals so they can live in integrated settings in their communities until a permanent housing subsidy is available. Bridges operates in selected counties throughout the state and is administered through local housing organizations. The Minnesota Department of Human Services and Minnesota Housing collaborate in the administration of this program.

Tenants are responsible for a portion of the rent, which is generally equal to 30% of their income.

Bridges is an important component of Minnesota Housing’s contribution to achieving the goals of both the Minnesota’s Olmstead Plan and the state’s Plan to Prevent and End Homelessness. In 2015, the program started prioritizing households with:

- Persons residing in an institution, segregated setting, or under correctional supervision who will be homeless upon exit,

- Persons experiencing homelessness who are assessed as High Priority Homeless (HPH) through the Coordinated Entry (CE) system, and
- People experiencing or at imminent risk of homelessness.

Current tenant income limit: 50% of the area median income.

Bridges funds rent assistance under two-year contracts with local administrators. Grant funds are awarded through a competitive Request for Proposals (RFP) process.

Program Performance and Trends

For the Program Assessment period of October 1, 2023 – September 30, 2024, we reported:

- 588 households assisted
- $4,037,915 in total disbursements
- $9,059 average Bridges assistance per household
- A median household income of $12,204 or 11% of the statewide median income
- 34% of households were Indigenous, Black or households of color

Expected Activity for 2026-2027

The estimated 2026-2027 resources are $15,000,000.

Based on resources available for new activity, we expect to support about 750 renter households each year on average.

Bring It Home Rental Assistance

Bring It Home Rental Assistance is a new program and modeled after the federal HUD Section 8 program and can provide both tenant- and project-based rental assistance. The assistance amount for renters will equal to the difference between 30 percent of the household’s income and the rent charged, plus an allowance for utilities if not included in rent. The maximum contract rent that can be subsidized is 120 percent of the payment standard as established by the local public housing authority unless the Agency allows otherwise.

Eligible households are those with an annual income of up to 50 percent of the area median income as determined by the United States Department of Housing and Urban Development, adjusted for family size, that is paying more than 30 percent of their annual income on rent. Eligibility is determined at the time a household first receives assistance and must be recertified annually. Households receiving rental assistance under the federal Section 8 program are not eligible.

Households with children 18 years of age and under and an annual income of up to 30 percent of the area median income are prioritized. Program administrators are allowed to establish additional priority populations based on local need.

Funds will be distributed statewide to housing and redevelopment authorities, other local units of government that administer federal rental assistance, Tribal governments or Tribally-designated housing entities, or a nongovernmental organization if there are no other entities in a region able to administer the program. Minnesota Housing is required to make grants statewide in proportion to the number of households eligible for assistance in each county based on the most recent American Community Survey. Entities that administer the program may use existing procedures for distributing rental assistance, or have new procedures approved by the Agency.

Program Performance and Trends

For the Program Assessment period of October 1, 2023 – September 30, 2024, we reported no Bring It Home Renal Assistance program activity.

Expected Activity for 2026-2027

The estimated 2026-2027 resources are $131,400,000.

The Agency has awarded the initial funds, and program activity will ramp up over the next year. Based on resources available for new activity, we expect to support about 4,700 renter households each year on average.

Section 811 Supportive Housing Program

Section 811 is a federal program through which the U.S. Department of Housing and Urban Development (HUD) has provided funding to states for project-based rental assistance to create integrated, cost-effective supportive housing units for people with disabilities. The goals of the program are to:

- Increase housing opportunities for people with disabilities,
- Transition people with disabilities from institutions to community-based settings,
- Reduce public costs of homelessness and institutional care,
- Create a centralized outreach and referral system for people with disabilities, and
- Develop new service linkages.

We implement the program in partnership with the Minnesota Department of Human Services (DHS). DHS staff coordinates all outreach, screening and referrals for these units and works with property owners to ensure support services are offered to tenants.

The state enters into contracts with selected public and private rental property owners for a minimum of 20 years, with initial funding for a period of five years. Funding beyond the first five years is subject to federal appropriations. The project-based rent assistance covers the difference between the tenant's payment and the approved gross rent. A small portion of the grant is used to pay for administrative expenses.

To ensure that this deeply affordable housing resource remains viable and in compliance with federal requirements, the Agency administers this program by performing management and occupancy audits, processing annual rent adjustments, processing monthly payment vouchers, responding to tenant concerns and performing National Standards for the Physical Inspection of Real Estate (NSPIRE) compliant physical inspections.

The Section 811 program is an important tool for achieving the goals of the Olmstead Plan to provide integrated housing options for people with disabilities. It is a unique opportunity to expand supportive housing for people with disabilities and leverage Medicaid resources for services.

Program Performance and Trends

For the Program Assessment period of October 1, 2023 – September 30, 2024, we reported:

- 155 households assisted
- $1,195,237 in total disbursements
- $7,711 average Section 811 assistance per household
- A median household income of $12,288 or 11% of the statewide median income
- 54% of households were Indigenous, Black or households of color

Expected Activity for 2026-2027

The estimated 2026-2027 resources are $3.402,000.

Based on resources available for new activity, we expect to support about 210 renter households each year on average.

Family Homeless Prevention and Assistance Program (FHPAP)

Under FHPAP, we assist families with children, unaccompanied youth and single adults who are homeless or are at imminent risk of homelessness. Funds are used for a broad range of purposes aimed at preventing homelessness, shortening the length of stay in emergency shelters, eliminating repeat episodes of homelessness and assisting individuals and families experiencing homelessness to secure permanent affordable housing.

FHPAP assists extremely low-income people primarily through short-term rent assistance, security deposits, utilities and transportation assistance and case management services. FHPAP grants also encourage and support innovations at the county, region or local level for a more seamless and comprehensive homelessness response system.

FHPAP operates under two-year contracts with local administrators. Grant funds are awarded through a competitive Request for Proposals (RFP) process.

Program Performance and Trends

For the Program Assessment period of October 1, 2023 – September 30, 2024, we reported:

- 11,196 households assisted
- $39,975,916 in total disbursements
- $3,571 average FHPAP assistance per household
- A median household income of $11,808 or 11% of the statewide median income
- 61% of households were Indigenous, Black or households of color

Expected Activity for 2026-2027

The estimated 2026-2027 resources are $30,688,000.

Based on resources available for new activity, we expect to support about 4,380 households each year.

Housing Opportunities for Persons with AIDS (HOPWA)

The Housing Opportunities for Persons with AIDS (HOPWA) program provides grants for housing assistance and services (including short-term rent, mortgage and utility assistance) for people with an HIV-positive status and their families.

The U.S. Department of Housing and Urban Development (HUD) allocates funds to local jurisdictions based on the number of individuals living with HIV or AIDS. The city of Minneapolis receives and administers a direct award for the 13-county Minneapolis/Saint Paul Metropolitan Statistical Area. We receive a direct award for the balance of the state.

Current tenant income limit: 80% of area median income, adjusted for family size.

Program Performance and Trends

For the Program Assessment period of October 1, 2023 – September 30, 2024, we reported:

- 187 households assisted in 48 counties
- $172,343 of assistance disbursed
- $922 average HOPWA assistance per household

Expected Activity for 2026-2027

The estimated 2026-2027 resources availability is $454,000, which will be the last award that the Agency will receive for this program.

Based on resources available for new activity, we expect to support 300 households with these last funds.

Strengthen Supportive Housing

Strengthen Supportive Housing is a new program with one-time funding provided by the 2023 legislature. The program will provide resources to increase alignment and strengthen supportive housing for individuals and families who have experienced homelessness. Eligible recipients may include local units of government, federally recognized American Indian Tribes or their Tribally Designated Housing Entities located in Minnesota, private developers, or nonprofit organizations. Funds may be used to:

- Cover costs needed for supportive housing to operate effectively, which may include building operating expenses such as front desk, tenant service coordination, revenue shortfall, and security costs.
- Support existing permanent supportive housing units, or cover costs associated with new permanent supportive housing units, or
- Create partnerships with the health care sector and other sectors to demonstrate sustainable ways to provide services for supportive housing residents, improve access to health care, and reduce the use of expensive emergency and institutional care. This may be done in partnership with other state agencies, including the Department of Health and the Department of Human Services.

Program Performance and Trends

For the Program Assessment period of October 1, 2023 – September 30, 2024, we reported no Strengthen Supportive Housing program activity.

Expected Activity for 2026-2027

The estimated 2026-2027 resources are $9,367,000.

Given the diverse nature of the funded activities, we are not estimating how many households will be supported by these resources.

MULTIPLE USE RESOURCES

Economic Development and Housing Challenge (EDHC)

Under the Economic Development and Housing Challenge Program (EDHC), we provide grants or deferred loans for new construction, acquisition, rehabilitation, interest rate reduction, interim or permanent financing, refinancing and gap funding. Funds are used to support economic and community development within an area by meeting locally identified housing needs for either renter or owner-occupied housing.

Our Multifamily and Single-Family divisions allocate these resources to proposals submitted through competitive Request for Proposals (RFP) processes. Staff evaluates proposals according to EDHC selection standards and our strategic priorities. RFP funding for single family housing is available under the Community Homeownership Impact Fund (Impact Fund), which is the umbrella program for EDHC, Housing Infrastructure resources, Workforce and Affordable Homeownership Development resources, and Single-Family Interim Lending for homeownership activities.

We make EDHC loans and grants to local governments, private developers, federally recognized American Indian Tribes or subdivisions located in Minnesota, Tribal housing corporations, nonprofit organizations, or school districts for both multifamily (minimum of four units) and single-family projects. EDHC requires that 50% of the funds be used for projects that have leveraged funds from non-state resources. Preference is given to proposals with the greatest portion of costs covered by non-state resources.

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

Maximum loan amount: None beyond funding availability.

Program Performance and Trends

For the Program Assessment period of October 1, 2023 – September 30, 2024, we reported:

<u>Multifamily EDHC</u>

<u>Single-Family EDHC – Impact Fund</u>

- 301 units
- $16,551,475 total loan/grant amount
- $54,988 average EDHC assistance per unit
- A median household income of $22,793 or 20% of statewide median income
- 62% of households were Indigenous, Black or households of color

- 237 units
- $10,701,759 total loan/grant amount
- $45,155 average EDHC assistance per home
- A median household income of $50,897 or 46% of statewide median income
- 58% of households were Indigenous, Black or households of color

Expected Activity for 2026-2027

The estimated 2026-2027 resources are $46,297.000.

Based on resources available for new activity, we expect to support roughly 220 owner-occupied and rental housing units each year on average.

Housing Infrastructure Resources

Traditionally, Housing Infrastructure Bonds (HIBs) have funded this program with the bonds being issued by Minnesota Housing, as authorized by the Minnesota Legislature. HIBs can be issued as governmental, 501(c)(3) or private activity bonds. If the bonds are issued as private activity bonds, applicants for rental funding also may access 4% housing tax credits. At times, direct appropriations have funded the program.

Housing Infrastructure resources may be used to finance the following project types:

- The acquisition, construction or rehabilitation of affordable permanent supportive housing for individuals and families without a permanent residence;
- The acquisition, rehabilitation, adaptive reuse or new construction of senior housing;
- The preservation of existing federally assisted rental housing by funding acquisition, rehabilitation, replacement and refinancing;
- Acquisition and rehabilitation of foreclosed or abandoned housing to be used for affordable rental housing;
- New construction of rental housing on abandoned or foreclosed property where the existing structures will be demolished or removed;
- The acquisition of land by community land trusts and used for affordable single-family homeownership opportunities;
- The costs of acquisition, rehabilitation, adaptive reuse or new construction of single-family housing;

- The cost of acquisition and infrastructure needs for manufactured home communities; and
- The construction, acquisition and rehabilitation of permanent housing with rents affordable at or below 50% of AMI.

We allocate Housing Infrastructure resources through the annual Multifamily and Single-Family Requests for Proposals (RFPs). These funds are typically provided as deferred, no interest loans but also are provided as grants to fill value gap in single-family developments and assist community land trusts.

Current income limit: 115% of the greater of area or state median income for owner-occupied housing and 80% of the greater of statewide median income or area median income, not adjusted for household size for rental housing.

Program Performance and Trends

For the Program Assessment period of October 1, 2023 – September 30, 2024, we reported:

Multifamily HIB

- 381 units
- $50,780,624 total amount
- $133,282 average HIB assistance per unit
- A median household income of $7,000 or 6% of statewide median income
- 59% of households were Indigenous, Black or households of color

Single-Family HIB

- 37 units
- $2,231,734 total amount
- $60,317 average HIB assistance per home
- A median household income of $56,530 or 51% of statewide median income
- 38% of households were Indigenous, Black or households of color

Expected Activity for 2026-2027

The estimated 2026-2027 resource availability is $70,412,000.

Based on resources available for new activity, we expect to support each year on average:

- 150 multifamily units,
- 90 single Family units, and
- 200 manufactured home community lots. These manufactured housing lots are also referenced in the earlier section about manufactured housing and communities.

State Housing Tax Credit Program and Contribution Fund

The State Housing Tax Credit Program and Contribution Fund helps finance multifamily and single-family housing across the state. The Minnesota Legislature created the Minnesota Housing Tax Credit Contribution account, as outlined in Minnesota Statutes 462A.40 and 290.0683. Minnesota Housing branded this program as the State Housing Tax Credit (SHTC) Program and Contribution Fund to distinguish it as a state program and help avoid confusion with the Agency's existing federal housing tax credit programs.

Funding for this program is unique because there are no state or federal appropriations. The SHTC program is entirely funded with eligible Minnesota taxpayer contributions. Eligible taxpayers can annually contribute at least $1,000 but not more than $2 million to the Contribution Fund. In return, the taxpayer receives a state Tax Credit Certificate that equals 85% of the contribution, which the taxpayer may use to reduce their state tax obligation. The maximum aggregate amount of tax credits allowed to all eligible contributors is $9.9 million annually. Eligible uses of the funds include gap financing for new construction, acquisition, rehabilitation, demolition or removal of existing structures, construction financing and permanent financing. The authorizing legislation sunsets on December 31, 2028.

Program Performance and Trends

For the Program Assessment period of October 1, 2023 – September 30, 2024, we reported:

- 306 units
- $5,801,000 total assistance mount
- $18,997 average assistance per unit

Expected Activity for 2026-2027

The estimated 2026-2027 resources are $23,294,000. This assumes that the program is fully subscribed with contributions each of the two years.

Based on resources available for new activity, we expect to support roughly 580 owner-occupied and rental housing units each year on average.

Local Housing Aid Grants (Tier II Cities)

This program is a component of the Department of Revenue's Statewide Local Housing Aid Program, which is designed to help Tribal nations and local governments outside of the Twin Cities metropolitan area develop and preserve affordable housing.

For cities with a population over 10,000 and counties, funds will go directly from the Department of Revenue to the grantees based on a distribution formula. While Minnesota Housing will collect reports on the use of these funds starting on 2025, the distribution of these funds will not involve Minnesota Housing.

For cities with a population under 10,000, the funds have come to Minnesota Housing for a grant program that prioritizes cities with a higher share of cost-burdened households. Housing projects for households with incomes at or below 80% of area median income (AMI) for rental and 115% of AMI for homeownership are eligible for these funds, but households at or below 50% of AMI for rental and 80% AMI for homeownership are prioritized. Priority will also be given to projects that:

- Reduce disparities in homeownership;
- Reduce housing cost burden, housing instability, or homelessness;
- Improve the habitability of homes;
- Create accessible housing; or
- Create more energy- or water-efficient homes.

Qualifying projects include:

- Emergency rental assistance for households with income less than 80% of AMI;
- Financial support to nonprofit affordable housing providers in their mission to provide safe, dignified, affordable and supportive housing; and
- Projects designed for the purpose of construction, acquisition, rehabilitation, demolition or removal of existing structures, construction financing, permanent financing, interest rate reduction, refinancing, and gap financing.

Program Performance and Trends

This was a new program with no activity in 2024.

Expected Activity for 2026-2027

The estimated 2026-2027 resources are up to $1,250,000 for the two years.

Based on resources available for new activity, we expect to support about 10 housing units each year on average.

Greater Minnesota Housing Infrastructure

Greater Minnesota Housing Infrastructure provides grants of up to 50 percent of the capital costs of public infrastructure necessary for an eligible workforce housing development project.

Cities outside the metro area are eligible recipients. Grants are limited to $40,000 per lot for single-family, duplex, triplex or fourplex housing developed, $180,000 per lot for multifamily housing with more than four units per building, and $60,000 per manufactured housing lots. Cities are limited to $500,000 over a two-year period. Awards made for manufactured housing are not counted toward the $500,000 limit. A nonstate match is required and may be cash, other committed grant funds or in kind.

Single family, multifamily, owner-occupied and rental housing development projects are eligible. Housing infrastructure can include:

- Sewers,
- Water supply systems,
- Utility extensions,
- Streets,
- Wastewater treatment systems,
- Stormwater management systems, and
- Facilities for pretreatment of wastewater to remove phosphorus.

Program Performance and Trends

This was a new program with no activity in 2024.

Expected Activity for 2026-2027

The estimated 2026-2027 resources are $2,000,000.

Based on resources available for new activity, we expect infrastructure investments to support about 40 housing units each year on average.

Community Stabilization

This program is a one-time program funded by the 2023 legislature, but the legislature made some program and funding changes since then. The program now has three components:

- Distressed Multifamily Rental Building
- Naturally-Occurring Affordable Housing – Multifamily Rental Housing
- Naturally-Occurring Affordable Housing – Single-Family Housing

Distressed Multifamily Rental Building

This component will provide grants or loans for the preservation or recapitalization of housing with up to $15 million of that designated for supportive housing. Program funds may be used for financing the physical and financial needs that are necessary to stabilize an eligible property which includes:

- Debt restructure,
- Deferred maintenance and rehabilitation,
- Property operating costs,
- Capitalizing replacement, operating and/or supportive service reserves, or
- Financing to sell or transfer ownership of a property to a qualified owner that will commit to long-term affordability.

For purposes of the program, “distressed building” means an existing multifamily rental building in which the units are restricted to households with incomes at or below 60% of the area median income (AMI) that:

- Is at imminent risk of foreclosure, closure or sale that would result in permanent loss of affordability;
- Has two or more years of negative net operating income, exclusive of financial or in-kind operating support from the owner of the property;
- Has two or more years with a debt service coverage ratio less than one; or
- Has necessary costs of repair, replacement, or maintenance that exceed the project reserves available for those purposes.

Housing that receives financing under this program is subject to the following affordability terms: All units shall have gross rents that are at or below 60% Multifamily Tax Subsidy Projects (MTSP) rent limits and income limits. Multifamily housing must remain affordable to low-income or moderate-income households and must accept rental subsidies.

Grants or loans may be made to eligible recipients, which are:

- Local unit of governments,
- Federally recognized American Indian Tribes located in Minnesota or its Tribally Designated Housing Entity,
- Private developers, or
- Nonprofit organizations.

Naturally Occurring Affordable Housing – Multifamily Rental Housing

This component will provide loans to preserve naturally occurring affordable housing (NOAH), which is housing that is affordable without government funding and income/rent limits. Eligible uses of these funds include acquisition, rehabilitation, interest rate reduction or gap financing of housing to support the preservation of NOAH rental properties. Housing that serves lower-income households and maintains longer periods of affordability will be prioritized.

For purposes of the program, “naturally occurring affordable housing” means Multifamily rental housing that:

- Has four or more rental units;
- Is at least 20 years old;
- Has rents for a majority of units that are affordable to households at or below 60 percent of the greater of state or area median income; and
- Does not currently have federal or state financing or tax credits that require income or rent restrictions, except for public housing.

Housing that receives financing under this program is subject to affordability terms. It must remain affordable to low-income or moderate-income households and must accept rental subsidies.

The minimum rent requirements for the restricted units are as follows:

- At least 50% of all the units shall have gross rents that are affordable to households with incomes at or below 60% of MTSP.
- At least 30% of all the units shall have gross rents that are affordable to households with incomes at or below 80% MTSP.

Up to 20% of all the units may be unrestricted; however, unrestricted units are ineligible for program funds and the applicant must identify an alternative source of funding for those units.

The minimum income restrictions for the restricted units may be 10 percentage points higher than the corresponding rent restriction but shall not exceed 80% MTSP income limits.

Loans may be made to several eligible recipients, which are:

- Local unit of governments,
- Federally recognized American Indian Tribes located in Minnesota or their Tribally Designated Housing Entities,
- Private developers,
- Limited equity cooperatives or a cooperative created under Minnesota Statutes chapter 308A or 308B, or
- Nonprofit organizations.

Naturally Occurring Affordable Housing – Single Family Housing

This component will also provide funds to preserve naturally occurring affordable housing, but for single-family properties. Eligible uses of these funds include acquisition and rehabilitation of housing to support the preservation of naturally occurring affordable housing. Housing that serves lower-income households and maintains longer periods of affordability will be prioritized. Funding may be used to acquire single-family rental housing that is intended to be converted to affordable homeownership.

For purposes of the program, “naturally occurring affordable housing” means single-family housing that:

- Has one to four units;
- Is in communities where market pressures or significant deferred rehabilitation needs, as defined by the agency, create opportunities for displacement or the loss of owner-occupied or single-family rental housing; and
- Affordable to owner-occupied households at or below 115 percent or rental households at or below 80 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development.

Households served through this program must at initial occupancy have income that is at or below 115% of the greater of state or area median income as determined by the United States Department of Housing and Urban Development.

Program Performance and Trends

This program had no activity in 2024.

Expected Activity for 2026-2027

The estimated 2026-2027 resources are $99,732,000.

Based on resources available for new activity, we expect to support about 620 housing units in 2024 and 680 in 2025.

Lead-Safe Homes

This is a new statewide grant program that will support making homes safer through lead testing and hazard reduction. Nonprofits and local units of government are eligible to apply. Projects are intended to serve low-income residents where there are high concentrations of lead poisoning in children based on data provided by the Minnesota Department of Health.

Activities can include: (1) lead risk assessments completed by a lead inspector or a lead risk assessor and (2) remediation of lead health hazards. For multifamily rental properties, at least 50% of the residents must have an income at or below 60 percent of the area median income. Up to 10% of a grant can be used for administrative expenses and provide education and outreach about lead health hazards.

Program Performance and Trends

This program had no activity in 2024.

Expected Activity for 2026-2027

The estimated 2026-2027 resources are $3,982,000.

Based on resources available for new activity, we expect to support about 400 housing units in each year on average.

Strategic Investments / Loans

Periodically, we can make strategic investments or loans with Pool 2 resources or other mortgage capital to help address an affordable housing issue. For example, we have committed funds to help finance the Greater Minnesota Housing Fund's initiative to preserve naturally occurring affordable housing. These types of investment opportunities and initiatives are not always known or included when the Affordable Housing Plan is developed.

Program Performance and Trends

For the Program Assessment period of October 1, 2023 – September 30, 2024, we reported:

- 83 units
- $9,696,613 total loan amount

Expected Activity for 2026-2027

At this time, no investments opportunities have been identified.

OTHER

Technical Assistance and Operating Support

Technical Assistance and Operating Support program provides grants that enhance the ability of housing and community development organizations to meet Minnesota's affordable housing needs. In previous years, this program supported our strategic objectives by:

- Providing resources for the state's homeless response system – including the state's Homeless Management Information System, the regional Continuum of Care's homelessness assistance planning, and coordinated entry;
- Providing grants to specific organizations – including the Homeownership Center for its statewide counseling network, HousingLink for its statewide affordable housing website, HOME Line's Hotline providing statewide legal advice to renters; and
- Supporting capacity building programs and initiatives – including the Capacity Building Grant which funds activities that build capacity of organizations and

communities to address root causes of housing challenges and create thriving and inclusive communities.

Program Performance and Trends

For the Program Assessment period of October 1, 2023 – September 30, 2024, we funded $1,286,041 of activity under this program.

Expected Activity for 2022-2023

The estimated 2022-2023 resources are $3,790,000.

Disaster Recovery

Disaster response programs provide funding for the repair or replacement of renter or owner-occupied housing damaged by natural disasters, such as a flood or tornado. We distribute these funds through the Disaster Recovery program for single-family properties and assist in: (1) repairing damaged owner-occupied and rental properties, (2) providing relocation services to renters who are displaced or become homeless due to disasters, (3) building organizational capacity to respond to disasters, and (4) covering administrative costs related to disaster outreach.

Funds are typically delivered through administrators under contract to deliver ongoing Agency programs for the areas impacted by a disaster. These include administrators for the single-family Rehabilitation Loan Program (RLP), the multifamily Rental Rehabilitation Deferred Loan Program (RRDL), and the Family Homeless Prevention and Assistance Program (FHPAP).

Disaster Recovery funds provide homeowners and smaller rental property owners with deferred loans at no interest for repair costs that are not covered by federal assistance or insurance proceeds. The loan is forgiven if the homeowner remains in the property for 10 years, or for rental properties, if property owners keep rents affordable for 10 years. There are no income limits under the Disaster Recovery program.

Program Performance and Trends

Typically, activities have been funded by special appropriations from the Minnesota Legislature following a federal disaster declaration and determination of the level of available federal funding from the Federal Emergency Management Agency and the Small Business Administration. State appropriations have ranged from $1,000,000 for the May 2011 Minneapolis tornado to $12,720,000 for the August 2012 flooding in northeast Minnesota.

Expected Activity for 2026-2027

At the start of the 2026-2027 AHP, no funds have been appropriated. Typically, the Minnesota Legislature appropriates funds for this program following the declaration of a disaster. If the Minnesota Legislature does not appropriate funds following a federal disaster declaration, the Agency may fund activities through the Disaster Relief Contingency Fund.

Disaster Relief Contingency Fund

The Minnesota Legislature established this fund in 2001 as the account into which the Agency deposits all repayments of previously made disaster relief loans or grants. Funds deposited in this account are used to assist with rehabilitation or replacement of housing that is damaged by a natural disaster in areas covered by a presidential declaration of disaster. Funding also may be used for capacity building grants for disaster response and flood insurance payments.

Eligible uses of funds have included writing down the interest rate on Home Improvement Loans and activating the Disaster Recovery program.

Program Performance and Trends

For the Program Assessment period of October 1, 2023 – September 30, 2024, there was no reported program activity.

Expected Activity for 2026-2027

Disbursements from the fund vary significantly from year to year. We are not making an estimate of a funding level at this time. As of March 31, 2025, the fund had an uncommitted balance of $2.3 million.

Grant to City of Minneapolis

This one-time program provides a $1 million grant to City of Minneapolis for the development Satori Village, a mixed-income and mixed-age housing project.

Program Performance and Trends

This was a new program with no activity in 2024.

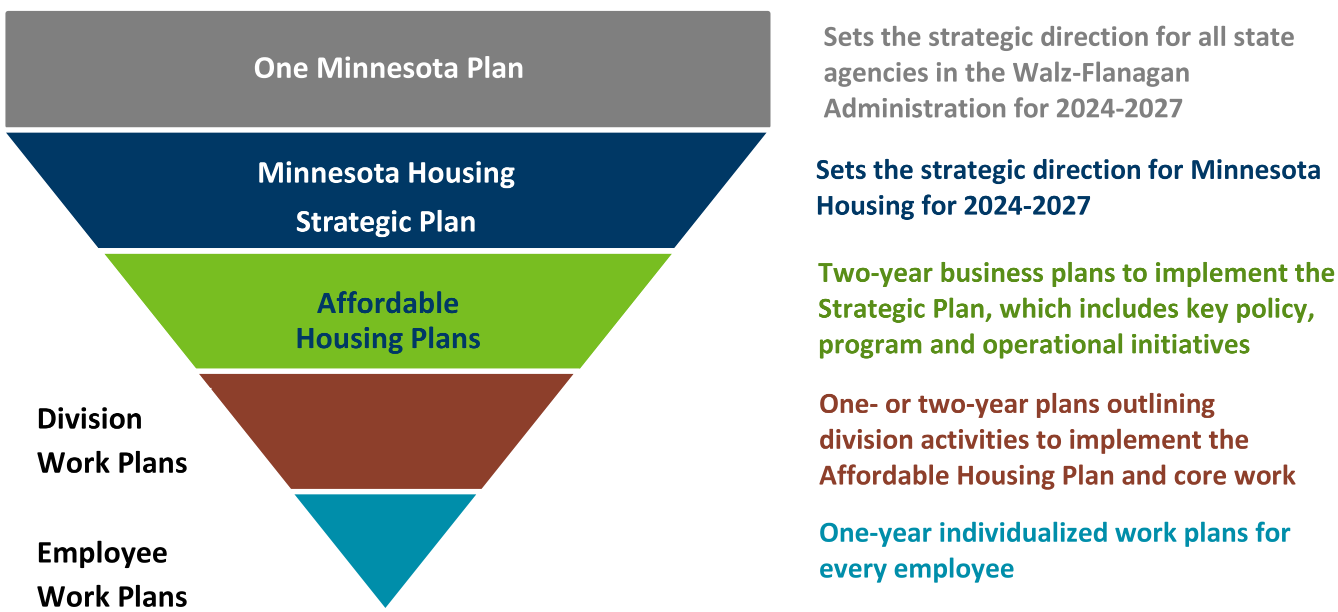
Expected Activity for 2026-2027

The estimated 2026-2027 resources are $994,000.

Based on resources available for new activity, we expect to support just under 200 housing units.

Appendix C: Strategic Management Structure and Reporting

A set of planning documents and processes direct and align Minnesota Housing's work, as shown in the following diagram. The Affordable Housing Plan (AHP) is the piece that connects our day-to-day work with our Strategic Plan.



The structure starts with the strategic direction set by the Walz-Flanagan Administration and culminates in the work of every individual employee. The strategic and supporting plans align the work of every employee, and every employee sees how their work supports the strategic plan. The AHP is the business plan for implementing our strategic plan and establishes the key initiatives and provides resource estimates for a two-year period, which agency staff use to write their division and individual work plans. The AHP is rewritten every two years to reflect the new appropriations made available by the Legislature and other resource changes. It also considers new housing challenges, needs and opportunities.

The household and housing unit estimates in the AHP assume that all the funds made available are used and eventually disbursed. For some programs, we fall for short, but in other programs, we may end up using more resources than originally planned.

Accountability is key component of strategy management structure, and each set of plans in our structure has a tracking and reporting component. What gets tracked and reported gets done. Reporting and accountability for the AHP comes in two sets of reports:

- Each quarter, Minnesota Housing staff report to the Agency's board of directors its progress in awarding funds through RFP selections and deploying resources through other process, such as home mortgage commitments. This quarterly report focuses on the number of households and housing units that will be assisted with the resources that have been awarded and compares the initial results with our AHP forecasts. This report, which is based on the initial awarding of resources, is a leading indicator in tracking progress because it can take a couple of years for housing developments to go from being selected for funding to using the funds when construction is carried out. In some cases, funds that are awarded will go unused if a project is cancelled.
- At the end of each program year, in our Annual Program Assessment, we report to the Legislature and post on our website the funds that we disbursed that year and the number of households and housing units actually assisted for each program. This report captures our final results when the funding process is completed.

Item: Post Sale Report, Residential Housing Finance Bonds, Series 2025 IJ

Information Item: 9.A
Date: 8/28/2025
Staff Contacts: Matt Dieveney, 651.282.2577, matt.dieveney@state.mn.us
Andy Pratt, 651.296.2293, andy.pratt@state.mn.us
Request Type: No Action, Information

Request Summary

The Agency priced $85,000,000 of its Series 2025 IJ Residential Housing Finance Bonds on June 17, 2025. Series I is a fixed-rate, taxable issue. Series J is a variable-rate, taxable issue. All series closed July 17, 2025. In accordance with the board's Policy No. 1 (Debt and Balance Sheet Management Policy), the attached detailed post-sale report is provided by the Agency's financial advisor, CSG Advisors.

Fiscal Impact

None.

Agency Priorities

☒ Improve the Housing System

☒ Preserve and Create Housing Opportunities

☒ Make Homeownership More Accessible

☐ Support People Needing Services

☐ Strengthen Communities

Attachments

- Post-Sale Report

$85,000,000
Minnesota Housing Finance Agency
Residential Housing Finance Bonds
$60,000,000 2025 Series I (Taxable)
$25,000,000 2025 Series J (Taxable)

POST-SALE ANALYSIS

KEY RESULTS FOR MINNESOTA HOUSING

Purpose. 2025 Series IJ accomplished the following major objectives:

1. Enabled Minnesota Housing to profitably finance Step Up first mortgages on its balance sheet and earn net income over future years.

2. Issued 100% of the debt as taxable, and, therefore, utilized no volume cap.

3. Achieved a direct spread on the bond issue of 1.257%. There was no hedge gain or loss associated with the issue.

Key Measurable Objectives and Accomplishments. This issue was very successful even in a continually uncertain, and at times volatile, market environment.

Objective	*Result*
Finance new production on balance sheet	$85 million of new Step Up first-mortgage loans in MBS securities
Leverage private activity bond volume cap by efficiently incorporating taxable debt	No volume cap used, as the issue was 100% taxable
Maximize spread on the overall transaction	Achieved a direct spread of 1.257% on the bond issue; there was no hedge gain or loss associated with the issue
Minimize use of and/or create zero participations (interest subsidies under IRS rules), and preserve them for future issues	Use/creation of zeros is not applicable to all-taxable bond issues
Achieve cost-effective bond yield	Overall bond yield is projected to be approximately 5.408%
Create future income streams that will support Pool 3	Increased indenture's expected net present value by approximately $4,672,000 million at 150% PSA prepayment speed, after accounting for net service release premiums
Maintain high bond ratings	RHFB bonds are rated Aa1/AA+

TIMING AND STRUCTURE

Timing. The bonds were priced on Tuesday, June 17th.

Sizing. The issue was sized to fund pipeline lending.

Major Design Decisions

1. **Bond finance Step Up loans.** Starting in 2023, TBA sales have become much less economically beneficial. The Agency has been a pioneer in moving to finance non-tax-exempt-qualified loans with taxable bonds.

2. **Issue variable-rate debt.** In order to finance these loans at or above full spread, the Agency issued Series J (29% of the entire issue) as variable-rate demand bonds. For RHFB as a whole, the total amount of variable-rate debt remains about 20.1%, well below the 30% of total indenture bonds outstanding often used as a benchmark for comparisons among HFAs and presentations to rating agencies.

3. **Appropriately hedge the variable-rate debt.** For the $25 million of variable-rate Series J bonds, the Agency entered into an interest rate swap with Wells Fargo Bank (Aa2/A+) at a rate of 4.7555%. Minnesota Housing can terminate the entire swap at no cost to the Agency starting on July 1, 2032.

4. **Time and size the issue to address volatile interest rates.** To deal with fluctuations in the bond and mortgage markets, Minnesota Housing has been: (a) actively adjusting interest rates for new loan reservations to help keep pace with the market, and (b) issuing bonds frequently and quickly, in relationship to the amount of loans reserved, to help reduce interest rate risk.

Bond Structure

1. **Series I.** The $60 million of taxable fixed-rate bonds included serial maturities due between 2026 and 2037 ($19.94 million), term bonds due between 2040 and 2046 ($21.8 million), and $18.25 million of planned amortization class (PAC) bonds due in 2056.

2. **Series J.** The $25 million of taxable variable-rate demand bonds are covered by an initial 5-year standby bond purchase agreement from Federal Home Loan Bank of Des Moines (effective July 17, 2025), assuring investors they can tender their bonds with reasonable notice if desired. The cost of the liquidity facility to the Agency is 28 basis points (bps) per year.

BOND SALE RESULTS

1. **Market Environment.** The yield on 10-year Treasury bonds has been somewhat volatile but within a relatively small range in 2025 compared to the large swings seen in the last quarter of 2024. Starting the year at 4.57% on January 2nd, it climbed to 4.79% by January 13th, before gradually retreating to a low of 4.01% on April 4th.

   Continued uncertainty around economic fallout from new and proposed tariffs on imported goods from numerous countries, particularly from Canada, Mexico, and China, has contributed to daily movement in yields. Notably, the 10-year treasury yield on pricing day was 4.39%, 14 basis points above the 4.25% level seen when Series FGH priced on May 1.

   In the municipal market, issuance remains robust, with expectations pointing to total issuance near $560 billion for 2025, up from last year's record of approximately $500 billion. Single-family housing bond volume has been particularly strong with year-to-date issuance at nearly $10.6 billion, essentially matching the pace of 2024 (approximately $10.4 billion) and well ahead of the $3.8-$5.7 billion range seen during the same period in 2021 through 2023. Strong credit fundamentals and investor demand for duration have supported stable pricing even in the face of intermittent market disruptions.

2. **Institutional Interest.** Investor interest in the taxable Series I bonds was moderate, as reflected by a 1.4x overall subscription and an unsold balance of $7.23 million for the series. The earlier serial maturities (2026 and 2027) performed the best, with 3x to 4x oversubscription leading to spread reductions of 3 to 4 bps. The maturities from 2028 through 2030 were either undersubscribed or 1x subscribed, with no resulting change in spread. Several of the later maturities (2031, 2033, 2034, 2035) performed well, with 2x to 3x oversubscription leading to spread reductions of 2 to 3 bps. The remaining serial maturities were either undersubscribed or 1x subscribed, with no resulting change in spread. The 2040 and 2046 term bonds were subscribed at 0.6x and 1.7x respectively, with no change in spread to either maturity, while the 2056 PAC bonds were modestly oversubscribed at 1.3x.

3. **Comparable Transactions.** The most comparable taxable offerings were New York City (Aa2) on 6/17, Vermont (Aa1) on 6/16, and Wisconsin (Aa2) on 6/12. Minnesota's spreads on the Series I serial bonds were 1 to 3 bps wider than New York City on the earlier maturities but 2 to 4 bps tighter on the later maturities, 2 bps wider than Vermont on most comparable maturities, and 1 to 2 bps tighter than Wisconsin on earlier maturities but 1 to 2 bps wider on later maturities. The 2040 term maturity ($6.32 million) was 3 bps tighter than New York City and 1.5 bps wider than Wisconsin. There were no comparable transactions for the 2046 term maturity (though New York City's 2045 term bonds priced 2 bps wider than Minnesota).

   Finally, Minnesota's $18.25 million of PAC bonds priced 118 bps over the 5-year Treasury—2 bps wider than Vermont (+116 to 5-year), and 5 bps tighter than Colorado (+123 to 5-year on 6/11).

UNDERWRITING

Underwriters. RBC Capital Markets was senior manager. Morgan Stanley, J.P. Morgan, Piper Sandler, and Wells Fargo served as regular co-managers.

Sales by Underwriter. As is customary for senior managers, RBC brought in most institutional orders. For the Series I bonds, RBC brought in the entirety of the $88.65 million in total orders.

Underwriter Fees. Management fees were appropriate, consistent with industry standards, and in the same range as fees reported for other housing issues of similar size and structure.

ISSUE DETAILS

Economic Calendar. At the time of pricing for the 2025IJ bonds, the fed funds rate had remained unchanged since December 2024, when it was cut by 25 bps. The day after pricing, the Federal Reserve announced its unanimous vote to maintain the fed funds rate at 4.25%-4.50%, making the previous day's meeting the fourth consecutive meeting without a rate change. This decision continues to reflect a cautious "wait-and-see" approach due to increased uncertainty in the economic outlook. Economic conditions produce mixed signals as evidenced by a still-robust labor market, with unemployment at 4.1% and average monthly job gains of 150,000 over the past three months, combined with a 0.5% contraction in first-quarter gross domestic product.

The May 2025 Survey of Consumer Expectations indicates that median inflation expectations decreased at the short-, medium-, and longer-term horizons, with longer-term expectations anchored near the Fed's 2% target. According to Chair Powell in his press conference remarks, maintaining these expectations is crucial to prevent a one-time increase in the price level from becoming an ongoing inflation problem. Overall, the current policy stance reflects heightened economic uncertainty, particularly concerning the forecasted impacts of tariff increases over the coming months.

Following the press release from the June FOMC meeting, market expectations now reflect a 68% probability of a rate cut in September.

Treasuries. At market close on June 17th, the 10-year Treasury yield was 4.39%, 14 bps higher than when the 2025FGH bonds priced on May 1st.

The yield curve has continued to normalize in 2025 with the 2-year treasury at 3.94% on June 17th, 45 bps below the 10-year. This has been a significant change since early 2023, when the curve was inverted such that the 2-year Treasury was as high as 100 basis points *above* the 10-year Treasury.

Municipals. Market conditions for municipal issuers improved throughout Q2 2025 following a brief dislocation in April tied to geopolitical and trade headlines. Bloomberg's 30-day visible supply hovered near $11 billion the week before pricing, slightly above the $9.8 billion year-to-date average. While mutual fund outflows continued, municipal ETFs attracted net inflows, helping to stabilize demand and support issuance levels.

MMD-to-Treasury ratios remained attractive, with the 10-year MMD/Treasury ratio at 75.6% on June 17th, down modestly from 77.4% in early May. This signals continued demand for tax-exempt bonds, although relative advantage over taxable issuance has narrowed. Taxable issuance remains a cost-effective option, particularly for borrowers like MHFA with flexible financing structures and consistent investor support.

TABLE 1: COMPARISON OF RATES IN RECENT MHFA SINGLE-FAMILY TRANSACTIONS

Issue	Date	10-Year Treasury	10-Year MMD	MMD/ Treasury	30-Year Treasury	30-Year MMD	MMD/ Treasury
2022 RHFB AB	2/1/22	1.79%	1.50%	83.8%	2.11%	1.91%	91.1%
2022 RHFB CD	3/3/22	1.73%	1.61%	93.1%	2.16%	2.03%	94.0%
2022 RHFB EF	4/13/22	2.70%	2.46%	91.1%	2.81%	2.81%	100.0%
2022 RHFB GH	6/8/22	3.02%	2.45%	81.1%	3.17%	2.92%	92.1%
2022 RHFB IJK	9/13/22	3.42%	2.81%	82.1%	3.51%	3.62%	103.1%
2022 RHFB LMN	11/9/22	3.83%	3.26%	85.1%	4.31%	4.06%	94.2%
2023 RHFB ABC	2/7/23	3.68%	2.23%	60.6%	3.71%	3.24%	87.3%
2023 RHFB DE	4/19/23	3.60%	2.36%	65.6%	3.79%	3.40%	89.7%
2023 RHFB FG	6/18/23	3.72%	2.57%	69.1%	3.84%	3.50%	91.1%
2023 RHFB HI	6/29/23	3.85%	2.56%	66.5%	3.90%	3.49%	89.5%
2023 RHFB JK	7/27/23	4.01%	2.52%	62.8%	4.06%	3.51%	86.5%
2023 RHFB LM	8/23/23	4.19%	2.95%	70.4%	4.27%	3.91%	91.6%
2023 RHFB NOPQ	9/12/23	4.27%	2.98%	69.8%	4.35%	3.92%	90.1%
2023 RHFB RST	11/8/23	4.49%	3.20%	71.3%	4.64%	4.20%	90.5%
2023 RHFB UV	11/15/23	4.53%	3.10%	68.4%	4.68%	4.12%	88.0%
2024 RHFB ABC	1/23/24	4.14%	2.46%	59.4%	4.38%	3.61%	82.4%
2024 RHFB DE	3/11/24	4.10%	2.40%	58.5%	4.26%	3.57%	83.8%
2024 RHFB FGHI	4/9/24	4.36%	2.65%	60.8%	4.50%	3.81%	84.7%
2024 RHFB JK	5/16/24	4.38%	2.75%	62.8%	4.52%	3.76%	83.2%
2024 RHFB LMN	6/11/24	4.39%	2.92%	66.5%	4.53%	3.79%	83.7%
2024 RHFB OPQ	7/30/24	4.15%	2.82%	67.9%	4.40%	3.68%	83.6%
2024 RHFB RS	8/20/24	3.82%	2.71%	70.9%	4.07%	3.59%	88.2%
2024 RHFB TUVW	11/12/24	4.43%	2.96%	66.8%	4.58%	3.79%	82.8%
2025 RHFB AB	2/4/2025	4.43%	2.89%	65.2%	4.64%	3.90%	84.1%
2025 RHFB CDE	2/20/2025	4.50%	3.00%	66.7%	4.74%	4.01%	84.6%
2025 RHFB FGH	5/1/2025	4.25%	3.29%	77.4%	4.74%	4.36%	92.0%
2025 RHFB IJ	6/17/2025	4.39%	3.32%	75.6%	4.88%	4.54%	93.0%
Change from *RHFB 2025 FGH*		**+14 bps**	**+3 bps**	**-1.8%**	**+ 14 bps**	**+ 18 bps**	**+1%**

TAXABLE HOUSING BOND PRICING COMPARABLES, PAST MONTH PLUS EARLIER MHFA

Pricing Date		6/17/25			6/17/25			6/16/25			6/12/25		
Amount		$60,000,000			$163,430,000			$22,500,000			$50,000,000		
Issuer		Minnesota HFA			New York City HDC			Vermont HFA			Wisconsin HEDA		
Series		2025 Series I			2025 Series B			2025 Series D			2025 Series B		
Program		Single Family / Negotiated			Multifamily / Negotiated			Single Family / Negotiated			Single Family / Negotiated		
Rating(s)		Aa1 / AA+ / -			Aa2 / - / -			Aa1 / - / AA+			Aa2 / AA+ / -		
Tax Status		Taxable			Taxable			Taxable			Taxable		
Yr	Maturity ('25 pricings)	Coupon Jan1 / Jul1	Yield (if diff.)	Spread to UST	Coupon Feb1 / Aug1	Yield (if diff.)	Spread to UST	Coupon May1 / Nov1	Yield (if diff.)	Spread to UST	Coupon Mar1 / Sep1	Yield (if diff.)	Spread to UST
0	2025												
1	2026	4.316	-	+36 to 2yr				4.321	-	+35 to 2yr	4.282 / 4.322	-	+38.2 / +42.2 to 2yr
2	2027	4.336 / 4.376	-	+38 / +42 to 2yr				4.321 / 4.371	-	+35 / +40 to 2yr	4.352 / 4.382	-	+45.2 / +48.2 to 2yr
3	2028	4.438 / 4.508	-	+53 / +60 to 3yr							4.39 / 4.45	-	+54 / +60 to 3yr
4	2029	4.551 / 4.601	-	+55 / +60 to 5yr							4.518 / 4.568	-	+54.8 / +59.8 to 5yr
5	2030	4.651 / 4.701	-	+65 / +70 to 5yr	4.688	-	+70 to 5yr				4.638 / 4.698	-	+66.8 / +72.8 to 5yr
6	2031	4.907 / 4.967	-	+72 / +78 to 7yr	4.884 / 4.954	-	+71 / +78 to 7yr				4.883 / 4.953	-	+73.3 / +80.3 to 7yr
7	2032	5.037 / 5.087	-	+85 / +90 to 7yr	4.994 / 5.044	-	+82 / +87 to 7yr				5.003 / 5.053	-	+85.3 / +90.3 to 7yr
8	2033	5.335 / 5.385	-	+93 / +98 to 10yr	5.31 / 5.33	-	+92 / +94 to 10yr	5.356	-	+90 to 10yr	5.275 / 5.335	-	+91.5 / +97.5 to 10yr
9	2034	5.435 / 5.485	-	+103 / +108 to 10yr	5.44 / 5.49	-	+105 / +110 to 10yr	5.406 / 5.456	-	+95 / +100 to 10yr	5.415 / 5.465	-	+105.5 / +110.5 to 10yr
10	2035	5.525 / 5.575	-	+112 / +117 to 10yr	5.51 / 5.57	-	+112 / +118 to 10yr	5.556 / 5.606	-	+110 / +115 to 10yr	5.475 / 5.525	-	+111.5 / +116.5 to 10yr
11	2036	5.526 / 5.558	5.605 / 5.635	+120 / +123 to 10yr	5.61 / 5.64	-	+122 / +125 to 10yr	5.656 / 5.706	-	+120 / +125 to 10yr	5.555 / 5.585	-	+119.5 / +122.5 to 10yr
12	2037	5.59 / 5.623	5.665 / 5.695	+126 / +129 to 10yr	5.67 / 5.72	-	+128 / +133 to 10yr	5.756	-	+130 to 10yr			
13	2038												
14	2039												
15	2040	5.925	-	+152 to 10yr	5.94	-	+155 to 10yr				5.865	-	+150.5 to 10yr
16	2041												
17	2042												
18	2043												
19	2044												
20	2045				6.118	-	+122 to 30yr				6.039	-	+119.9 to 30yr
21	2046	6.109	-	+120 to 30yr									
22	2047												
23	2048												
24	2049												
25	2050				6.168	-	+127 to 30yr				6.089	-	+124.9 to 30yr
26	2051												
27	2052												
28	2053												
29	2054												
30	2055				6.298	-	+140 to 30yr	6.268	-	+130 to 30yr	6.119	-	+127.9 to 30yr
31	2056												
32	2057												
PAC		6.25	5.181	+118 to 5yr				6.25	5.198	+116 to 5yr			
PAC AvgLf, Price		5yrs 75-500% PSA, $104.567						5yrs 100-500% PSA, $104.500					
Notes													
Par Call		7/1/33			8/1/33			5/1/34			3/1/34		
Sr Manager		RBC Capital Markets			Wells Fargo			Morgan Stanley			RBC Capital Markets		

TAXABLE HOUSING BOND PRICING COMPARABLES, PAST MONTH PLUS EARLIER MHFA

Pricing Date		6/11/25			6/10/25			6/10/25			6/3/25		
Amount		$83,075,000			$80,000,000			$68,840,000			$67,665,000		
Issuer		Colorado HFA			California HFA			Pennsylvania HFA			Nebraska IFA		
Series		2025 Series K-1			2025 Series B			Series 2025-149B			2025 Series D		
Program		Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated		
Rating(s)		Aaa / AAA / -			Aa1 / AA+ / -			Aa1 / - / -			- / AAA / -		
Tax Status		Taxable			Taxable			Taxable			Taxable		
	Maturity	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread
Yr	('25 pricings)	May1 / Nov1	(if diff.)	to UST	Feb1 / Aug1	(if diff.)	to UST	Apr1 / Oct1	(if diff.)	to UST	Mar1 / Sep1	(if diff.)	to UST
0	2025												
1	2026	4.341 / 4.341	-	+40 / +40 to 2yr				6.00 / 6.00	4.336 / 4.356	+33 / +35 to 2yr			
2	2027	4.361 / 4.391	-	+42 / +45 to 2yr	6.00	4.412	+40 to 2yr	6.00 / 6.00	4.376 / 4.406	+37 / +40 to 2yr			
3	2028	4.436 / 4.506	-	+53 / +60 to 3yr	4.439 / 4.489	-	+45 / +50 to 3yr	6.00 / 6.00	4.457 / 4.527	+48 / +55 to 3yr			
4	2029	4.608 / 4.658	-	+60 / +65 to 5yr	4.582 / 4.632	-	+50 / +55 to 5yr	6.00 / 6.00	4.629 / 4.679	+55 / +60 to 5yr			
5	2030	4.708 / 4.758	-	+70 / +75 to 5yr	4.672 / 4.732	-	+59 / +65 to 5yr	6.00 / 6.00	4.729 / 4.779	+65 / +70 to 5yr			
6	2031	4.948 / 4.998	-	+75 / +80 to 7yr	4.969 / 5.019	-	+70 / +75 to 7yr	6.00 / 6.00	4.969 / 5.019	+70 / +75 to 7yr	6.00	4.509	+59 to 3yr
7	2032	5.068 / 5.118	-	+87 / +92 to 7yr	5.069 / 5.119	-	+80 / +85 to 7yr	6.00 / 6.00	5.089 / 5.144	+82 / +87.5 to 7yr	5.075 / 5.125	-	+85 / +90 to 7yr
8	2033	6.00	5.26	+85 to 10yr	5.37 / 5.42	-	+90 / +95 to 10yr	6.00 / 6.00	5.374 / 5.424	+90 / +95 to 10yr	5.352 / 5.402	-	+90 / +95 to 10yr
9	2034	6.00	5.36	+95 to 10yr	5.47 / 5.52	-	+100 / +105 to 10yr	5.524 / 5.574	-	+105 / +110 to 10yr	5.452 / 5.502	-	+100 / +105 to 10yr
10	2035				5.55 / 5.58	-	+108 / +111 to 10yr	5.594 / 5.624	-	+112 / +115 to 10yr	5.552 / 5.602	-	+110 / +115 to 10yr
11	2036				5.61 / 5.64	-	+114 / +117 to 10yr	5.674 / 5.694	-	+120 / +122 to 10yr	5.622 / 5.652	-	+117 / +120 to 10yr
12	2037	5.56	5.66	+125 to 10yr	5.68 / 5.70	-	+121 / +123 to 10yr	5.724 / 5.774	-	+125 / +130 to 10yr	5.682 / 5.702	-	+123 / +125 to 10yr
13	2038												
14	2039										5.852	-	+140 to 10yr
15	2040	5.91	-	+150 to 10yr	5.92	-	+145 to 10yr	5.974	-	+150 to 10yr			
16	2041												
17	2042												
18	2043												
19	2044												
20	2045	6.087	-	+118 to 30yr	6.087	-	+115 to 30yr	6.133	-	+118 to 30yr			
21	2046												
22	2047												
23	2048												
24	2049												
25	2050				6.137	-	+120 to 30yr	6.163	-	+121 to 30yr			
26	2051												
27	2052												
28	2053							6.203	-	+125 to 30yr			
29	2054												
30	2055				6.207	-	+127 to 30yr						
31	2056												
32	2057												
PAC		6.50	5.238	+123 to 5yr	6.25	5.252	+117 to 5yr	6.50	5.399	+113 to 7yr	6.25	5.171	+115 to 5yr
PAC AvgLf, Price		5yrs 100-700% PSA, $105.312			5yrs 100-500% PSA, $104.237			6yrs 50-500% PSA, $105.427			5yrs 50-700% PSA, $104.611		
Notes		11/33 and 11/34 are 6% lockouts						4/26 through 10/33 are 6% lockouts			9/31 is 6% lockout priced to 3yr average life		
Par Call		5/1/33 (+adj PAC)			8/1/33			10/1/33			9/1/33 (+adj PAC)		
Sr Manager		BofA			RBC Capital Markets			BofA			J.P. Morgan		

TAXABLE HOUSING BOND PRICING COMPARABLES, PAST MONTH PLUS EARLIER MHFA

Pricing Date		6/3/25			6/2/25			5/29/25			5/29/25		
Amount		$153,335,000			$17,860,000			$20,000,000			$74,000,000		
Issuer		Utah HC			Georgia HFA			Oregon HCSD			South Dakota HDA		
Series		2025 Series F			2025 Series D			2025 Series B			2025 Series D		
Program		Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated		
Rating(s)		Aa2 / - / -			- / AAA / -			Aa2 / - / -			Aaa / AAA / -		
Tax Status		Taxable			Taxable			Taxable			Taxable		
	Maturity	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread
Yr	('25 pricings)	Jan1 / Jul1	(if diff.)	to UST	Jun1 / Dec1	(if diff.)	to UST	Jan1 / Jul1	(if diff.)	to UST	May1 / Nov1	(if diff.)	to UST
0	2025				4.393	-	+45 to 2yr						
1	2026	4.329	-	+38 to 2yr	4.313 / 4.273	-	+37 / +33 to 2yr				4.414 / 4.414	-	+45 / +45 to 2yr
2	2027	4.349 / 4.379	-	+40 / +43 to 2yr	4.343 / 4.373	-	+40 / +43 to 2yr	4.419 / 4.489	-	+45 / +52 to 2yr	4.414 / 4.464	-	+45 / +50 to 2yr
3	2028	4.414 / 4.474	-	+50 / +56 to 3yr	4.408 / 4.408	-	+50 / +50 to 3yr	4.533 / 4.563	-	+62 / +65 to 3yr	4.49 / 4.49	-	+58 / +58 to 3yr
4	2029	4.567 / 4.627	-	+55 / +61 to 5yr	4.547 / 4.617	-	+53 / +60 to 5yr	4.664 / 4.714	-	+65 / +70 to 5yr	4.606 / 4.656	-	+60 / +65 to 5yr
5	2030	4.687 / 4.737	-	+67 / +72 to 5yr	4.617 / 4.617	-	+60 / +60 to 5yr	4.714 / 4.764	-	+70 / +75 to 5yr			
6	2031	4.941 / 5.021	-	+72 / +80 to 7yr				4.96 / 4.96	-	+75 / +75 to 7yr			
7	2032	5.071 / 5.121	-	+85 / +90 to 7yr				5.01 / 5.06	-	+80 / +85 to 7yr	5.875	4.855	+65 to 7yr
8	2033	5.40 / 5.44	-	+95 / +99 to 10yr				5.33 / 5.38	-	+90 / +95 to 10yr	5.378 / 5.428	-	+95 / +100 to 10yr
9	2034	5.50 / 5.55	-	+105 / +110 to 10yr				5.43 / 5.48	-	+100 / +105 to 10yr	5.478 / 5.528	-	+105 / +110 to 10yr
10	2035	5.57 / 5.60	-	+112 / +115 to 10yr				5.53 / 5.56	-	+110 / +113 to 10yr	5.578 / 5.608	-	+115 / +118 to 10yr
11	2036	5.63 / 5.66	-	+118 / +121 to 10yr				5.61 / 5.64	-	+118 / +121 to 10yr	5.648 / 5.678	-	+122 / +125 to 10yr
12	2037	5.69 / 5.72	-	+124 / +127 to 10yr				5.67 / 5.70	-	+124 / +127 to 10yr			
13	2038												
14	2039												
15	2040	5.94	-	+149 to 10yr							5.878	-	+145 to 10yr
16	2041												
17	2042												
18	2043												
19	2044												
20	2045	6.142	-	+116 to 30yr							6.084	-	+115 to 30yr
21	2046												
22	2047												
23	2048												
24	2049												
25	2050	6.212	-	+123 to 30yr									
26	2051										6.114	-	+118 to 30yr
27	2052												
28	2053												
29	2054												
30	2055												
31	2056												
32	2057												
PAC		6.25	5.187	+117 to 5yr							6.00	5.206	+120 to 5yr
PAC AvgLf, Price		5yrs 95-500% PSA, $104.528									5yrs 75-500% PSA, $103.395		
Notes											11/32 is 5.875% lockout		
Par Call		7/1/33 (+adj PAC)			None			7/1/33			11/1/33		
Sr Manager		RBC Capital Markets			Morgan Stanley			Morgan Stanley			Wells Fargo		

TAXABLE HOUSING BOND PRICING COMPARABLES, PAST MONTH PLUS EARLIER MHFA

Pricing Date		5/28/25			5/20/25			5/20/25			5/20/25		
Amount		$250,000,000			$30,000,000			$155,000,000			$206,555,000		
Issuer		Connecticut HFA			Florida HFC			Maryland DHCD			North Carolina HFA		
Series		2025 Series C-2			2025 Series 4			2025 Series D			Series 58-B		
Program		Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated		
Rating(s)		Aaa / AAA / -			Aaa / - / -			Aa1 / - / AA+			Aa1 / AA+ / -		
Tax Status		Taxable			Taxable			Taxable			Taxable		
Yr	Maturity ('25 pricings)	Coupon May15 / Nov15	Yield (if diff.)	Spread to UST	Coupon Jan1 / Jul1	Yield (if diff.)	Spread to UST	Coupon Mar1 / Sep1	Yield (if diff.)	Spread to UST	Coupon Jan1 / Jul1	Yield (if diff.)	Spread to UST
0	2025												
1	2026							4.464 / 4.464	-	+50 / +50 to 2yr	4.442	-	+48 to 2yr
2	2027	4.367 / 4.417	-	+35 / +40 to 2yr	4.473 / 4.503	-	+50 / +53 to 2yr	4.464 / 4.514	-	+50 / +55 to 2yr	4.442 / 4.492	-	+48 / +53 to 2yr
3	2028	4.535 / 4.565	-	+57 / +60 to 3yr	4.532 / 4.582	-	+58 / +63 to 3yr	4.523 / 4.593	-	+58 / +65 to 3yr	4.52 / 4.55	-	+58 / +61 to 3yr
4	2029	4.671 / 4.721	-	+60 / +65 to 5yr	4.672 / 4.702	-	+60 / +63 to 5yr	4.666 / 4.716	-	+60 / +65 to 5yr	4.631 / 4.691	-	+57 / +63 to 5yr
5	2030	4.771 / 4.771	-	+70 / +70 to 5yr	4.732 / 4.772	-	+66 / +70 to 5yr	4.736 / 4.766	-	+67 / +70 to 5yr	4.741 / 4.741	-	+68 / +68 to 5yr
6	2031	5.019 / 5.019	-	+75 / +75 to 7yr	4.973 / 5.023	-	+70 / +75 to 7yr	4.97 / 5.02	-	+70 / +75 to 7yr	4.962 / 4.982	-	+70 / +72 to 7yr
7	2032	5.119 / 5.119	-	+85 / +85 to 7yr	5.073 / 5.123	-	+80 / +85 to 7yr	5.07 / 5.12	-	+80 / +85 to 7yr	5.062 / 5.092	-	+80 / +83 to 7yr
8	2033	5.483 / 5.513	-	+100 / +103 to 10yr	5.347 / 5.417	-	+86 / +93 to 10yr	5.363 / 5.413	-	+88 / +93 to 10yr	5.355 / 5.405	-	+88 / +93 to 10yr
9	2034	5.563 / 5.613	-	+108 / +113 to 10yr	5.467 / 5.517	-	+98 / +103 to 10yr	5.463 / 5.513	-	+98 / +103 to 10yr	5.475 / 5.525	-	+100 / +105 to 10yr
10	2035	5.553 / 5.593	-	+107 / +111 to 10yr	5.557 / 5.597	-	+107 / +111 to 10yr	5.553 / 5.593	-	+107 / +111 to 10yr	5.565 / 5.585	-	+109 / +111 to 10yr
11	2036	5.633 / 5.663	-	+115 / +118 to 10yr	5.637 / 5.667	-	+115 / +118 to 10yr	5.633 / 5.663	-	+115 / +118 to 10yr	5.645 / 5.655	-	+117 / +118 to 10yr
12	2037	5.703 / 5.733	-	+122 / +125 to 10yr	5.707 / 5.737	-	+122 / +125 to 10yr	5.703 / 5.733	-	+122 / +125 to 10yr	5.695 / 5.725	-	+122 / +125 to 10yr
13	2038												
14	2039												
15	2040	5.963	-	+148 to 10yr	5.987	-	+150 to 10yr	5.963	-	+148 to 10yr	5.975	-	+150 to 10yr
16	2041												
17	2042												
18	2043												
19	2044												
20	2045				6.147	-	+117 to 30yr	6.199	-	+122 to 30yr	6.182	-	+121 to 30yr
21	2046												
22	2047	6.158	-	+117 to 30yr									
23	2048												
24	2049												
25	2050				6.187	-	+121 to 30yr				6.212	-	+124 to 30yr
26	2051							6.249	-	+127 to 30yr			
27	2052												
28	2053												
29	2054												
30	2055												
31	2056				6.247	-	+127 to 30yr				6.322	-	+135 to 30yr
32	2057												
PAC		5.321	-	+125 to 5yr	6.00	5.192	+112 to 5yr	5.50	5.416	+135 to 5yr			
PAC AvgLf, Price		5yrs 75-500% PSA, $100			5.1yrs 75-600% PSA, $103.848			5yrs 75-500% PSA, $100.364					
Notes		5/35 through 11/37 are lockouts											
Par Call		11/15/33			7/1/33			9/1/33			7/1/33		
Sr Manager		Wells Fargo			RBC Capital Markets			BofA			RBC Capital Markets		

TAXABLE HOUSING BOND PRICING COMPARABLES, PAST MONTH PLUS EARLIER MHFA

Pricing Date		5/1/25			2/20/25			2/4/25		
Amount		$52,440,000			$90,435,000			$70,000,000		
Issuer		Minnesota HFA			Minnesota HFA			Minnesota HFA		
Series		2025 Series G			2025 Series D			2025 Series A		
Program		Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated		
Rating(s)		Aa1 / AA+ / -			Aa1 / AA+ / -			Aa1 / AA+ / -		
Tax Status		Taxable			Taxable			Taxable		
Yr	Maturity ('25 pricings)	Coupon Jan1 / Jul1	Yield (if diff.)	Spread to UST	Coupon Jan1 / Jul1	Yield (if diff.)	Spread to UST	Coupon Jan1 / Jul1	Yield (if diff.)	Spread to UST
0	2025									
1	2026							4.438 / 4.438	-	+22 / +22 to 2yr
2	2027							4.478 / 4.548	-	+26 / +33 to 2yr
3	2028							4.585 / 4.585	-	+33 / +33 to 3yr
4	2029							4.624 / 4.624	-	+30 / +30 to 5yr
5	2030							4.684 / 4.754	-	+36 / +43 to 5yr
6	2031							4.887 / 4.947	-	+46 / +52 to 7yr
7	2032							4.977 / 4.997	-	+55 / +57 to 7yr
8	2033	6.00	4.368	+55 to 5yr	6.00	4.692	+35 to 5yr	5.155 / 5.195	-	+63 / +67 to 10yr
9	2034	5.211 / 5.281	-	+98 / +105 to 10yr	5.249 / 5.299	-	+75 / +80 to 10yr	5.255 / 5.325	-	+73 / +80 to 10yr
10	2035	5.291 / 5.331	-	+106 / +110 to 10yr	5.349 / 5.379	-	+85 / +88 to 10yr	5.355 / 5.405	-	+83 / +88 to 10yr
11	2036	5.381 / 5.421	-	+115 / +119 to 10yr	5.409 / 5.439	-	+91 / +94 to 10yr	5.445 / 5.445	-	+92 / +92 to 10yr
12	2037				5.459 / 5.499	-	+96 / +100 to 10yr	5.485 / 5.505	-	+96 / +98 to 10yr
13	2038									
14	2039									
15	2040	5.701	-	+147 to 10yr	5.599	-	+110 to 10yr	5.595	-	+107 to 10yr
16	2041									
17	2042							5.774	-	+100 to 30yr
18	2043									
19	2044									
20	2045	6.014	-	+127 to 30yr	5.846	-	+110 to 30yr			
21	2046							5.824	-	+105 to 30yr
22	2047									
23	2048									
24	2049									
25	2050	6.034	-	+129 to 30yr						
26	2051				5.896	-	+115 to 30yr			
27	2052									
28	2053									
29	2054									
30	2055									
31	2056									
32	2057									
PAC								6.125	5.427	+100 to 7yr
PAC AvgLf, Price								6yrs 75-400% PSA, $103.411		
Notes		7/33 is 6% lockout priced to 5yr average life			7/1/33 is 6% lockout priced to 5yr average life					
Par Call		7/1/33			1/1/34			7/1/33		
Sr Manager		RBC Capital Markets			RBC Capital Markets			RBC Capital Markets		

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Item: Chief Risk Officer Report

Information Item: 9.B
Date: 8/28/25
Staff Contacts: Rachel Robinson, 651.297.3125, Rachel.Robinson@state.mn.us
Request Type: No Action, Information

Request Summary

This is an update from the Chief Risk Officer regarding the status of conflict of interest, misuse of funds and fraud/embezzlement investigations for the period January 1, 2025, to June 30, 2025. The last Chief Risk Officer Report was made May 22, 2025, for the period of June 30, 2024, to December 31, 2024.

The next semi-annual report is expected to be delivered to the board in February or March, 2026, for the period June 30, 2025, to December 31, 2025.

Fiscal Impact

None

Agency Priorities

☐ Improve the Housing System ☐ Preserve and Create Housing Opportunities

☐ Make Homeownership More Accessible ☐ Support People Needing Services

☐ Strengthen Communities

Attachments

- Background
- Exhibit 1: Status of Conflict of Interest, Misuse of Funds, and Fraud/Embezzlement Investigations Opened by the Agency or Chief Risk Officer: January 1, 2025 to June 30, 2025

Background

Minnesota Housing has established procedures by which the Chief Risk Officer or other staff receive and address allegations of conflict of interest, misuse of funds and fraud/embezzlement related to Agency operations or Agency programs.

The Minnesota Housing Risk Management and Internal Control Framework contemplates the Chief Risk Officer report regularly to the board of directors on status of such allegations. The typical process is to report every six months.

In the Chief Risk Officer report dated May 22, 2025 (for the six-month period ending December 31, 2024), we reported 91 potentially fraudulent paid RentHelpMN applications pending referral to the Bureau of Criminal Apprehension (BCA) for further review to determine if criminal investigation for fraud is warranted. BCA evaluated those applications before the Agency's contract with BCA expired on November 30, 2024. Prior to contract expiration, the BCA worked with prosecutors to determine which of those cases would be adjudicated. As of December 31, 2024, there were 17 court cases in-process involving 22 defendants who allegedly stole $1.1 million in 72 applications. We also reported that four of those cases resulted in conviction (or guilty plea) with restitution ordered. For the period ending June 30, 2025, two more of those cases were resolved with conviction or guilty plea, one with restitution ordered and sentencing pending for the second case.

Minnesota Housing, as a state housing finance agency, is not structured as an investigative body and does not have statutory investigatory or enforcement authority. The Agency conducts a thorough review of all fraud, misuse of funds and conflict of interest reports received. When applicable, the Agency coordinates with law enforcement, investigatory bodies and the Minnesota Attorney General's office for appropriate next steps related to cases of suspected or potential fraud, misuse of funds or other malfeasance.

Exhibit 1 informs the board about the number of conflict of interest, misuse of funds and fraud/embezzlement investigations opened, resolved and still in-process for the period.

Exhibit 1

Status of Non-RentHelpMN Direct Assistance Program Conflict of Interest, Misuse of Funds, and Fraud/Embezzlement Investigations Opened by the Agency or Chief Risk Officer For the Period 1/1/25 – 6/30/25				
Allegation Type	**Investigations in-process as of 1/1/25**	**Investigations Opened During Period**	**Investigations Resolved During Period**	**Comments Regarding Investigations**
Alleged Conflict of Interest (COI)	0	2	0	2 investigations in process
Alleged Misuse of Funds (MOF) less than $50,000	0	1	0	1 investigation in process
Alleged Misuse of Funds (MOF) greater than $50,000	0	0	0	No investigations in process
Alleged Fraud/ Embezzlement	1	5	1	• 1 allegation was unsubstantiated • 5 investigations in process
Summary	**1**	**8**	**1**	**8 investigations in process**

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Item: Third Quarter 2025 Progress Report: 2024-2027 Strategic Plan and 2024-2025 Affordable Housing Plan

Information Item: 9.C
Date: 8/28/2025
Staff Contacts: John Patterson, 651.296.0763, john.patterson@state.mn.us
Request Type: No Action, Information

Request Summary

Staff are providing for the board's review the Third Quarter 2025 Progress Report: 2024-2027 Strategic Plan and 2024-2025 Affordable Housing Plan.

Fiscal Impact

None

Agency Priorities

☒ Improve the Housing System

☒ Preserve and Create Housing Opportunities

☒ Make Homeownership More Accessible

☒ Support People Needing Services

☒ Strengthen Communities

Attachments

- Third Quarter 2025 Progress Report: 2024-2027 Strategic Plan and 2024-2025 Affordable Housing Plan

Third Quarter 2025 Progress Report:

2024-2027 Strategic Plan and
2024-2025 Affordable Housing Plan

(Program Year October 1, 2024 through September 30, 2025)

This progress report has two sections:

1. **Go Bigger Strategic Goals.** To track our progress in carrying out our 2024-2027 Strategic Plan, we have identified two priority areas for which we set strategic goals:
   a. Share of first-time homebuyer mortgages going to Black, Indigenous and households of color
   b. Share of new rental units that will be deeply affordable

2. **Forecast of Households and Housing Units to be Assisted.** To track our progress in implementing the 2024-2025 Affordable Housing Plan, we forecasted and now track the number of households and housing units that we expect to assist with funds awarded in program year 2025. This is a leading indicator of our program activity. For housing development programs, it can take two years from selecting projects for funding to disbursing those funds when construction is carried out.

In 2025, we are on track overall with our expectations.

Key highlights include:

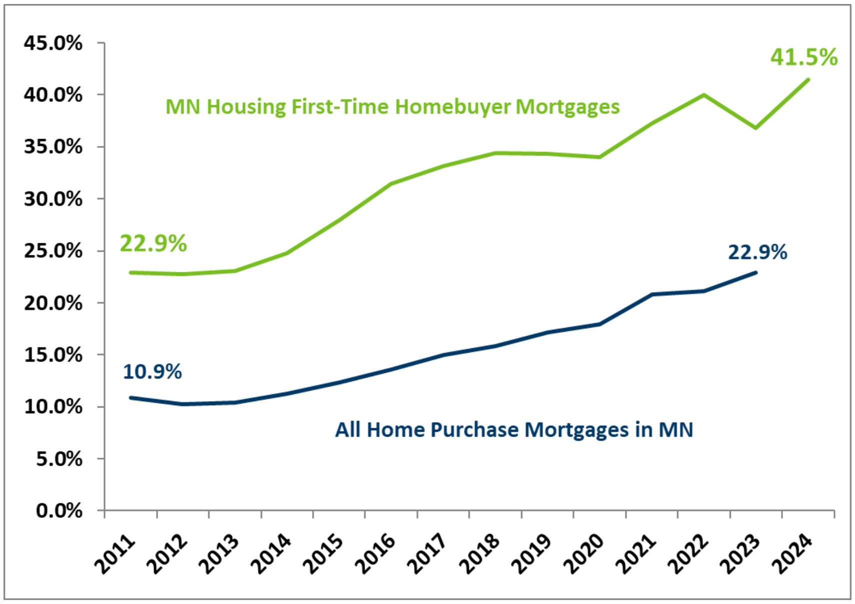
- Through the first three quarters, 48.8% of our first-time homebuyer mortgages went to Black, Indigenous and households of color, exceeding our goal of 40%. Because our First-Generation Homebuyer Assistance program exhausted its one-time appropriation and closed at the end of the first quarter, the percentage is starting to decline. However, with staff implementing board-approved program changes, we expect to stay above 40%.

- Across all programs, we have reached 86% of our year-end forecast in households to be served, when we are traditionally at 80% after the third quarter.

- We continue to stand-up, launch and implement a wide range of new programs created by the Legislature in 2023. In fact, some of the one-time programs have now ended and are in the close-out phase, including the First-Generation Homebuyer Assistance program ($50 million) and Stable Housing Organizational Relief Program ($50 million). The Community Stabilization program will be the last large program to launch.

Strategic Goals

1. Share of First-Time Homebuyer Mortgages Going to Black, Indigenous and Households of Color



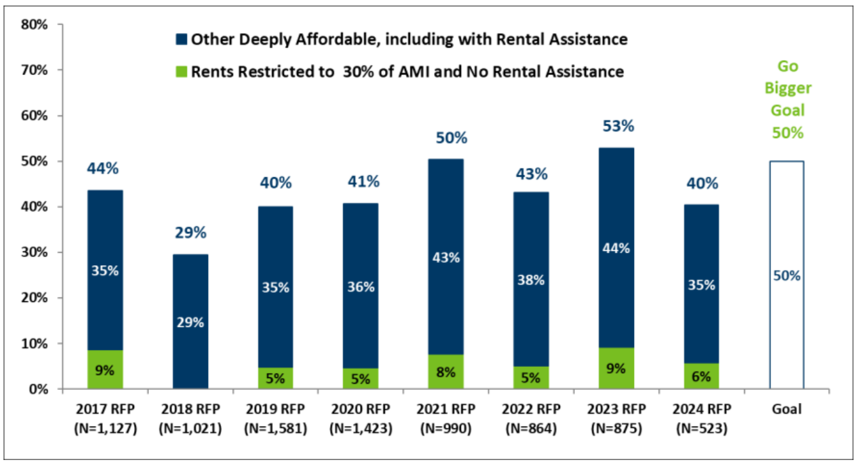
Go Bigger Goal 40.0%
Q3-2025 Actual 48.8%

Our 2024-2027 Strategic Plan recognizes that some communities of shared identities, experience or geographies disproportionally face housing instability and experience disparities in access and outcomes. These include people of color, people with disabilities, single parents, large families, and older adults. These communities are our priority because the current market is not working for them, and they experience barriers in accessing and navigating affordable housing.

Among the 50 states, Minnesota has the 11th largest disparity in the homeownership rates between white households (76.8%) and Black, Indigenous and households of color (51.1%). To help address the disparity, we have set a goal of 40% of the Agency's first-time homebuyer mortgages going to Black, Indigenous and households of color. We estimate that about 40% of renters who are potentially income-ready to buy a home and between the ages of 25 and 44 (prime first-time homebuyer ages) are Black, Indigenous and households of color.

After a few years of having 34% of our first-time homebuyer mortgages going to Black, Indigenous and households of color, we were able to break through and reach our 40% goal in 2022. This is significantly higher than the overall mortgage industry in Minnesota (22.9%). Because high interest rates and a very limited supply of affordable homes for sale created additional homebuying challenges, particularly for those facing the biggest barriers, our rate of lending to Black, Indigenous and households of color dropped in 2023. However, with the May 2024 launch of our temporary First-Generation Homebuyer Assistance program, which supported many Black, Indigenous and homebuyers of color with downpayment assistance, our lending rate to buyers of color reached 50% in a given month. Unfortunately, the program exhausted the available appropriations and closed at the end of December. This surge in lending to Black, Indigenous and households of color since May increased the rate to 41.5% for all of program year 2024 (October 1, 2024 through September 30, 2024) and 48.8% for the first three quarters of 2025. With the dedicated appropriations for first-generation homebuyers no longer available, our lending to Black, Indigenous and households of color has started to decline. Our goal is to keep the rate above 40%. The program changes that the board approved in January – making first-generation homebuying an eligibility criterion for downpayment assistance under our ongoing Deferred Payment Loan Plus program – will likely help address the homeownership disparities for BIPOC communities.

2. Share of New Rental Units from the Consolidated RFP that will be Deeply Affordable*



Go Bigger Goal	50%
2025 (2024 RFP) Actual	40%

* Includes new construction and adaptive-reuse units: (1) with contract rents that are affordable to households with incomes at or below 30% of the area median income (AMI), (2) with rental assistance, including Housing Support, and/or (3) that are permanent supportive housing.

With the funding selections approved last December 2024, 40% of the new construction and adaptive-reuse units are expected to be deeply affordable. While we did not reach the goal in the most recent RFP, we achieved it in two of the past four years. Achieving the target depends on: (1) the availability of capital funding for deferred lending—particularly Housing Infrastructure Resources, (2) the availability of rental assistance, including the Department of Human Services' Housing Support, and (3) the type of projects that submit funding proposals through the Consolidated RFPs. In the 2023 Consolidated RFP, we reached 53% deeply affordable new units with the support of $206 million in deferred lending, including $102 million from Housing Infrastructure Resources. In contrast, we reached 40% in the 2024 Consolidated RFP when we only had $121 million in deferred lending, which included $61 million from Housing Infrastructure Resources. While funding levels and project proposals vary from year to year, we remain committed to maximizing deeply affordable housing through strategic investments and partnerships.

Forecast of Households and Housing Units to Be Assisted

The following table tracks our progress in reaching our 2025 activity forecasts by program area. For context and a comparison, it also provides the level we reached in 2024 after the third quarter.

Progress in Reaching Our Forecast of Households and Housing Units to be Assisted in 2025

		2025 Year-End Forecast	2025 Actual After Third Quarter	Share of 2025 Forecast Reached After Third Quarter	2024 Actual After Third Quarter	Historical Share After Third Quarter
1	Homebuying	4,041	2,854	71%	6,180	70%
2	Homebuyer Education and Coaching	8,282	7,059	85%	5,966	75%
3	Home Improvement Lending	1,480	808	55%	1,115	70%
4	Single Family Housing Development and Supports	909	940	103%	1,311	100%
5	Manufactured Housing and Communities	943	1,275	135%	1,920	100%
6	Rental New Construction	564	601	107%	1,054	90%
7	Rental Rehabilitation	2,826	374	13%	3,136	80%
8	Rental Refinance Only	27	0	0%	37	75%
9	State Rental Assistance and Operating Subsidies	3,520	2,444	69%	2,641	90%
10	Section 8 Contract Administration	34,000	34,259	101%	29,916	100%
11	Homeless Prevention and Other Supports	12,441	10,687	86%	8,316	75%
12	Other Housing Programs	2,998	763	25%	1,219	75%
13	Total for Core Programs	72,030	62,064	86%	62,811	80%
14	COVID-19 Housing Recovery	14	14	100%	4,797	75%
Note: These numbers reflect households or housing units to be assisted based on housing developments that have been selected for funding, the commitment of home mortgage and home improvement loans (net of cancellations), contracts signed with names grantees, and the disbursement of funds for rental assistance, operating subsidies, homebuyer education/coaching and homelessness prevention.						

Without historical data, our forecasts of activity for new programs are quite uncertain in terms of the timing and number of households assisted. We anticipated that we would be well over the forecast in some areas and well under in other areas. The Other Housing Programs in line 12 captures many of the new program created by the 2023 legislature.

NOTES:

Lines 1: Through the third quarter of program year 2025, we reached 71% of our year-end forecast for our homebuyer programs. At this point of the year, we typically reach 70% of the year-end forecast because the prime homebuying season of spring and summer is still underway. We typically commit about 30% of our home mortgages in the last quart of the program year. We experienced a larger than normal share of lending in the first quarter with the availability our First-Generation Homebuyer Assistance, which helped bring in homebuyers. With that program exhausting its available resources and closing at end of the first quarter, we have seen our lending slow, and we expect it to remain lower than we have seen in the past few years. In addition, we also expect the program changes that the board approved in January will also slow program activity. Those program changes were needed to address the limited funds that the Agency has on hand for providing downpayment and closing-cost assistance.

Lines 2: Homebuyer/owner education and counseling reached 85% of the year-end forecast after the third quarter, which is over the 75% that we traditionally reach at this point of the year.

Line 3: With respect to home improvement activity, we have reached 55% of the year-end forecast, which is under the 70% that we traditionally see after the third quarter. Lending has been slower than we anticipated when prepared our forecast at the start of the year. In the spring, we made program changes to more closely manage the level of lending under the Fix Up Loan program to address the limited funds we have on hand for new lending.

Line 4: With respect to single-family development and supports, we landed very close to where we expected, reaching 103% of our year-end forecast. We are done awarding funds in this program area for the year.

Line 5: We have exceeded our forecast for manufactured housing and communities by a sizable amount, reaching 135% of our year-end forecast. The amount of assistance provided per lot was less than expected, allowing us to support more lots with the available resources.

Line 6: With respect to the construction of new rental units, we have reached 107% of the year-end forecast after the third quarter. Our Multifamily Consolidated RFP was completed in the first quarter.

Line 7: We have completed the Multifamily Consolidated RFP for this program year, but we have additional activity to come in this area. The board is making RFP selections for the Publicly Owned Housing Program (POHP) this month, which is not reflected in this report. While lending is currently slower than expected, we will surpass our year-end forecast in this program area once the board approves the funding selections for POHP.

Line 8: We had no rental refinancing activity during the first three quarters. These funds are available year-round, and activity is demand driven, which can lead to uneven activity over the course of a year and from year-to-year. Given high interest rates, it is not surprising to see very little refinancing.

Line 9: After the third quarter, we reached 69% of the year-end forecast, when we typically reach 90% at this point in the program year. While most of the households that received assistance in the first three quarters will continue to do so for the rest of the year, additional households will be served as more operating subsidies are distributed and rental assistance vouchers turnover to new households as people leave the program. We also originally forecasted a small number of households being assisted under our new Bring It Home Rental Assistance before September 30, 2025, with the program initially launching. We now expect the first funds to be disbursed after October 1, which is the start of program year 2026.

Line 10: The number of units receiving project-based rental assistance changes very little over the course of the year. All the units currently receiving assistance will continue to do so.

Line 11: Activity under homeless prevention and other supports is higher than expected. The amount of assistance needed per household served so far has been lower than expected, allowing us to serve more households with the available resources.

Line 12: This program area tracks several miscellaneous new programs that are in the process of being set up and launched. The new programs include Community Stabilization, State Housing Tax Credit Program, Greater Minnesota Housing Infrastructure, Lead-Safe Homes, Local Housing Trust Fund Grants, and Local Housing Aid Grants (Tier 2 Cities), along with legislatively-named grants to City of Minneapolis and BuildWealth's 9,000 Equities. The Agency has or will award funds for some of these programs in the fourth quarter. The largest remaining program to have funds awarded is Community Stabilization, which will have three separate RFPs. While the RFP processes for all three are underway, board selection won't occur until after October 1, 2025, which is the start of program year 2026.

Line 13: The Agency has reached 86% of its overall year-end forecast, which is slightly ahead of the 80% that we typically reach after the third quarter.

Line 14: This activity, which occurred in the first quarter under the RentHelpMN-Targeted Assistance Program, reflects the distribution of the last of the Agency's COVID-19 housing recovery funds. Over the last few years, program activity in this area included the COVID-19 Housing Assistance Program (CHAP), RentHelpMN-Regular, RentHelpMN-Targeted Assistance, and HomeHelpMN. The Agency still has funds to award under HOME-ARP (American Rescue Plan), but that activity falls under rental production program area and not this housing recovery category.

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