

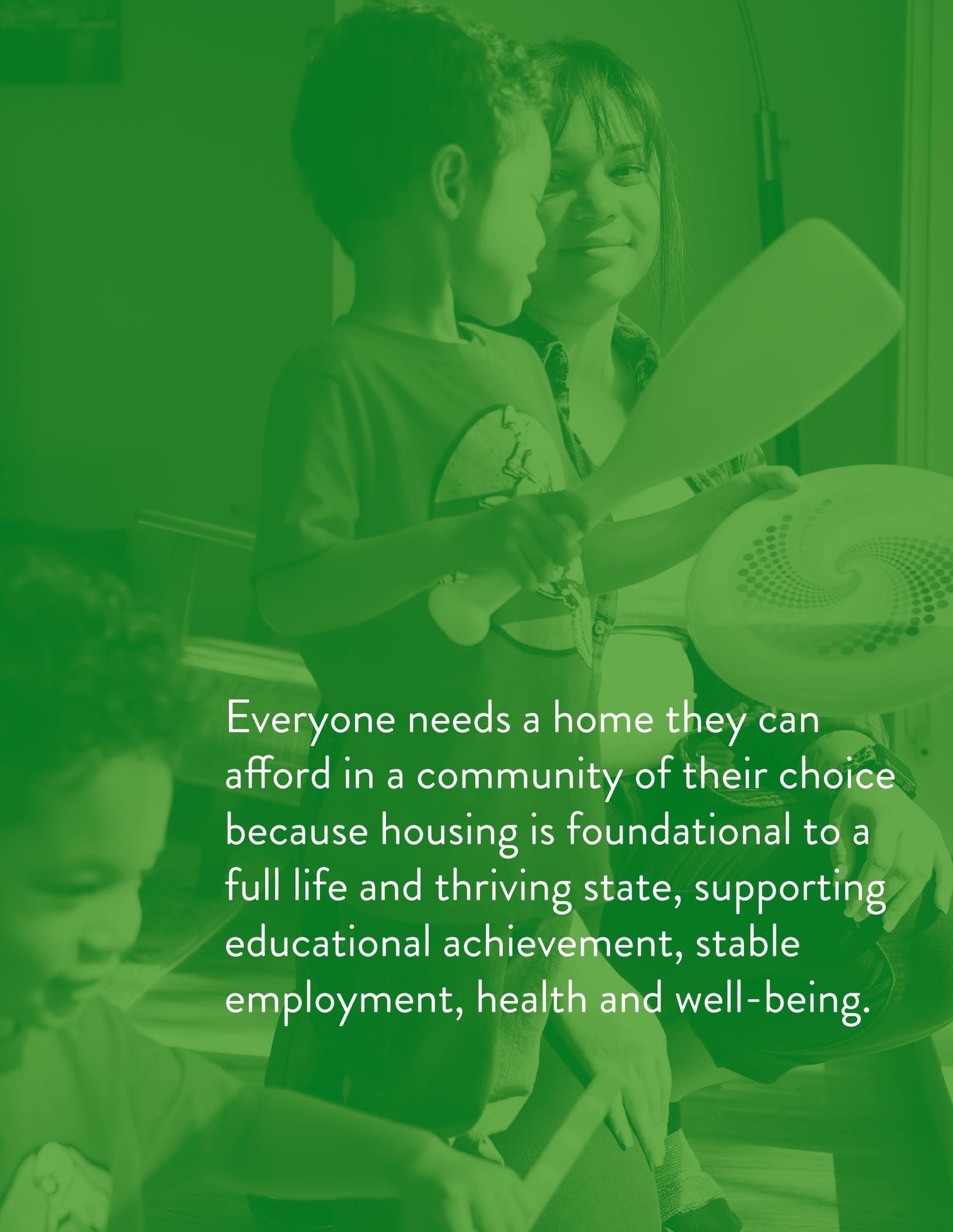


# Going BIG

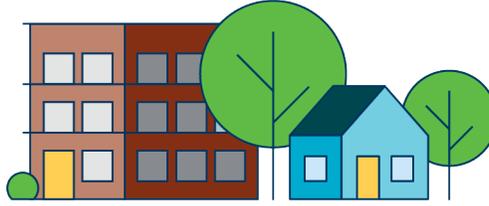
## Minnesota Housing's Path Forward

2024–2027 STRATEGIC PLAN





Everyone needs a home they can afford in a community of their choice because housing is foundational to a full life and thriving state, supporting educational achievement, stable employment, health and well-being.



**Minnesota Housing is in a strong position to support individuals, families and communities. We are recognized as one of the leading housing finance agencies in the country, with a wide range of effective programs and a strong balance sheet.**

Minnesota has great partners and community resources to leverage. We have homeownership advisors, lenders and real estate agents committed to serving Indigenous, Black and homebuyers of color. We have developers and builders who are finding innovative ways to lower the cost of housing construction. We have businesses that invest in housing opportunities for their employees. We have outreach workers who tirelessly find housing for people experiencing homelessness. We have communities of all types with the expertise, insights and commitment to address the toughest housing issues. Minnesota Housing has determined staff and a Governor and Lieutenant Governor dedicated to this work.

Since the start of the Walz-Flanagan Administration, Minnesota Housing’s mantra has been to Go Big So Everyone Can Go Home. We have made strides toward this goal from 2018 through 2022:

**\$1.3B to \$2.2B**

Our annual program investments increased from \$1.3 billion to \$2.2 billion, with just under \$700 million of the 2022 disbursements coming from federal COVID-19 emergency funds.

**+21%**

Our home mortgage lending increased by 21%, from 4,622 to 5,595 loans, during a period when the inventory of affordable homes for sale declined by 67%.

**+28%**

Our lending to first-time homebuyers who are Indigenous, Black and people of color increased 28% from 1,377 to 1,760.

**+12%**

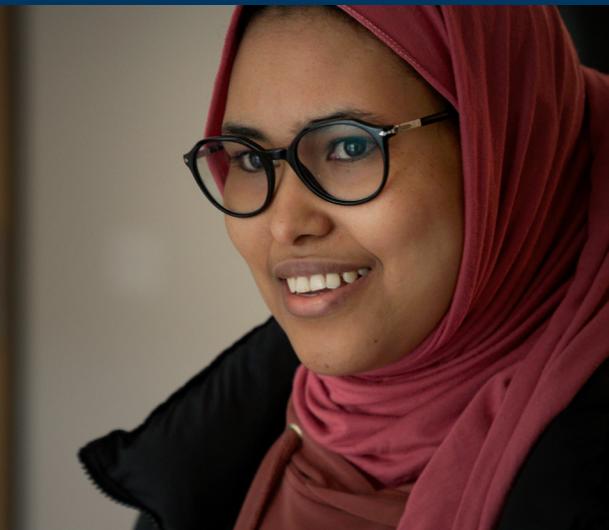
Our financing of new rental housing increased by 12% from 758 units to 851.

We need to do much more because many Minnesotans struggle with housing instability.



Approximately 437,000 lower-income households spend more than 30% of their income on housing.<sup>1</sup>

Minnesota has the 13th largest disparity in homeownership rates in the country for Indigenous, Black and households of color and the 4th largest disparity for Black households.<sup>2</sup>



A Native American is over 28 times more likely to experience homelessness than a person who is white.<sup>3</sup>

With the \$1.3 billion that the 2023 Minnesota Legislature made available for housing, we can make significant progress on Going Big. This Strategic Plan is our blueprint for making this opportunity a reality.



# Strategy Management: How We Direct and Align Our Work

To Go Big, we need every Minnesota Housing employee and housing partner working toward the same goals. A set of planning documents and processes direct and align our work. 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 can see how their work supports the strategic plans.



The state can accomplish more if all state agencies and employees are focused on advancing the same goals. To achieve these outcomes, the Walz-Flanagan Administration established mission and vision statements, principles and priorities. We developed Minnesota Housing’s 2024–2027 Strategic Plan with our own mission, vision, principles and objectives to align with and fulfill this strategic direction. Our Strategic Plan focuses on the housing component of this endeavor and reflects the input we received from across the state as we developed the plan. We conducted more than 20 listening sessions with over 500 Minnesotans, conducted a statewide survey about priorities and strategies with 314 responses, and hired 12 consultants, largely from historically excluded communities, who provided expertise from their experience of facing housing barriers and instability.

The plan has three sections:	Pages
The Building Blocks of the Walz-Flanagan Administration’s One Minnesota Plan and How Minnesota Housing Will Implement the Administration-Wide Priorities	5–15
Minnesota Housing’s Strategic Plan	16–49
A Glossary of Terms Used in the Plan	50–55



# ONE MINNESOTA Plan



## Building Blocks

### Mission

Improve the lives of all Minnesotans by working collaboratively to implement policies that achieve results.

### Vision

Minnesota is the best state in the country for children to grow up in — those of all races, ethnicities, religions, economic statuses, gender identities, sexual orientations, disabilities, and ZIP codes.

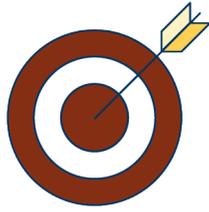
### Guiding Principles

- Practice servant leadership
- Treat everyone with respect and dignity
- Do the right thing, especially when it is difficult
- Ask how your actions are reinforcing or removing structural inequity
- Promote the common good over narrow special interests
- Be accessible, transparent, and accountable
- Include voices from communities who will be most impacted
- Bring people together across lines of difference

### Priority Areas

Minnesota does best when state agencies and community partners collaborate to achieve common goals. We will work together to solve problems in particular in the key priority areas below. In our work, we will seek to end discrimination and eliminate disparities for people of color and Indigenous community members, women, members of the LGBTQIA+ community, people with disabilities, immigrants, and people in all ZIP codes and of all economic statuses:

- Equity and Inclusion
- Minnesota's Environment
- Fiscal Accountability, Customer Experience, and Measurable Results
- Children and Families
- Thriving Communities, Housing, and Workforce
- Healthy Minnesotans



## One Minnesota Priorities at Minnesota Housing

### Equity and Inclusion

#### STRATEGIES

*The work we'll undertake to advance the priority area*

#### Create an Inclusive, Equitable and Just Housing System

Minnesota has some of the worst disparities in the country, including in housing, health, education, income and wealth. If we are truly to achieve the concept of **One Minnesota**, everyone must thrive, not just some. Because the root causes of these disparities are deep and systemic, our actions will be deep and systemic.

#### What we want to accomplish with this strategy:

- Eliminate disparities in housing access and outcomes with respect to race, ethnicity, disability status, gender and sexual orientation

#### Activities we'll undertake to support this strategy:

- Carry out the strategies and actions in Minnesota Housing's Strategic Plan, which starts on page 16 and places inclusion and equity at the center of the Agency's work

#### Create an Inclusive, Welcoming and Equitable Workplace Where All Staff are Valued and Appreciated and Have Career Advancement Opportunities

To create an inclusive, equitable and just housing system, we must start with ourselves and have a diverse workforce that reflects the people we serve. We acknowledge that staff from historically excluded communities have had their hiring and advancement opportunities limited and have often been unable to bring their true authentic selves to work.

#### What we want to accomplish with this strategy:

- Recruit, develop and retain staff with an emphasis on underrepresented communities, including staff who are Indigenous, Black, people of color, LGBTQIA+, veterans and/or disabled

#### Activities we'll undertake to support this strategy:

- Carry out equitable recruitment and hiring practices, including not requiring a college degree for most positions and valuing the expertise gained through the lived experience of facing housing barriers and instability
- Train a team of staff to become certified administrators of the Intercultural Development Inventory (an intercultural competency assessment) so that staff throughout the Agency can take the assessment and receive coaching on how to become culturally adaptive

- Support the Agency’s Cultural Competency Committee, which provides trainings throughout the year, and require all staff to complete a minimum number of credits
- Support staff in creating and participating in Employee Resource Groups (employee-led support groups centered around a shared characteristic, such as gender, race, ethnicity, sexual orientation or lifestyle)
- Run a mentorship program
- Create better career paths within the Agency by restructuring the current job classifications

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### **Provide All Vendors and Contractors Equitable Access to Our Contracts**

To create a more equitable and just economy, all vendors and contractors need equitable access to government contracts, particularly those owned and operated by people who have been historically excluded.

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#### **What we want to accomplish with this strategy:**

- Increase procurement funding going to certified diverse vendors and contractors, including those owned and operated by people who are Indigenous, Black, of color, women, veterans and/or disabled

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#### **Activities we’ll undertake to support this strategy:**

- Assist eligible businesses in registering as a certified diverse business with the Office of Equity Procurement
- Advertise Requests for Proposals (RFPs) as widely as possible and reach out to certified diverse businesses
- Include preference points for certified diverse businesses in the RFP selection process
- Use certified diverse businesses whenever possible

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### **Equitably Distribute Housing Resources so that Historically Excluded Businesses and Organizations Can Access our Resources**

In a typical year, Minnesota Housing disburses \$100 million to \$200 million to housing development teams to build and rehabilitate housing across the state and tens of millions of dollars in grant funds to organizations supporting people to achieve housing stability. Businesses across the state benefit from these resources. In addition, organizations run by people from the community being served provide culturally appropriate services and are trusted in the community.

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#### **What we want to accomplish with this strategy:**

- Increase the share of housing resources going to organizations owned or led by people who are Indigenous, Black, of color, women, veterans, disabled and/or from other communities disproportionately facing housing challenges

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#### **Activities we’ll undertake to support this strategy:**

- Support and provide technical assistance to developers, development teams and organizations that are emerging and new to our programs
- Give selection points in our Consolidated RFP processes to development teams that include organizations owned or led by women and/or Indigenous, Black and people of color
- Structure RFPs for housing service/assistance grants so that providers from the community being served have equitable access to the funds
- Provide resources to increase and build the capacity of partners

## METRICS AND MILESTONES

How we will track our progress in this priority area

### Share of staff who are Indigenous, Black, people of color, women, veterans or disabled and are retained two years after being hired

- Context: Currently above 80% for all the categories, except people with disabilities, which is in the 60% range
- Goal: Above 75%

### Procurement funds going to certified diverse vendors

- Context: Minnesota Housing’s annual procurement budget is typically in the \$5 million to \$10 million range
- Goal: \$1 million of the procurement spend going to certified diverse businesses by 2027

### Share of selected projects funded through the Agency’s Consolidated RFP for rental housing development that include a development team with at least two organizations owned or led by a woman and/or someone who is Indigenous, Black or person of color

- Context: 13 of 17 selected projects (76%) in the 2022 RFP met the criterion
- Goal: Maintain 75% or higher each year

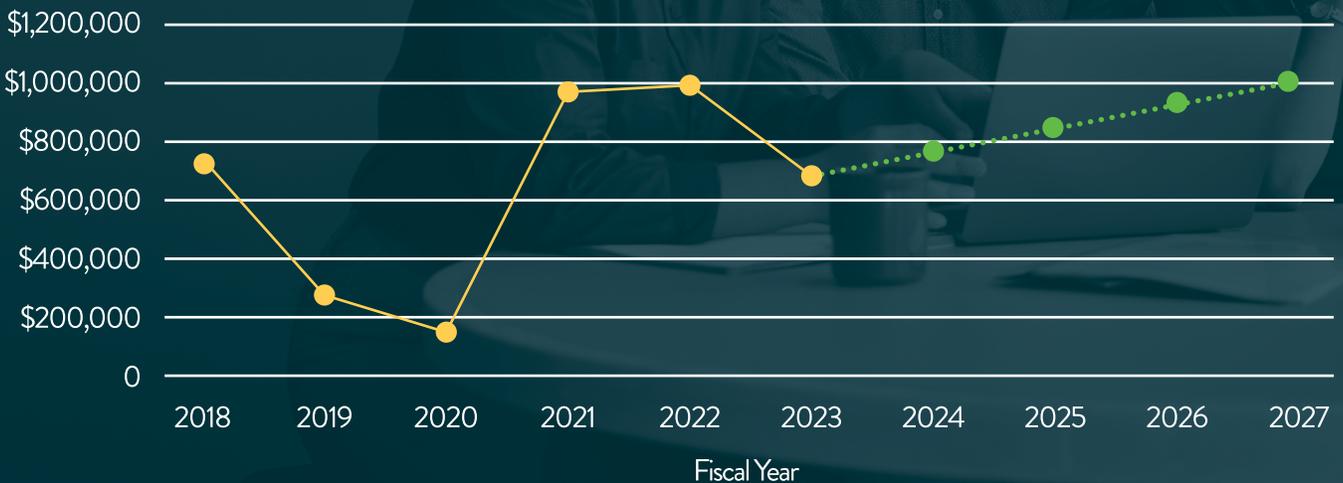
### Share of selected applicants funded through the Consolidated RFP for owner-occupied housing development that are owned or led by a woman and/or someone who is Indigenous, Black or a person of color

- Context: 16 of 25 awardees (64%) in the 2022 RFP met the criterion
- Goal: 65% or higher

## CERTIFIED DIVERSE SPEND (\$)

● 2018–2022 Actuals

● 2023–2027 Target



# Minnesota's Environment

## STRATEGIES

*The work we'll undertake to advance the priority area*

### **Provide Owners, Developers and Property Managers Equitable Access to Information, Financial Support and Incentives to Make Energy and Climate-Resiliency Improvements**

This is needed to: (1) design and construct new buildings that are energy efficient, climate resilient and powered by renewable energy; and (2) make energy improvements to existing buildings. Greenhouse gas emissions from the residential sector have risen 14% in Minnesota since 2005.

#### **What we want to accomplish with this strategy:**

- Make residential housing greener, more energy efficient and resilient to climate change
- Reduce residential energy costs (utility bills), making housing more affordable

#### **Activities we'll undertake to support this strategy:**

- Educate ourselves and the housing partners we fund on rapidly changing energy-efficiency, climate-resiliency, and sustainability strategies
- For owner-occupied housing:
  - Provide home improvement loans to homeowners to finance energy and resiliency upgrades
  - Provide technical assistance on energy and resiliency improvements to our lender network

- For rental housing:
  - Provide financing for developers and owners to build new or rehabilitate existing multifamily buildings that are energy efficient, climate-resilient and powered by renewable energy
  - Incentivize energy efficiency, climate resiliency and renewable energy by including enhanced sustainability in the criteria that Minnesota Housing uses in selecting housing projects for funding in its competitive RFPs
  - Provide technical assistance on energy and resiliency improvements to multifamily developers and property managers
- Leverage the clean-energy funds made available through the federal Inflation Reduction Act and other sources

## METRICS AND MILESTONES

*How we will track our progress in this priority area*

### **The number and share of energy-improvement loans issued to homeowners through Minnesota Housing's Fix Up Loan program**

- Context: 137 loans explicitly for energy improvements out of a total of 1,028 Fix Up loans (13%) in 2022
- Goal: Increase the number and/or share each year

### **The number of selected rental projects receiving the enhanced-sustainability selection points in Minnesota Housing's competitive RFP process**

- Context: 13 of 17 selected projects receiving the points (76%) during the 2022 RFP
- Goal: Maintain 75% or higher each year

# Fiscal Accountability, Customer Experience and Measurable Results

## STRATEGIES

*The work we'll undertake to advance the priority area*

### Maintain a Strong Balance Sheet and Increase our Net Assets

Minnesota Housing functions as a financial institution, similar to 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 financing comes from our self-generated assets 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. We will fund Agency operations in a sustainable way as the large appropriation from the 2023 legislative session created staffing and administrative impacts.

#### What we want to accomplish with this strategy:

- Maintain a strong credit rating so that we can access funds in municipal bond markets at the most favorable interest rates, which allows us to lend at favorable rates
- Increase our net assets, which allows us to have strong earnings and provide more financing on better terms
- Balance the use of Agency earnings for operating costs, assistance provided and reinvestment to support sustainable future earnings

#### Activities we'll undertake to support this strategy:

- Make the investments that are needed in our housing programs, staff and technology to be a lender of first choice and support growth in mortgage lending and earnings
- Balance mission-based investments with credit-worthy, income-generating assets to maintain the long-term financial strength and sustainability of the Agency

### Implement a Continuous Improvement Loop with a Human-Centered Focus throughout the Agency

Human-centered design is an approach for designing/redesigning products, services and systems that puts the customer at the center of the development process to create results that resonate with and are tailored to the customer's needs. It is also an effective strategy for pursuing innovation and equity.

#### What we want to accomplish with this strategy:

- To most effectively meet the needs of our program partners (lenders, developers and housing service providers) and the renters, homebuyers and homeowners that they serve, Minnesota Housing will continuously improve its programs, processes and systems

#### Activities we'll undertake to support this strategy:

- Train staff throughout the Agency in human-centered principles and practices
- Use human-centered design as staff carry out their regular, ongoing reviews and assessments of the Agency's programs, processes and systems
- Regularly get feedback from customers (our program partners and the Minnesotans they serve) about their experiences and take action to achieve continuous improvement to remove barriers, increase access to the Agency's programs and achieve better outcomes

## METRICS AND MILESTONES

*How we will track our progress in this priority area*

Maintain the Agency's credit rating from Moody's and S&P respectively at Aa1 and AA+

By 2027, have all of Minnesota Housing's programs go through an improvement process using human-centered design principles and practices and include an ongoing customer feedback loop

A photograph of a Black man with dreadlocks and a Black woman smiling and holding a baby. The man is on the left, wearing a white t-shirt, and the woman is on the right, wearing a dark top. The baby is in the center, wearing a white onesie with black stripes and a pattern of letters. The background is a warm, abstract painting.

Children and families are more likely to thrive when they live in safe, stable and accessible homes that they can afford in communities of their choice.

500,000 households with low incomes in 2021 have one or more housing problems — cost-burdened, overcrowded, no kitchen, and/or no plumbing — 140,000 of those households have children.



## Children and Families

### STRATEGIES

*The work we'll undertake to advance the priority area*

#### Emphasize Children as We Focus on the People and Places Most Impacted by Housing Instability

Children and families are more likely to thrive when they live in safe, stable and accessible homes that they can afford in communities of their choice. Housing stability early in life provides life-long benefits. It is an effective “upstream” strategy for all areas of life — health, education, income, wealth, etc.

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### What we want to accomplish with this strategy:

- Increase the number and share of children living in stable, safe and accessible homes that their families can afford in a community of their choice

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### Activities we'll undertake to support this strategy:

- Finance the development and preservation of housing with multiple bedrooms to serve families with children, with a focus on three-plus bedroom units for larger families
- Continue making affordable home mortgages available for families with children, including providing larger downpayment assistance to large households and sole heads of households with a dependent
- Increase the availability of housing assistance to families with children and people who are pregnant
- Collaborate with the Minnesota Interagency Council on Homelessness, Olmstead Subcabinet and the Children's Cabinet to end homelessness among children, youth and families and increase housing choices for people with disabilities

## METRICS AND MILESTONES

*How we will track our progress in this priority area*

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**Number of Minnesota households with children and low incomes (at or below 80% of the area median) that have one or more housing problems – (1) cost burdened, (2) overcrowded, (3) no kitchen and/or (4) no plumbing**

Context: 140,000 households in 2021

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### The number and share of households assisted by Minnesota Housing with children

- Context: About 40% of households assisted by Minnesota Housing in 2022 had children (44,000 of 109,000 households)
- Goal: Increase the number and/or share each year

## Thriving Communities, Housing and Workforce

### STRATEGIES

*The work we'll undertake to advance the priority area*

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#### Carry out Minnesota Housing's Strategic Plan

Housing is foundational to a full life and a thriving state. When people live in safe, stable, accessible and affordable homes, they and their communities thrive, including the workforce. Empowering communities and equitably advancing this priority is at the center of our work.

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### What we want to accomplish with this strategy:

- Increase the number and share of Minnesotans living and thriving in stable, safe and accessible homes they can afford in a community of their choice
- Ensure geographic balance of Agency resources and meet community-identified housing needs (e.g., deeply affordable housing in the metro area and workforce housing in Greater Minnesota)

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### Activities we'll undertake to support this strategy:

- Carry out the actions in Minnesota Housing's Strategic Plan, which starts on page 16

## METRICS AND MILESTONES

*How we will track our progress in this priority area*

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**Number of Minnesota households with low incomes (at or below 80% of the area median) that have one or more housing problems – (1) cost burdened, (2) overcrowded, (3) no kitchen and/or (4) no plumbing**

- Context: 500,000 households in 2021

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### Number of households assisted by Minnesota Housing each year

- Context: 109,000 households in 2022, which is double what the Agency typically assists when there are no COVID-19 emergency funds from the federal government
- Goal for 2023: 59,900 households, with a new goal set at the start of each program year

## Healthy Minnesotans

### STRATEGIES

*The work we'll undertake to advance the priority area*

**Increase the supply of safe, stable, quality, accessible and affordable housing that provides access to community amenities and opportunities.**

Housing is a critical social determinant of health. Housing that is safe, stable, high quality, energy efficient, accessible and affordable improves health outcomes, as do the physical and social characteristics of neighborhoods.

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#### What we want to accomplish with this strategy:

- Improve the health outcomes of Minnesotans by increasing the availability of safe, stable, high-quality, energy-efficient, accessible and affordable housing with access to community opportunities and amenities

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#### Activities we'll undertake to support this strategy:

- Finance the construction of new housing and rehabilitation of existing housing across the state that meets the needs of low- and moderate-income Minnesotans

- Target critical resources (such as manufactured home community infrastructure funds and public housing rehabilitation resources) to critical health and safety improvements
- Build and strengthen cross-sector relationships with the Department of Health, Department of Commerce, Department of Human Services, health sector and community organizations to improve health outcomes
- Collaborate with partners to increase the health sector's investment in housing

### METRICS AND MILESTONES

*How we will track our progress in this priority area*

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**Number of Minnesota households with low incomes (at or below 80% of the area median) that have one or more housing problems — (1) cost burdened, (2) overcrowded, (3) no kitchen and/or (4) no plumbing**

- Context: 500,000 households in 2021

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- Context: 109,000 households in 2022, which is double what the Agency typically assists when there are no COVID-19 emergency funds from the federal government
- Goal for 2023: 59,900 households, with a new goal set at the start of each program year



GOAL:

Improve the health outcomes of Minnesotans by increasing the availability of safe, stable, high-quality, energy-efficient, accessible and affordable housing with access to community opportunities.



# Minnesota Housing **STRATEGIC** **PLAN**



## Minnesota Housing Strategic Plan

### Our Vision: The Big, Audacious Goal

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

### Our Mission: The Core Purpose

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.

### Our Principles and Values: How We Work

How we work and with whom we engage and partner can be as important as what we do. Our processes and partnerships impact not only what housing is built, but also where it is built, for whom, and what businesses benefit from the work. To achieve the concept of One Minnesota where everyone thrives, we will reorient how we work and expand who has a voice at the table and who participates in and benefits from the housing economy.

We will:

- Center the **people and places most impacted** by housing instability at the heart of our decision making,
- **Listen, share power and support,**
- **Honor, respect and strengthen** communities,
- Be **inclusive, equitable, just and antiracist** in our actions,
- Be **creative and innovative** problem solvers,
- Be **nimble, flexible and responsive,**
- Make decisions based on **data and evidence,**
- **Improve constantly,**
- **Build and leverage** resources, and
- Be **accountable** for our results.

## Our Core Activities: The Day-to-Day Work

Minnesota Housing's core work involves seven activities:



**Promote and Support Successful Homeownership.**

We finance:

Pre- and post-purchase counseling, education and coaching;

Mortgages and downpayment/closing-cost assistance; and

Home improvement loans.



**Finance the Development of New Housing.**

We finance the development of new:

Rental housing through amortizing first mortgages, housing tax credits and deferred loans; and

Owner-occupied housing through construction loans, zero-interest deferred loans, and grants.



**Preserve the Condition and Affordability of Existing Housing Stock.**

We provide financing to:

Meet a range of acquisition, rehabilitation/improvement and/or refinancing needs for both homeownership and rental properties;

Provide technical assistance and support to those needing help accessing preservation resources;

Support effective rental property management after we have financed a property; and

Manage HUD's Project-Based Section 8 rental assistance contracts in Minnesota.



**Support Housing Stability.**

We:

Fund assistance that helps people find and stay in their housing;

Finance housing with services and/or rental assistance; and

Work with local Continuums of Care to connect people facing homelessness to the housing and services they need.





**Support Community and Economic Development.**

We:

- Engage and share power with communities;
- Provide tools to help assess local needs;
- Support communities with technical assistance and capacity building resources; and
- Distribute local housing resources.



**Lead and Act on Critical Housing Issues.**

We:

- Identify housing issues and needs;
- Work with community partners to advocate for solutions; and
- Leverage both public and private resources.



**Strengthen the Financial and Organizational Capacity of the Agency.**

We are only as strong as our staff, partnerships, systems and balance sheet. We:

- Finance our programs through a combination of state and federal appropriations, housing tax credits, bonding and Agency earnings;
- Attract, develop and retain skilled, committed and diverse staff;
- Partner with over 400 organizations across the state to administer the programs that we finance; and
- Create, maintain and operate systems that effectively manage our programs and finances.



## Our Strategic Objectives: The Things We Will Accomplish

Over the next four years, we will pursue the following 14 strategic objectives, which fall into five areas of focus.

FOCUS AREA	STRATEGIC OBJECTIVES	Details on page
Improve the Housing System	Create a more inclusive, equitable and just housing system	22
	Focus on the people and places most impacted by housing instability	24
	Make housing programs more accessible and easier to use	27
Strengthen Communities	Pursue equitable community development and investment	30
	Support Tribal Nations and Indigenous communities	32
Preserve and Create Housing Opportunities	Preserve and improve the condition and affordability of existing housing	34
	Increase the development of new housing that is affordable	35
	Develop green, energy-efficient, climate-resilient, sustainable housing	37
	Increase access to rental assistance	39
	Support and preserve manufactured homes and communities	40
Make Homeownership More Accessible	Address homeownership barriers and reduce disparities	42
Support People Needing Services	Prevent and end homelessness	44
	Support people with disabilities to live full, independent and integrated lives in the community	46
	Support older adults and create age-friendly communities	48

The following sections of the plan outline the specific strategies and actions we will take to accomplish these strategic objectives over the next four years. Under each of the 14 strategic objectives, the plan lists: (1) the strategies and actions we will carry out to achieve each objective, and (2) the metrics that we will use to

track our progress. To monitor overall progress, we will continue to track two key metrics and goals:

The share of our first-time homebuyer mortgages going to Indigenous, Black and people of color, with a 40% goal by 2027.

The share of new housing units funded through our Consolidated RFP that are deeply affordable, with a 50% goal by 2027.

Deploying the resources that the 2023 Minnesota Legislature provided to supplement our federal and Agency-generated resources will be a large and critical component of our work. Going from a \$115 million biennial state appropriation to over \$1 billion, with over 15 new programs and activities, is a large undertaking. At the same time, we will continue to make structural changes in how we work to create a more inclusive, equitable and just housing system that prioritizes the people and places most impacted by housing instability.

Specifically, we will:

- Co-create solutions with community
- Support community voices and vision
- Hire consultants with lived expertise
- Expand community partnerships and share power
- Diversify the partners who administer our programs
- Build capacity
- Provide technical assistance
- Increase awareness of housing programs
- Reduce and eliminate barriers to programs and housing
- Simplify and streamline programs and processes
- Increase flexibility in program eligibility and use of funds
- Expand housing choices and affordability

In the following pages, these strategies and actions are woven throughout the 14 strategic objectives.



# Improve the Housing System

## Create a More Inclusive, Equitable and Just Housing System

### KEY METRICS

Disparities in housing problems (cost burden, overcrowding, and/or lacking kitchens or plumbing), homeownership and homelessness, by:

- Race and ethnicity
- Disability status

Number and share of developments that Minnesota Housing finances that have at least two businesses owned or run by a woman and/or a person who is Indigenous, Black and of color

Minnesota has some of the worst disparities in the country, including in housing, health, education, income and wealth. If we are truly to achieve the concept of One Minnesota, everyone must thrive, not just some. An inclusive, equitable and just housing system is critical to this work because housing is foundational to so much of life. Because the root causes of these disparities are deep and systemic, our strategies will be deep and systemic, starting with Minnesota Housing itself.

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### Increase Minnesota Housing's Diversity, Cultural Competency, and Focus on Equity and Antiracism

- 1 Carry out the activities listed in the Equity and Inclusion section of the One Minnesota Plan (see pages 6–8)
- 2 Increase the number of our leaders and staff who are from communities most impacted by disparities
- 3 Continue and enhance our journey to become more culturally adaptive and incorporate these practices into everything we do
- 4 Hold ourselves accountable to embed an inclusion, equity and justice lens in our daily work
- 5 Continue becoming more antiracist in our work
- 6 Engage with members of the public in community settings

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### Co-Create Solutions with Communities

- 1 Continually engage communities facing housing disparities and/or instability to co-create solutions
- 2 Create more opportunities for community to participate in program decision making and hire and compensate consultants with lived expertise
- 3 Be attentive to and take collaborative action on what we hear and learn in partnership with the community
- 4 Communicate the changes we will make back to community and verify that we got it “right”

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## **Make Our Programs More Inclusive, Equitable and Just**

- 1** Carry out the strategies and actions outlined under Make Housing Programs More Accessible and Easier to Use (pages 27–29) with an inclusion, equity and justice lens
- 2** Focus on the programs, processes and systems that are not working for everyone and make sure they equitably serve people with different needs and from different backgrounds
- 3** Embed an inclusion, equity and justice lens in the foundation and throughout the creation and implementation of new programs
- 4** Review all program language to make sure it aligns with the Agency’s values and style manual and is culturally appropriate
- 5** Incentivize Agency grantees and contractors to act consistently with the Agency’s values and priorities

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## **Diversify the Partners with whom We Work**

- 1** Invest in organizations led by individuals from communities that have been historically excluded
- 2** Collaborate with these organizations in building their capacity and by providing them the tools and resources they need to do their work
- 3** Assess the capacity of new partners and provide technical assistance and training as needed so they can submit competitive applications for funding and effectively administer our programs
- 4** Prioritize culturally effective work carried out by organizations led and trusted by the community when selecting projects and organizations for funding, which requires not centering the decision on the dominant white culture’s expectations of success, such as speed of deploying resources, which can be important but can also come at the expense of equity

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## **Address Systemic Barriers**

- 1** Work with people with lived expertise in facing housing instability to identify and remove the systemic barriers that create housing inequities
- 2** Create policy and action agendas to remove the barriers
- 3** Lead by example in how to dismantle inequitable and inaccessible programs, processes and systems
- 4** Support solutions that increase housing stability and access, such as renter protections and tenant screening criteria that are guided by evidence-based research
- 5** Support and advocate for policies and practices that create access, choice and a full range of housing options that are affordable in all communities
- 6** Use our role and position in the housing industry to advocate for housing equity and policies/practices that are inclusive, equitable, just and antiracist

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## **Continually Analyze Program Processes and Outcomes**

- 1** Collect and analyze data at the most disaggregated level possible
- 2** Thoroughly analyze outcomes and program processes disaggregated by race/ethnicity, disability status and other characteristics that reflect inequity
- 3** Adjust and act where populations are not being served equitably

# Focus on the People and Places Most Impacted by Housing Instability

## KEY METRICS

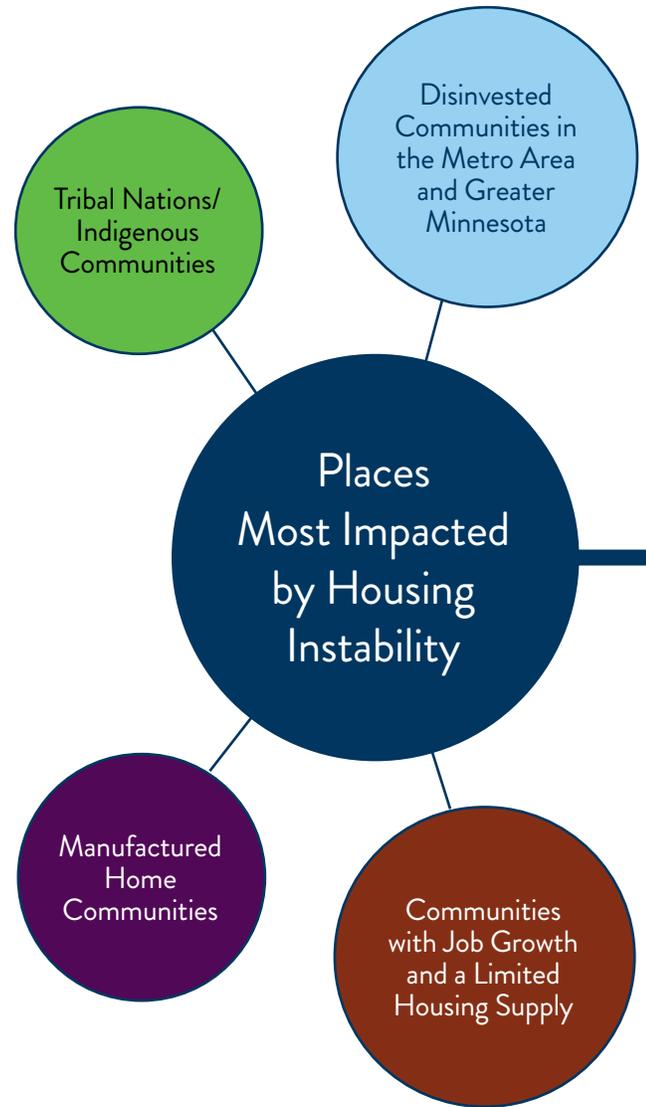
Share of households from communities most impacted that are cost burdened, overcrowded and/or lacking kitchens or plumbing

Number of Agency programs that include community members in co-decision making

Some communities of shared identities, experiences or geographies disproportionately face housing instability and experience disparities in access and outcomes. These communities are our priority because the current market is not working for them, and they are experiencing barriers in accessing and navigating affordable housing.

We must create a system that uniquely supports the whole person and the full range of their connections to family, friends, jobs, school, places of worship, services, resources, amenities and the community. People are inherently rooted in where they live, and together, they build a community of belonging and well-being.

This is the backbone of thriving communities. We must take responsibility to both repair past harms and include people that face housing instability and barriers in the creation of a better system. We must also shift the balance of power to those most impacted by housing instability since they are directly experiencing the harm. In addition, we must look to invest in communities in Greater Minnesota, where market challenges are impacting housing outcomes and the local economy.





People Most Impacted by Housing Instability

Lowest Income (e.g., < 30% of area median income (AMI))

People of Color

LGBTQIA2S+

People with Disabilities

Indigenous Individuals

Immigrants, Refugees and Asylees

Adults and Teens who are Pregnant

Domestic Violence Survivors

Single Parents

Children

Large Families

People Experiencing Homelessness

Older Adults

People Living with Disease (such as HIV/AIDS)

People facing Barriers and/or Limited Choices, such as: Poor Credit, Limited Savings, Criminal History, Evictions, Transitioning out of Foster Care, Prison, or Other Systems

---

### Place Communities Most Impacted at the Center of Our Decision Making

- 1 Build, repair and nurture relationships with communities most impacted
- 2 Analyze and understand the impact that market conditions and failures have had on communities most impacted and why programs have not worked for them
- 3 Gather and use disaggregated data to inform our programs
- 4 Carry out the strategies and actions outlined in Make Housing Programs More Accessible and Easier to Use (pages 27–29) with a focus on communities most impacted
- 5 Prioritize work by and for communities most impacted

People are inherently rooted in where they live, and together, they build a community of belonging and well-being. This is the backbone of thriving communities.

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### Support Community Voices and Vision

- 1 Continually engage communities most impacted to identify how the Agency can meet their housing needs and support and amplify their vision and priorities
- 2 Be a convener and connector on priority topics identified by communities most impacted that the Agency and housing system should address, such as closing the homeownership gap, accessing financial education and credit building resources, supporting renter stability, creating pathways to cooperative ownership and preserving naturally occurring affordable housing
- 3 Work with communities most impacted to identify and advocate for new and innovative solutions, particularly when a housing need cannot be met with one of our existing programs
- 4 Provide tools and support (such as data, information, resources and background knowledge) to communities as they develop strategies to advocate for themselves and take actions to achieve their vision

---

### Include Communities Most Impacted in Program Decision Making

- 1 Include communities most impacted as partners throughout the program life cycle: design, implementation, evaluation and improvement

# Make Housing Programs More Accessible and Easier to Use

## KEY METRICS

Percentage of Minnesota Housing programs that have gone through an improvement process using human-centered design principles and practices and include an ongoing customer feedback loop

Because housing is foundational to a full life and thriving state, we must make housing programs accessible and easier to use. When people face housing instability, especially when their lives are in crisis, knowing where to turn to get quick access to resources is vital for establishing housing stability. The process to get assistance should be free of unnecessary barriers, which can become overwhelming. Our programs, processes and systems must also be accessible and, wherever possible, easier to use for our partners who administer our programs, particularly the smaller and emerging partners who are not as familiar with our work.

Trusted community-based organizations, often small and led by the community, are critical to serving the communities most impacted. These are the organizations to which people, particularly those who do not trust government, turn for support and guidance, and they provide culturally effective services and have the deepest community understanding and trust.

Human-centered design is a critical step in making programs accessible and easier to use. It is 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. It is also an effective strategy for pursuing innovation and equity.

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## Use Human-Centered Design to Improve Our Programs, Processes and Systems

- 1 Train staff throughout the Agency in human-centered principles and practices
- 2 Use human-centered design as staff carry out their regular, ongoing reviews and assessments of the Agency's programs, processes and systems
- 3 Regularly get feedback from customers (our program partners and the people they serve) about their experiences and act in partnership with the customers to co-create and achieve continuous improvement in removing barriers, increasing access, reducing disparities and achieving better and more equitable outcomes

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## Increase Awareness about Housing Programs

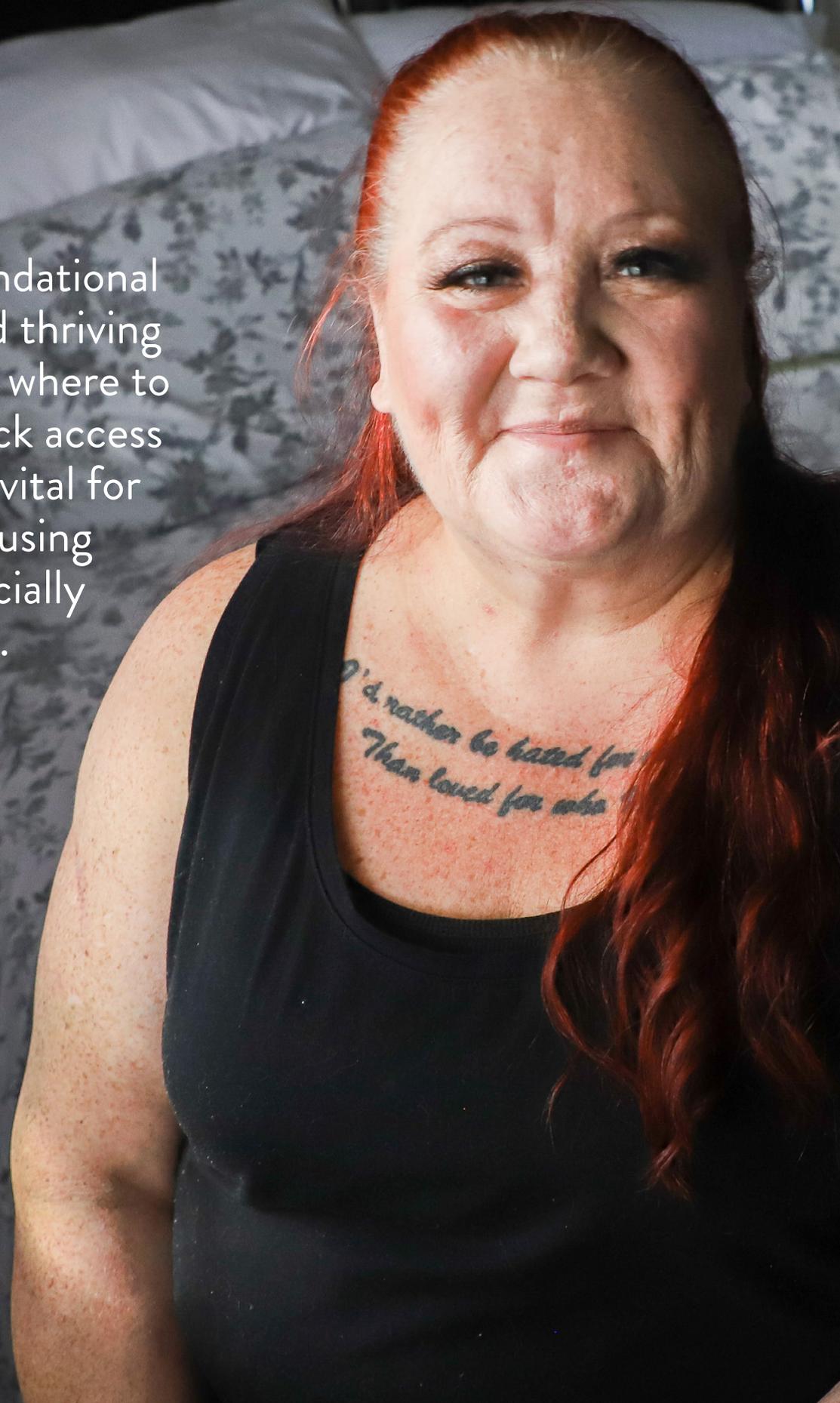
- 1 Engage and hire people with lived expertise and trusted community-based organizations to carry out culturally effective engagement, outreach, marketing and education activities
- 2 Use a wide variety of marketing outlets to reach targeted populations including social media, TV, radio, direct mail, texts and signage
- 3 Develop a comprehensive and easy-to-use housing-resource list that explains available housing resources and how to access them quickly

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## Reduce and Eliminate Barriers

- 1 Carry out a top-to-bottom review of programs by:
  - a Examining program requirements and restrictions,
  - b Identifying the basis of each (federal or state regulations, Agency rules, legal requirements, etc.),
  - c Evaluating the need and impact of each, particularly from the perspective of communities most impacted and people who have been historically excluded, and

Housing is foundational to a full life and thriving state. Knowing where to turn to get quick access to resources is vital for establishing housing stability—especially when in a crisis.



- d Removing unnecessary requirements, restrictions and barriers, and seeking legislative or rule changes as needed
- 2 Engage and hire trusted community-based organizations to be an access point to our programs and to provide culturally effective services
- 3 Collaborate across state agencies and sectors to align and simplify access to and the operation of intersecting programs, such as our Family Homeless Prevention Assistance Program (FHPAP) and the Department of Human Services' Emergency Assistance

---

### **Simplify Applications, Processes and Reporting**

- 1 Implement new and update existing processes and systems to be accessible, streamlined and efficient for applicants, which will result in a better customer experience
- 2 Reduce the collection of duplicate information across programs, forms and systems
- 3 Use plain language
- 4 Create tools that will help users understand and navigate our programs, processes, systems and requirements

---

### **Provide Technical Assistance to Program Partners and Renters/Homebuyers on How to Access and Use Agency Resources**

- 1 Engage and hire community members and organizations that have lived experience with our programs to provide culturally effective technical assistance to partners administering our programs and the renters/homeowners receiving the assistance
- 2 Create business development teams for all programs to be active and engaged in the communities we serve and the organizations with which we partner

- 3 Establish a knowledgeable, internal team with members with different expertise (e.g., finance, operations, legal, policy, information technology, research, etc.) to serve as a resource for program teams in developing programs and delivering technical assistance

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### **Speed Up Processes Whenever Possible**

- 1 Work with our program partners to create streamlined, accessible program applications with unnecessary requirements and steps removed
- 2 Evaluate and document internal decision-making processes and delegate authority depending on the frequency, risk and importance of the decision

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### **Increase Flexibility in Program Eligibility and Use of Funds**

- 1 For select programs, carry out a top-to-bottom review and implement changes to increase flexibility when appropriate, and if needed, pursue changes in laws and rules
- 2 Adopt policies that reduce barriers and meet community needs, such as: (a) allowing chosen-family structures (nontraditional, multi-generational, etc.); (b) making it easier to use housing development funds in small, rural communities; and (c) pursuing other options

# Strengthen Communities

## Strengthen Communities through Equitable Community Development and Investment

### KEY METRICS

Number of RFP development awards going to Greater Minnesota communities that have not received an award in the last five years

Number of RFP development awards that are a part of larger community re-investment efforts going to census tracts with residents who are predominantly people of color and have lower incomes (these community reinvestment efforts must include non-housing investments and activities that will support overall community redevelopment)

With equitable community development, communities have the resources they need to thrive, and community members have the power to uniquely grow their community in the way that works best for them. Minnesota Housing recognizes that some communities have been subject to disinvestment. These communities may be predominantly comprised of people of color, rural communities, and/or communities with low incomes and low wealth. They have been harmed by policies, practices and market forces that have taken wealth from these communities or created barriers that have disproportionately prevented them from having access to financial resources. Equitably investing in these communities, building their capacity and sharing power not only repairs past harms, but also better positions communities to address their housing needs moving forward.

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### Expand Community Partnerships to Share Power in Development

- 1 Engage and build lasting relationships with communities that have historically been subject to disinvestment to identify needs and solutions
- 2 Expand opportunities for community members to participate in the Agency's priority setting, decision making and program development
- 3 Work together with communities to implement strategies that will result in equitable development

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### Enhance Capacity Building Efforts to Support Community Vision

- 1 Carry out the activities listed under Support Community Voices and Vision (page 26) focusing on disinvested communities
- 2 Provide more capacity-building resources to community-based organizations and developers by and for disinvested communities to address housing issues in their community
- 3 Better coordinate and leverage the work of the housing intermediaries that we fund to build capacity within communities that have experienced a lack of investment

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### Design Programs to Support Equitable Outcomes

- 1 Design program eligibility and selection criteria for our funding to make disinvested communities competitive in receiving Agency resources
- 2 Simplify and streamline existing programs that serve disinvested communities (see Make Housing Program More Accessible and Easier to Use on pages 27–29)



- 3 Explore options for creating programs that work better for smaller organizations and communities, particularly in Greater Minnesota
- 4 Continuously evaluate outcomes of funding decisions to inform changes that will support disinvested communities and help them reach their goals

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### Strengthen Collaboration Across Jurisdictions and Sectors

- 1 Support the vision and leadership of disinvested communities by convening conversations and/or actively participating in convenings about creating new and better community-building strategies

- 2 Encourage participation from multiple sectors such as schools, social service providers, health care, employers, community-based organizations and others in these planning and development processes
- 3 Build relationships and improve coordination with state agencies and regional and local jurisdictions to holistically meet the needs and goals of communities
- 4 Provide more resources to small and medium-sized communities and other locations that have experienced disinvestment
- 5 Focus investments on benefitting the people currently living in the community to minimize displacement or gentrification

## Support Tribal Nations and Indigenous Communities

### KEY METRIC

Native American disparities in housing cost burden, homeownership, poverty and homelessness

Number of Minnesota Housing programs for which Tribal Nations are eligible participants

Indigenous communities and Tribal Nations have the expertise and commitment to meet their housing needs; however, oppression, historical trauma, discrimination and disinvestment have held them back. Compared with non-Latino whites in Minnesota, Native Americans are two times less likely to be homeowners, four times more likely to be in poverty, and 28 times more likely to experience homelessness. Recognizing the sovereignty of Tribal Nations, we must do better to meet the housing needs of Native Americans living on Tribal lands and throughout Minnesota.

### Implement our Tribal Consultation Policy and Create an Implementation Plan

- 1 Building off the Agency's Tribal Consultation Policy, create and implement a plan that focuses on engagement, trust, respect, support, action and outcomes
- 2 Work with Tribal Nations to evaluate all previous Agency decisions that impact the Tribes and change them when needed

### Address the Housing Needs in Indigenous Communities

- 1 Understand the housing needs of Indigenous communities throughout the state
- 2 Work with and support Indigenous communities in addressing their housing needs

### Increase Tribal Access to Program Resources

- 1 Allocate more resources directly to Tribes, including
  - a Advocating that state funds be directly allocated to the Tribes, and
  - b Making Tribes eligible participants in all our programs
- 2 Provide Tribes sufficient resources to administer these programs
- 3 For other programs, contract with administrators with a history of effectively partnering with Tribes and serving Indigenous communities

### Support Tribes in Building their Program Capacity

- 1 Tailor capacity building efforts to the needs of Tribes

### Increase the Tribal Expertise of Minnesota Housing Staff

- 1 Increase staff participation in Tribal-State Relations training
- 2 Have staff who effectively work with Tribes serve as mentors for other staff
- 3 Regularly engage with and visit Tribal Nations and communities



In Minnesota, Native Americans are two times less likely to be homeowners, four times more likely to be in poverty, and 28 times more likely to experience homelessness compared with non-Latino whites.

# Preserve and Create Housing Opportunities

## Preserve and Improve the Condition and Affordability of Existing Housing

### KEY METRICS

Number of existing rental units affordable to households with an income at or below 50% of the area median income (AMI)

Number of units with project-based rental assistance

Number of existing homes valued at \$250,000 or less

Existing housing is typically the most affordable, and preserving it is more cost-effective than building new. Segments of existing affordable housing are at risk of being lost to rent or price increases or deterioration. For example, project-based Section 8 units were built about 40 years ago and often have deferred maintenance. About 7,800 of the 30,000 Section 8 units in Minnesota have contracts that will expire sometime between 2023 and 2027, when they could convert to market-rate rents.<sup>5</sup> Fortunately, we have had great success in renewing contracts and maintaining affordability. Minnesota also has over 210,000 rental units affordable to households with incomes at or below 50% of AMI that are naturally occurring affordable housing (NOAH) without government subsidies and income/rent restrictions, typically because they are older, lack amenities and are in need of repairs.<sup>6</sup> About 25% of the state's owner-occupied homes have a value of less than \$250,000.<sup>7</sup> While affordable for many residents, these homes often need repairs, and the state's housing stock is getting older. Emerging issues include making homes climate-resilient, losing affordable inventory to investor owners, building the capacity of rental property owners who are preservation-minded,

rising interest rates and staying on top of evolving preservation needs.

### Identify and Stabilize the Housing Most at Risk of Being Lost

- 1 Use data from our systems, U.S. Department of Housing and Urban Development (HUD), U.S. Department of Agriculture – Rural Development, Census Bureau, Minnesota Department of Revenue, HousingLink, CoStar and other sources
- 2 Work with interagency stabilization teams and preservation groups to assess needs and jointly focus resources on housing projects that are at the most risk of loss with the goal of preventing resident displacement

### Streamline and Simplify Programs

- 1 Carry out the strategies and actions outlined in the earlier section on Making Housing Programs More Accessible and Easier to Use (pages 27–29) with a focus on preservation, rehabilitation and home improvement programs
- 2 Increase program flexibility so that funding can be used to meet evolving preservation needs in different situations

### Increase Funding and Expand Options

- 1 Advocate for new or expanded funding from federal and state sources that meet the full continuum of preservation needs, building off the funds made available for preservation by the 2023 Minnesota Legislature
- 2 Develop and implement NOAH programs with available funding, including the newly available \$90 million for community stabilization

- 3 Explore options for supporting more cooperatively owned housing
- 4 Leverage new funding streams to help buildings become more climate resilient and energy efficient
- 5 Expand and refine existing programs, such as the Rehabilitation Loan Program (RLP), Fix Up loan program, Publicly Owned Housing Program (POHP), Preservation Affordable Rental Investment Fund (PARIF) and Rental Rehabilitation Deferred Loan (RRDL) programs
- 6 Explore options for expanding the availability of purchase-rehabilitation loans for owner-occupied homes
- 7 Address the limited borrowing options for home improvement that are affordable for homeowners with incomes between 30% and 80% of AMI
- 8 Explore funding options for Homeowner Associations without sufficient resources to maintain and improve common elements
- 9 Explore the development of a post-purchase educational curriculum for new homeowners that will help them be more successful homeowners and maintain their homes over the long term

---

### Market and Provide Information about Preservation Resources

- 1 Find simple ways to summarize and present the full range of preservation resources that are available
- 2 Focus marketing resources on key demographics (similar to the Agency's first-time homebuyer focus on renters between the ages of 25 and 44)
- 3 Make targeted use of the media and social-media options used by key demographics
- 4 Partner with libraries, social service agencies, employers and other nonprofit and public partners to publicize Agency programs and activities

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### Increase Preservation Capacity Across the State

- 1 Help communities identify and build capacity to meet their preservation needs
- 2 Support efforts to increase the number and geographic reach of: (a) developers, owners and contractors in Greater Minnesota; and (b) developers and contractors who are Indigenous, Black and people of color and/or emerging developers and contractors statewide doing preservation work
- 3 Explore partnerships with the Department of Employment and Economic Development, the Department of Labor and Industry and trade schools to foster a new generation of contractors and builders

### Increase the Development of New Housing that is Affordable

#### KEY METRICS

Number of new rental units funded by Minnesota Housing with rents affordable to households with incomes at or below 30% of the area median income (AMI), and between 31% and 50% of AMI

Number of new owner-occupied homes funded by Minnesota Housing selling for \$300,000 or less

Number of new owner-occupied and rental homes financed by Minnesota Housing in Greater Minnesota communities with substantial job growth

To create and sustain a healthy housing market, Minnesota will need 182,000 new housing units in Minnesota through 2035 across all types and price points; however, the greatest need is for housing that is affordable for low-income families.<sup>8</sup> Only 24% of renter households with an income at or below 30% of

the AMI are in a home they can afford.<sup>9</sup> The month-supply of homes selling for \$300,000 or less is only 1.1 months, when a five-month supply is considered a healthy and balanced market.<sup>10</sup> Expanding the supply of housing that is affordable is critical because most lower-income households just need an affordable place to live.

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### **Streamline and Simplify Programs**

- 1 Carry out the strategies and actions under *Make Housing Programs More Accessible and Easier to Use* (pages 27–29)

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### **Increase Funding**

- 1 Effectively use and leverage existing funding, particularly the funds for new construction that the 2023 Minnesota Legislature provided
- 2 Demonstrate the impact that housing investments have on people’s lives and community well-being, particularly the large investments funded by the 2023 Minnesota Legislature
- 3 Work with Congress and the state legislature to increase funding and expand the uses of funding; for example, to develop two- to 30-unit buildings, which currently lack a good funding source
- 4 Encourage local governments to invest in housing
- 5 Partner with and encourage businesses and employers to invest in housing, recognizing that housing affordable for their workforce is a competitive advantage

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### **Innovate and Reduce the Cost of Housing Production**

- 1 Partner with others to advance technology and innovation to increase housing construction productivity, which could include modular or panelized construction and even 3-D printing
- 2 Support strategies to increase the number of contractors and people working in the building trades
- 3 Review and adjust our design and construction standards to find ways to reduce costs but acknowledge and sufficiently fund projects when our standards, such as energy standards, add upfront costs
- 4 Focus on life-cycle costs, including durability, maintenance, utility and environmental-impact costs over time
- 5 Collaborate with other state agencies to incentivize the development of new housing and to reduce the cost of development; for example, working with the Department of Labor and Industry on prevailing wage issues

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### **Grow the State’s Capacity to Develop Housing that is Affordable**

- 1 Expand the pool of housing developers by:
  - a Building the capacity of new developers
  - b Providing technical assistance to help them submit competitive applications for funding
  - c Helping them find ways to finance pre-development costs
- 2 Support Indigenous, Black and developers of color to enter the market and succeed, collaborating with the Department of Employment and Economic Development on their developers of color program
- 3 Facilitate and support partnerships to build the capacity of smaller and rural communities to develop new housing



### Increase Housing Choice

- 1 Encourage and/or fund the development of the full spectrum of rental and homeownership housing at various price points in all communities, including creating affordable options in higher-income communities
- 2 Encourage local governments to evaluate their policies and regulatory costs to promote a full range of housing options in their communities, including duplexes, triplexes, fourplexes, condominiums, townhomes, accessory dwelling units, cluster homes, cottage homes and other higher-density housing

### Develop Green, Energy-Efficient, Climate-Resilient, Sustainable Housing

#### KEY METRICS

The number and share of energy-improvement loans issued to homeowners through Minnesota Housing's Fix Up Loan program

The number and share of rental projects receiving the enhanced-sustainability selection points in Minnesota Housing's Consolidated RFP process

Minnesota'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 and residents millions of dollars in cleanup and repairs.

Housing development and rehabilitation is a significant contributor to energy and material waste and a driver in the use of hazardous materials to create and maintain housing of all types. At the same time, higher home energy bills are disproportionately affecting people with low incomes. Renters and Minnesotans with fewer financial resources are less able to make money-saving home energy and climate-resiliency upgrades, maintain their indoor air quality and safety and affordably heat and cool their homes. Because of segregation and systemic racism, these environmental issues disproportionately impact Indigenous, Black and people of color.

While Minnesota Housing is a leader in the state's housing industry in embracing energy-efficient building standards, the Agency recognizes opportunities to make further progress. Data-driven evaluation and decisions can result in the use of less harmful materials and drive down the cost for residents to make improvements that are more resilient and sustainable in the long run.

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### **Provide Owners, Developers and Property Managers Equitable Access to Information and Technical Assistance**

- 1 Provide training and educational opportunities geared to specific types of partners and customers; for example, develop and hold separate trainings and technical assistance on energy, resiliency improvements and financing for homeowners, developers, property managers and our lending network
- 2 Hold training and technical assistance opportunities around the state both in-person and virtually to allow for the greatest flexibility and provide meaningful participation for all interested Minnesotans
- 3 Track and report on energy metrics such as Home Energy Rating System scores, Energy Use Intensity and EnergyStar Portfolio Manager utility benchmarking data to create a baseline and show progress as compared to typical code-level construction

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### **Provide Owners and Developers Equitable Access to Financial Support to Make Energy-Efficient and Climate-Resilient Improvements**

- 1 When and if available, provide pre-development loans or grants to cover the cost of energy efficiency and climate-resiliency planning
- 2 Provide home improvement loans to homeowners to finance energy and resiliency upgrades
- 3 Provide financing for developers and owners to build new or rehabilitate existing multifamily buildings that are energy-efficient, climate-resilient and powered by renewable energy
- 4 Incentivize energy efficiency, climate resiliency and renewable energy by including enhanced sustainability in the criteria that Minnesota Housing uses to select housing projects for funding in competitive RFPs

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### **Align and Leverage Resources and Programs**

- 1 Participate in the Governor's Climate Change Subcabinet to support the goals of the One Minnesota Plan and Minnesota Climate Action Framework
- 2 Develop a rationale for why it is urgent for legislators and developers to focus on energy efficiency and climate resiliency in single-family and multifamily homes
- 3 Work to help create a system of "one-stop shopping" to align our program resources with those available through the Department of Commerce, cities, counties and other partners to ensure developers can leverage all available sources of funds
- 4 Raise awareness and leverage the clean-energy funds made available through the federal Inflation Reduction Act and other sources

## Increase Access to Rental Assistance

### KEY METRIC

Increase the number of households receiving rental assistance from Minnesota Housing, with an emphasis on Indigenous, Black and people of color and victims of domestic violence

Rental assistance is the most direct approach to making housing affordable, but access is difficult, limited to certain populations and confusing to navigate. Although Minnesota added a new rental assistance program (often referred to as Bring It Home) that is anticipated to add roughly 4,000 more vouchers, demand for the assistance will continue to grossly outstrip the supply. In addition to the new rental assistance program, Minnesota has roughly 40,000 vouchers for renter households, while another 215,000 households with very low incomes currently have rents that are unaffordable.<sup>11</sup>

Unfortunately, a voucher does not guarantee success in finding a unit in today's competitive rental market. People experiencing domestic violence are not gaining quick access and as a result are missing opportunities for housing stability. In addition, 42% of renters served by the Metro HRA who started receiving a Housing Choice Voucher in 2022 were unable to find a home to use it.<sup>12</sup> With low vacancy rates in some markets and multiple people competing for an available home, landlords can be selective, and some refuse to rent to people with vouchers.

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### Decrease Barriers to Accessing and Using Rental Assistance

- 1 Examine the barriers and challenges people face in accessing and using rental assistance, with special attention to communities that have historically been excluded, including Indigenous, Black, and people of color and victims of domestic violence
- 2 Take action to reduce or eliminate the identified barriers and challenges, which could potentially include:
  - a Assessing the need for each piece of documentation in the application processes for Minnesota Housing's programs
  - b Advocating for making source-of-income discrimination illegal (not renting to people just because they will use rental assistance)
  - c Expanding the options available to rental assistance voucher holders by engaging partners around the use of housing vouchers for homeownership (mortgage payments and other costs)
  - d Providing ongoing services to rental assistance recipients to keep them housed once they receive the assistance

---

### Advocate for Additional Rental Assistance

- 1 Advocate for new and/or expanded funding from federal, state and local sources, beyond the funds provided by the 2023 Minnesota Legislature
- 2 Evaluate the effectiveness of rental assistance in improving people's lives, including in the areas of education, employment and health

# Support and Preserve Manufactured Homes and Communities

## KEY METRICS

Number of households in Minnesota living in manufactured housing

Number of manufactured home communities lost annually in Minnesota

Manufactured housing is a critical component of Minnesota’s housing supply. The median monthly housing cost for someone owning a manufactured home is only \$687, versus \$1,696 for other homeowners with a mortgage and \$1,050 for other renters.<sup>13</sup> Currently, about 59,500 Minnesota households live in manufactured housing, and Minnesota has over 40,000 sites in manufactured home communities where the land is leased.<sup>14</sup> Manufactured home residents face challenges that are not easily addressed through traditional housing finance tools. The challenges include: (a) the homes being classified as personal property, rather than real estate, making it more difficult to get a loan; (b) home conditions; and (c) a backlog of community infrastructure needs, such as utility and road maintenance.

## Continue Building a Manufactured Housing Team and Structure at Minnesota Housing

- 1 Bring together expertise from different parts of Minnesota Housing, external partners and residents of manufactured homes
- 2 Deploy resources proactively to address issues as they arise

## Enhance External Partnerships and Collaborate

- 1 Partner and collaborate with local governments, nonprofit organizations, other lenders, manufactured home communities, community owners and residents to support and sustain manufactured housing
- 2 Provide marketing materials and educational opportunities to manufactured home residents and community owners about the programs and resources that are available through Minnesota Housing

## Create and Implement a Comprehensive Plan

- 1 Finance manufactured home communities, including the purchase, refinancing and/or improvement of community infrastructure
- 2 Work with other state and local agencies and community organizations to coordinate funding for community needs, such as storm shelters, community rooms, infrastructure improvements and health and safety needs
- 3 Finance individual homes, including purchase, rehabilitation, relocation and/or replacement
  - a Support manufactured home residents of all household income ranges
- 4 Support cooperatively owned manufactured home communities and build capacity for sustainable management
- 5 Develop a strategy with an inclusion, equity and justice lens that incorporates diverse communities and supports the rights of all residents living in manufactured home communities



The median monthly housing cost for someone owning a manufactured home is only \$687, versus \$1,696 for other homeowners with a mortgage and \$1,050 for other renters.<sup>13</sup>

# Make Homeownership More Accessible

## Address Homeownership Barriers and Reduce Disparities

### KEY METRICS

Annual number of home mortgages purchased by Minnesota Housing

Minnesota Housing's annual lending to Indigenous, Black and people of color

Homeownership rates by race/ethnicity and income level

Homeownership is the primary way that most people in Minnesota build wealth. However, many factors create barriers to successful homeownership, including poor (or no) credit, limited savings and income, existing debt, limited knowledge and trust of the mortgage industry, discrimination and limited access to financing. Minnesota has the fourth highest homeownership rate in the country. It also has significant and persistent disparities in homeownership rates between white/non-Latino households and Indigenous, Black and people of color.<sup>15</sup> While we have made significant progress in increasing financing to Indigenous, Black and people of color, the entire industry needs to do more to reduce disparities. With over 61,000 renter households in Minnesota between the ages of 25 and 44 that are Indigenous, Black and people of color and potentially ready to buy, there are opportunities for significant improvement.<sup>16</sup>

### Model What it Will Take to Significantly Reduce Homeownership Disparities

- 1 Identify how many additional Indigenous, Black and people of color would need to become successful homeowners to eliminate homeownership disparities
- 2 Set annual goals for Minnesota Housing
- 3 Identify program enhancements that will advance the goal of eliminating homeownership disparities
- 4 Advocate for all homeownership advisors, real estate agents and lenders to be a part of the solution to reduce homeownership disparities

### Improve Marketing and Outreach

- 1 Continue to refine and enhance the work of the Agency's Business Development (outreach) team
- 2 Pursue more direct-to-consumer marketing, social media and events to dispel myths; increase awareness of our programs and show that homeownership is possible
- 3 Create specific marketing strategies to reach historically excluded households, including Indigenous, Black and people of color who:
  - a May be ready to buy and want to learn more about the process and the available products and services
  - b May not yet be ready to buy and are interested in financial coaching and becoming homeownership-ready
- 4 Tailor marketing messages for both established and recent immigrant populations
- 5 Increase awareness of the Agency's programs among real estate agents, lenders, homeownership advisors and trusted community-based partners
- 6 Engage more homeownership advisors, real estate agents, lenders, industry professionals and

trusted community-based partners to serve more Indigenous, Black and people of color

- 7 Get input from communities on where and how to advertise and explore additional strategies, including reaching out to social services agencies and advertising in libraries, local businesses and other community venues

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### **Provide Comprehensive Homebuyer and Post-Purchase Support**

- 1 Collaborate with partners to bring training and education related to financial literacy, credit building, renting and basics of homeownership to a variety of audiences
- 2 Work with the Homeownership Center and its network of homeownership advisors to provide education, counseling and financial coaching that meets the needs of homebuyers and homeowners, particularly Indigenous, Black and people of color
- 3 Expand our Homeownership Capacity program, which provides intensive and longer-term financial coaching that effectively reaches and serves Indigenous, Black and people of color
- 4 Identify strategies to support people through post-purchase offerings

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### **Increase the Inventory of Affordable Homes for Sale**

- 1 Support the creation of more affordable options, including manufactured or modular housing, townhomes, condominiums, cooperatives, etc.
- 2 Advocate for more funding to develop affordable owner-occupied housing
- 3 Work with partners on strategies to reduce the cost of housing development
- 4 Support strategies to increase the number and racial, ethnic and gender diversity of contractors and people working in the building trades

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### **Provide Affordable and Accessible Financing**

- 1 Effectively deploy the recently expanded state investment in affordable homeownership, including downpayment assistance for first-generation homebuyers, to maximize the impact on homeownership disparities
- 2 Build off recent successes, including 65% of our Deferred Payment Plus Loans (enhanced downpayment assistance) going to Indigenous, Black and households of color
- 3 Explore options for creating and/or supporting Special Purpose Credit Programs that extend credit to people who have been historically excluded and would otherwise be denied
- 4 Refine our homebuyer and home-improvement programs each year to match market conditions and borrower needs, particularly for Indigenous, Black and people of color
- 5 Expand the availability of purchase-rehabilitation loans
- 6 Expand our lender network to support more lending throughout the state, particularly for Indigenous, Black and people of color

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### **Lead the Overall Mortgage Industry**

- 1 Share with the mortgage industry strategies and programs that successfully serve Indigenous, Black and people of color
- 2 Provide leadership for the Homeownership Opportunity Alliance, an industry-wide coalition, to increase homeownership among Indigenous, Black and people of color

# Support People Needing Services

## Prevent and End Homelessness

### KEY METRICS

Number of people experiencing homelessness, by population (chronic, families with children, veterans, youth, sleeping outside, etc.)

Homelessness disparities by race

In Minnesota, over 7,900 people are homeless each night. While about 6,150 of them find shelter for the night, roughly 1,770 people sleep outside without shelter, an increase of 110% since 2015.<sup>17</sup> Most experts believe the actual number of Minnesotans experiencing homelessness is much higher, as this estimation does not include other forms of housing instability, like couch surfing or staying doubled up with friends and family.

Homelessness is the most severe form of housing instability and encompasses many societal failures, including a woefully inadequate supply of housing that is affordable, an inequitable housing system, cultural and racial disparities, trauma, and the intersection of housing, physical and behavioral health, employment and education.

Indigenous, Black and people of color are disproportionately impacted by homelessness. The most egregious disparities exist for members of the Indigenous community who are 28 times as likely to experience homelessness than their white peers and for Black Minnesotans who are 13 times as likely. These disparities reflect the structural racism, genocide and economic inequities that have limited the ability of Indigenous, Black, people of color and the poor from creating wealth, accessing opportunity and celebrating heritage.

### Prevent Homelessness

- 1 Partner with Tribal Nations, counties and community partners to streamline the process for people to apply for and receive cash assistance, emergency assistance and prevention resources
- 2 Seek additional funding to support the ongoing needs for homelessness prevention resources
- 3 Explore potential renter policy changes to support housing stability

### Create and Preserve Supportive Housing Opportunities

- 1 Focus on people with disabilities and complex health conditions
- 2 Leverage available funds (including the \$200 million of Housing Infrastructure appropriations from the 2023 legislative session for which supportive housing is an eligible use) and seek additional resources to build housing options that meet the needs of people, especially those who are unsheltered and been living outside for long periods of time
- 3 Develop a long-range preservation plan and fund it accordingly to preserve Minnesota Housing's portfolio of site-based supportive housing developments

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## Transform the Supportive Housing Model in Minnesota

- 1 Deploy the \$25 million of one-time funds to strengthen the supportive housing model and develop an ongoing funding source that provides long-term operating funding
- 2 Support the Minnesota Department of Human Services to enhance Medicaid funding, including but not limited to Housing Stabilization Services, so that it covers all the housing stability services that a person may need to maintain housing
- 3 Broaden the network of supportive housing funders to include health-care and managed-care organizations

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## Reduce Barriers to Accessing Housing

- 1 Carry out the strategies and actions outlined under Make Programs More Accessible and Easier to Use (pages 27–29) with an inclusion, equity, justice and antiracist lens
- 2 Increase the supply of deeply affordable housing units, which would include expanding the availability of rental assistance beyond the funds provided in 2023 legislative session
- 3 Expand incentives for property owners/managers (for example, Landlord Risk Mitigation Funds) who provide housing to people with barriers, especially those with criminal records
- 4 Support providers and stakeholders to re-imagine Coordinated Entry and then develop a person-centered system that will quickly and successfully match a person experiencing homelessness with an appropriate housing resource
- 5 Increase access to funding for housing navigation providers and ensure they receive the training and information required to effectively provide competent, person-centered services

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## Target Resources to Culturally Focused Partners Serving People who Historically Have Been Excluded

- 1 Develop and implement a plan to learn and deepen our understanding of culturally focused partners, including their unique strengths and skills to connect and build relationships with people who may not typically access or trust government systems
- 2 Create greater equity in our competitive Request for Proposals by reducing the barriers of our government processes and increasing our assistance to potential applicants and partners
- 3 Support program partners to pay their employees a living wage by making sure they are not penalized or scored less in their applications for funding if their proposed budgets reflect higher-wage costs

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## Lead Interagency Work

- 1 Host and staff the Minnesota Interagency Council on Homelessness
- 2 Effectively implement “Crossroads to Justice,” the Council’s Housing, Racial, and Health Justice Plan for people facing homelessness in Minnesota

In Minnesota, over 7,900 people are homeless each night. While about 6,150 of them find shelter for the night, roughly 1,770 people sleep outside without shelter.

# Support People with Disabilities to Live Full, Independent and Integrated Lives in the Community

## KEY METRIC

Share of people participating in Minnesota Housing programs who have a disability

The State of Minnesota is committed to ensuring that people with disabilities live, learn and work in the most integrated setting. A crucial component of that commitment is making available affordable and accessible housing that is supported by self-directed services and linked to community amenities. People with disabilities must have the opportunity to choose where they live, with whom and in what type of housing. Supports and services need to provide sufficient flexibility to support individuals' choices on where they live and how they engage in their communities.

Minnesota adopted an Olmstead Plan in 2015, which includes measurable goals related to housing, services, transportation and several other factors that impact the ability of individuals with disabilities to live in the most integrated setting. Progress has been made. Between the baseline year of 2014 and 2022, the number of people who had lived in segregated settings and now live in integrated rental housing of their choice with rent support more than doubled from 5,995 to 12,897.<sup>18</sup> Nevertheless, much more work needs to be done, and the continued shortage of affordable and accessible housing across the state is a barrier that must be addressed.

## Create More Accessible Housing Opportunities for People with Disabilities

- 1 Understand the scope and nature of the need (for example, how many people currently living in segregated settings want to live in integrated settings in the community, and in what type of housing and where?)
- 2 Facilitate the creation and rehabilitation of housing that is affordable and accessible for individuals with disabilities:
  - a Use a broad and holistic definition of accessible that goes beyond just physical accessibility to include features like soundproofing and sensory devices for people who are hard of hearing or blind
  - b Make housing accessible through universal design
  - c Obtain resources to finance supportive housing for people with disabilities, such as Housing Infrastructure Bonds, Section 811 and Bridges
  - d Make the disability community aware of the new Bring It Home rental assistance program
  - e Make sure the Agency's programs serve the full range of low- to moderate-income households with a disability; for example, address the program gap for homeowners who cannot afford a Fix Up home improvement loan (with a market interest rate) but make too much to qualify for a Rehabilitation Program Loan (a zero-interest, deferred, forgivable loan)
- 3 Take steps to make sure housing designated for people with disabilities are occupied by people with disabilities



People with disabilities must have the opportunity to choose where they live, with whom and in what type of housing. Supports and services need to provide sufficient flexibility to support individuals' choices on where they live and how they engage in their communities.

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## Link Housing with Services and Community Amenities

- 1 Coordinate with the Department of Human Services and other state agencies to help ensure affordable housing financed by the Agency in the community has appropriate self-directed services for individuals with disabilities and linkages to community amenities
- 2 Finance housing that is near community amenities and accessible to public transportation so that residents get to and from grocery stores, clinics, jobs, etc.
- 3 Support and build the capacity of developers to create and operate affordable housing options with services for individuals with disabilities

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## Increase Awareness of Available Resources

- 1 Provide all program documents in plain language and an accessible format
- 2 Expand outreach and marketing to include social service agencies and trusted community-based organizations

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## Facilitate Interagency Actions

- 1 Continue to actively participate in the Olmstead Subcabinet
- 2 Host and staff the Olmstead Implementation Office, which coordinates the implementation of Minnesota's Olmstead Plan
- 3 Identify and actively participate in cross-agency initiatives to improve opportunities for individuals with disabilities to live in the most integrated housing of their choice
- 4 Meaningfully engage with individuals with disabilities to identify housing-related needs and co-create solutions, and compensate people with disabilities for their expertise

## Support Older Adults and Create Age-Friendly Communities

### KEY METRICS

Number of homes with residents age 65+ that are rehabilitated through the Rehab Loan Program, Fix Up program and Impact Fund

Number of senior rental housing units developed with Minnesota Housing funds

Over the next 15 years, the number of Minnesotans who are age 65 or older will increase by about 220,000, which will create new housing challenges.<sup>19</sup> Initially, as baby boomers have retired, they have predominantly lived independently and are aging in place, but as they get older and disabilities increase, the housing demands will become more complex. We will take steps to provide older adults with a range of housing and support options as their needs change.

Minnesota Housing is an active participant in the Governor's Council for an Age-Friendly Minnesota, which is a collaborative effort to make Minnesota's systems and communities more inclusive of and responsive to older adults. It is part of a global movement to prepare for an aging population and ensure that older people are valued and integrated into communities at a new level.

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## Support Older Minnesotans to Age in Place

- 1 Assist older Minnesotans in retrofitting and repairing their homes to improve the condition and make them safer and more accessible
- 2 Rehabilitate existing rental housing for older adults, which can be general-occupancy rental units or units specifically designated for older Minnesotans
- 3 Partner with the Department of Human Services (DHS), Minnesota Board on Aging, Community Action Agencies and others to assist seniors in receiving the in-home services they need
- 4 Find innovative models that holistically combine home repair and in-home services
- 5 Address the unique challenges that older adults in rural Minnesota face in finding and accessing age-friendly housing and services

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## Develop More Housing for Older Minnesotans that is Affordable

- 1 Build more senior rental housing leveraging Housing Infrastructure resources (\$200 million from the 2023 legislative session of which senior housing is an eligible use) and other resources
- 2 Develop smaller, single-level, owner-occupied homes with accessibility features to enable seniors to downsize
- 3 Encourage rental housing for older adults to have a services component — at a minimum, a tenant service coordinator
- 4 Focus on deeply affordable units for the lowest-income seniors

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## Investigate Alternative and Innovative Approaches

- 1 Support a full range of options:
  - a Accessory dwelling units (mother-in-law apartments),
  - b Home sharing (older adults renting a room to a younger roommate, who can help with household chores, with appropriate protections for the older adults),
  - c Shared housing (seniors living in a home together), and
  - d Multigenerational housing

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## Partner with the Department of Human Services (DHS) and Others

- 1 Develop a coordinated strategy with DHS that aligns and leverages each agency's expertise and resources
- 2 Continue actively participating in the Governor's Council for an Age-Friendly Minnesota and collaborate with other state agencies and partners to make Minnesota a great place for older adults
- 3 Collaborate to address shortages in home improvement contractors and in-home service staff

The number of Minnesotans who are age 65 or older will increase by about 220,000 over the next 15 years. As they get older and disabilities increase, the housing demands will become more complex.

A woman with glasses and a winter jacket stands in front of a wooden door. The image is overlaid with a semi-transparent purple filter. The text 'GLOSSARY of Terms' is centered over the image.

# GLOSSARY

## of Terms

# Glossary of Terms

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<b>A</b>	<b>Amortizing Loans/ Mortgages</b>	Loans where principal repayments and interest are paid on a set schedule over time.
	<b>Area Median Income (AMI)</b>	The median family income in a county or metropolitan area. If the area median income is \$100,000, 30% of AMI is \$30,000, and 50% of AMI is \$50,000.
<b>B</b>	<b>Balance Sheets</b>	Statements of an organization's assets, liabilities and capital that reflect the organization's financial health.
	<b>Bridges</b>	A state-funded rental assistance program for people with a mental illness.
<b>C</b>	<b>Census Tracts</b>	Small statistical subdivisions that are defined by the U.S. Census Bureau and contain roughly 4,000 people. They are often used by statisticians to capture the demographics of a community or neighborhood. Large cities have dozens of census tracts.
	<b>Certified Diverse Business</b>	A Minnesota-based, small business owned (at least 51%) by a woman, a person of color, or a person with a substantial physical disability who has operational control of the business.
	<b>Climate-Resilient Housing</b>	Housing that is capable of withstanding damage from extreme weather events, such as severe storms, flooding and droughts, which are occurring at great frequency with climate change.
	<b>Construction Loans</b>	Short-term loans used to finance the building of a home, apartment building or other real estate.
	<b>Continuums of Care</b>	Regional or local planning bodies that coordinate housing and services for people experiencing homelessness.
	<b>Coordinated Entry</b>	A centralized process designed to coordinate intake, assessment and housing/service referral for people experiencing homelessness.
	<b>Cooperative Ownership</b>	A residential housing option where each resident is a shareholder in the corporation that owns the property.
	<b>Cost Burdened</b>	The situation where households spend more than 30% of their gross income on housing.
	<b>Credit Rating</b>	An evaluation of how likely a borrower is to pay back lenders.
	<b>Cultural Competency</b>	Being aware of your own cultural beliefs and values and how they may differ from other cultures. It involves learning about, honoring and respecting other cultures.
	<b>Culturally Adaptive</b>	The ability to understand and adapt to other cultures in your day-to-day activities and work.

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**Culturally Effective Services** Services tailored and responsive to the needs of people from different cultures.

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**D Deeply Affordable Housing** Housing that is affordable for people with incomes at or below 30% of the area median income and includes units with an affordable overall rent or rental assistance. It also includes supportive housing, which links housing and services.

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**Deferred Loans** Loans that do not require borrowers to pay back any of the original principal balance until the end of the loan term. Many of Minnesota Housing’s deferred loans also charge zero interest.

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**Downpayment and Closing Cost Assistance** Provides borrowers with funds to help cover the downpayment and closing costs of their mortgage.

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**E Energy-Efficient Housing** Housing that reduces energy consumption and greenhouse emissions.

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**Enhanced Sustainability Selection Points** Points awarded in Minnesota Housing’s competitive process for selecting housing developments for funding. Proposed rental developments that have additional environmentally sustainable features (such as greater energy efficiency) get more points in the selection process.

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**Emergency Assistance Program** A cash-grant program administered through the Department of Human Services and Minnesota’s 87 counties for families with low incomes that are experiencing household emergencies.

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**F Family Homeless Prevention and Assistance Program (FHPAP)** A program that assists people experiencing homelessness or are at imminent risk of homelessness.

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**Fix Up Loans** Loans that provide amortizing home-improvement loans to low- and moderate-income homeowners to improve the livability and energy efficiency of their homes.

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**G Greater Minnesota** The 80 counties in Minnesota outside of the seven-county metropolitan area of the Twin Cities.

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**Greenhouse Gases** Includes carbon dioxide, methane and nitrous oxide. Increased emission of these gases causes global warming. The burning of fossil (carbon-based) fuels, such as coal, oil, gasoline and natural gas, emits carbon dioxide.

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**Green Housing** Offers a nontoxic, small-carbon-footprint and sustainable places to live. It focuses on the efficient use of energy, water and building materials in the construction of the housing.

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<b>H</b>	<b>Homeowner Associations</b>	The governing body of many common-interest communities, including subdivisions, planned communities or condominium buildings.
	<b>Homeownership Gap/Disparity</b>	The gap or disparity in homeownership rates between two subpopulations, such as between white and Black households.
	<b>Housing Choice Vouchers</b>	A federal rental assistance program, also known as Section 8 vouchers, in which the renter can choose the rental unit to use the voucher and bring it with them if they move.
	<b>Housing Infrastructure Bonds and Appropriations</b>	Provided by the Minnesota Legislature for the development and rehabilitation of housing. Typically, the resources are provided through a capital or bonding bill, but they can also be provided through a direct appropriation.
	<b>Housing Navigation Services</b>	Services that assist people in obtaining housing.
	<b>Human-Centered Design</b>	An approach for designing or 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.
<b>I</b>	<b>Income/Rent Restrictions</b>	Require property managers to restrict the incomes of people who move into the housing and the rents that they can charge in exchange for government funding and subsidies.
	<b>Inflation Reduction Act (IRA)</b>	A 2022 law that is intended to: (1) help the United States meet its climate goals and strengthen energy security, (2) invest in America to create good-paying jobs, (3) reduce energy and health care costs, and (4) make the tax code fairer.
<b>L</b>	<b>LGBTQIA2S+</b>	Refers to people who identify as lesbian, gay, bisexual, transgender, queer/questioning, intersex, asexual, Two Spirit and other identities.
	<b>Low-Income Housing Tax Credits (LIHTC)</b>	Provide federal income tax credits to owners and investors in the construction or acquisition/substantial rehabilitation of eligible rental housing. This program is one of the primary tools for financing the development of affordable housing.
<b>M</b>	<b>Mortgage</b>	A type of loan used to finance the purchase of a property.
<b>N</b>	<b>Naturally Occurring Affordable Housing (NOAH)</b>	Housing that is “naturally” affordable without government subsidies or income/rent restrictions. The housing is typically older, lacks amenities and needs repairs.

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<b>O</b>	<b>Overcrowded</b>	A condition where there is more than one person per room (all rooms, not just bedrooms) in the home.
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<b>P</b>	<b>Prevailing Wage</b>	The minimum hourly wage employers must pay certain workers who work on construction projects where state dollars are used to fund the construction.
<hr/>		
	<b>Preservation Affordable Rental Investment Fund (PARIF)</b>	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) the newly added use of Naturally Occurring Affordable Housing properties.
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	<b>Project-Based Section 8</b>	A federal program where rental assistance is tied to a specific housing development. Under the program, HUD contracts with property owners to provide rental assistance for a fixed period for low-income households. No new development has been funded under this program since the mid-1980s.
<hr/>		
	<b>Publicly Owned Housing Program (POHP)</b>	Provides 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.

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<b>R</b>	<b>Rehabilitation Loan Program (RLP)</b>	Provides zero-interest, deferred loans to extremely low-income homeowners to improve the safety, livability or energy efficiency of their homes.
	<b>Rental Assistance</b>	A form of housing assistance where renters generally pay 30% of their income in rent and the program covers the remaining portion of the full rent for the housing.
	<b>Rental Rehabilitation Deferred Loan (RRDL) Program</b>	Provides deferred loans at no interest to individuals, developers, nonprofits, units of government and Tribal housing corporations for the moderate rehabilitation of existing affordable rental housing throughout Greater Minnesota. The program serves owners of smaller, federally assisted properties or naturally affordable properties.
	<b>Request for Proposals (RFP)</b>	A document that an organization, often a government agency or large enterprise, posts to elicit formal proposals and bids for work, which can include developing housing or providing housing-related services.
<b>S</b>	<b>Section 8</b>	A federal rental assistance program that provides both tenant vouchers (Housing Choice Vouchers) and project-based assistance (in which the assistance is tied to a specific housing project).
	<b>Section 811</b>	A federal program through which HUD has provided funding to states for project-based rental assistance to create integrated supportive housing units for people with disabilities.
	<b>Special Purpose Credit Programs</b>	Assistance programs for potential homebuyers who have been excluded and face barriers to equitable access to credit.
	<b>Strategic Plan</b>	A document that outlines what an organization is, whom it serves, what it does, and why it does it, with a focus on the future. It sets priorities, focuses energy and resources, strengthens operations, ensures that employees and other stakeholders are working toward common goals, establishes agreement around intended outcomes/results, and assesses and adjusts the organization's direction in response to a changing environment.
	<b>Supportive Housing</b>	Combines affordable housing with wrap-around supportive services for people experiencing homelessness, as well as other people with disabilities.
	<b>Sustainable Housing</b>	Environmentally sustainable and built, operated and maintained in ways that reduce the home's carbon, water and material use.
<b>T</b>	<b>Tenant Protections</b>	Laws designed to prevent renter discrimination and rent gouging, ensure renters have a safe and clean place to live, and provide renters with legal recourse.
	<b>Tenant Screening Criteria</b>	Used by property managers to select rental applicants to live in their property. The screening criteria include the applicant's income level as well as their criminal, rental and credit histories.

## Endnotes

- 1 Minnesota Housing Analysis of data from the U.S. Census Bureau, *American Community Survey* (1-Year Sample, 2021). Lower income is defined as less than \$50,000 of annual income.
- 2 Minnesota Housing Analysis of data from the U.S. Census Bureau, *American Community Survey* (1-Year Sample, 2021).
- 3 Minnesota Housing Analysis of data from the U.S. Census Bureau, *American Community Survey* (1-Year Sample, 2021), and HUD's 2022 Point-in-Time count of the homeless population.
- 4 Minnesota Pollution Control Agency, *Greenhouse Gas Emissions in Minnesota 2005-2020* (January 2023); <https://www.pca.state.mn.us/sites/default/files/lraq-2sy23.pdf>.
- 5 Minnesota Housing data for the Project-Based Section 8 contracts that it administers on behalf of the U.S. Department of Housing and Urban Development (HUD).
- 6 Minnesota Housing estimate using data from a range of sources.
- 7 Minnesota Housing analysis of data from the U.S. Census Bureau, *American Community Survey* (1-Year Sample, 2021).
- 8 Modeling carried out by Minnesota Housing, using data from multiple sources.
- 9 Minnesota Housing analysis of data from the Department of Housing and Urban Development's (HUD's) Comprehensive Housing Affordability Strategy (CHAS) data (2015-2019).
- 10 Minneapolis Area Association of Realtors, June 2023 data.
- 11 The existing voucher programs include Housing Choice Vouchers, USDA Rural Rental Assistance, Housing Trust Fund, Homework Starts with Home and Bridges. The number of renters with income at or below 50% of AMI who lack affordable housing comes from a Minnesota Housing analysis of data from the U.S. Census Bureau, *American Community Survey* (1-Year Sample, 2021).
- 12 Data provided by the Metro Housing and Redevelopment Authority (HRA).
- 13 Minnesota Housing analysis of data from the U.S. Census Bureau, *American Community Survey* (1-Year, Sample, 2021).
- 14 Victoria Clark, *Data Matters: Understanding the Role of Manufactured Home Communities in the Affordable Housing Continuum* (Northcountry Cooperative Foundation and the Center for Urban and Regional Affairs (CURA) at the University of Minnesota: March 2019).
- 15 Minnesota Housing Analysis of data from the U.S. Census Bureau, *American Community Survey* (1-Year Sample, 2021).
- 16 Minnesota Housing Analysis of data from the U.S. Census Bureau, *American Community Survey* (1-Year Sample, 2021).
- 17 Minnesota Housing analysis of Homelessness Point-in-Time count data from the U.S. Department of Housing and Urban Development (HUD) for 2010-2022.
- 18 Minnesota Olmstead Plan tracking and reporting.
- 19 Minnesota Housing analysis of data from the Minnesota Office of the State Demographer.





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