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Equal Opportunity Housing and Equal Opportunity Employment

Legislative Summary 2015

The primary purpose of the Legislative session in odd-numbered years is to enact a two-year state budget. The 2015 Regular Session ended with Governor Dayton vetoing three budget bills, including the Omnibus Jobs, Housing and Energy bill, which includes Minnesota Housing's state appropriated budget. The Legislature convened for a one-day Special Session on June 12, 2015 and passed new versions of the vetoed budget bills. This finalized the \$41.8 billion state budget for fiscal years 2016 and 2017, leaving \$865 million on the bottom line. During the special session, the Legislature also passed a Capital Investment bill which authorizes \$10 million in Housing Infrastructure Bonds. Overall, Minnesota Housing received a \$6.5 million increase in total appropriations above anticipated funding levels. This is a \$3 million increase over FY2014-15 funding levels.

Omnibus Jobs, Housing, and Energy Bill ([2015 First Special Session, Chapter 1](#))

Minnesota Housing Budget (Article 1, Section 3)

The bill provides \$104,596,000 in total spending for Minnesota Housing programs, which includes one-time special initiatives as well as ongoing base increases.

The budget includes a \$2.5 million base increase for the **Bridges program**. Bridges provides rental assistance for households in which at least one adult member has a serious mental illness. It allows these households to live in the community in housing of their choice. The increase to Bridges was not included in the vetoed bill and was one of the items that the Governor identified in his veto letter.

The bill includes ongoing funding for the **Homeless Management Information Systems (HMIS)** of \$125,000 per year. The funding comes out of the base budget for the agency's capacity building program.

The bill includes \$890,000 in general appropriations to Minnesota Housing. These funds come from three line items from the agency's FY 2014-15 budget that the Governor proposed to reallocate to Capacity Building and the Housing Trust Fund.

One-time Appropriations:

- The bill funds the **Housing and Job Growth initiative** at \$2 million. The Housing and Job Growth Initiative was first funded in the FY2014-15 budget at \$10 million. It provides financing for housing in areas of the state where employers are poised to expand but there is not enough housing to meet the needs of the local workforce.
- The bill also funds the **Rental Assistance for Highly Mobile Students initiative** at \$2 million, which will provide rental assistance to families with school-aged children that have had frequent moves. This initiative was also first funded in the FY2014-15 budget at \$2 million.

Workforce Housing Grant Program (Article 2, Section 2)

The bill creates a new workforce housing development grant program at the Department of Employment and Economic Development (DEED). The program received \$4 million in funding for FY2016-17. The funding can only be used to fund non income-restricted housing in Greater Minnesota. The funds cannot be paired with funds that have income limits.

Capital Investment Bill ([2015 First Special Session, Chapter 5](#))

The Capital Investment bill authorizes Minnesota Housing to issue \$10 million in Housing Infrastructure Bonds. The bill includes an appropriation from the General Fund to pay the debt service on the bonds. The appropriation is \$800,000 per year for 22 years.

Housing Infrastructure Bond proceeds can be used for four purposes:

- to construct or acquire and rehabilitate housing that will be used as permanent supportive housing for those who have experienced homelessness,
- to preserve existing federally-assisted housing,
- to acquire and rehabilitate foreclosed rental housing or for new construction of rental housing on parcels that have been foreclosed,
- or for the cost of acquiring the land that will be held by the land trusts for single family housing.

We will award the Housing Infrastructure Bond proceeds this year through our annual competitive request for proposal process. We estimate 150 - 200 units of housing will be constructed or preserved with the Housing Infrastructure Bond proceeds.

Omnibus Health and Human Services Finance Bill ([2015 Regular Session, Chapter 71](#))

The Health and Human Services Finance Bill was passed and signed as part of the Regular Session. The bill includes funding increases for several programs that provide homeless supportive services.

Long Term Homeless Supportive Services and Emergency Services Program (Article 14, Section 2)

The Health and Human Services Finance Bill includes a \$2 million increase in funding for the long term homeless supportive services fund, which provides integrated services needed to stabilize individuals, families and youth living in supportive housing.

In addition to the long term homeless supportive services, the bill includes a \$500,000 increase for the Emergency Services Program, which provides services and emergency shelter for homeless Minnesotans.

Homeless Youth Act (Article 14, Section 2)

The Health and Human Services Finance bill includes a \$2 million funding increase for the Homeless Youth Act. The Homeless Youth Act includes a grant program for services providers that serve homeless youth, creates a street outreach program to reach homeless youth, and defines supportive services that meet the needs of homeless youth.

Safe Harbor (Article 14, Section 2)

The Health and Human Services Finance Bill includes a \$1.4 million increase for the Safe Harbor initiative, which is an effort to raise awareness of and prevent sexual exploitation of youth.

Please contact Ryan Baumtrog (ryan.baumtrog@state.mn.us) or Katie Topinka (katie.topinka@state.mn.us) if you have questions or want more details.



Minnesota Housing FY 2016-17 Budget

Program	FY 14-15 Budget	FY 16-17 Governor's Rec	FY 16-17 Budget Special Session, Chapter 1
Challenge	\$18,406,000	\$25,850,000	\$25,850,000
Housing and Job Growth Initiative (one-time)	\$10,000,000	\$10,000,000	\$2,000,000
Housing Trust Fund	\$20,553,000	\$23,292,000	\$22,942,000
Rental Assistance Initiatives (one-time)	\$3,000,000	\$2,000,000	\$2,000,000
Bridges	\$5,676,000	\$8,176,000	\$8,176,000
Family Homeless Prevention	\$15,725,000	\$17,038,000	\$17,038,000
Homeownership Assistance Fund	\$1,660,000	\$1,770,000	\$1,770,000
Preservation (PARIF)	\$8,436,000	\$8,436,000	\$8,436,000
Rental Rehabilitation Loans	\$6,276,000	\$7,486,000	\$7,486,000
Homeownership Rehab Loans	\$8,544,000	\$5,544,000	\$5,544,000
HECAT	\$1,582,000	\$1,714,000	\$1,714,000
Capacity Building	\$750,000	\$1,290,000	\$500,000
HMIS	-0-	\$250,000	\$250,000
Special Initiatives	\$890,000	-0-	\$890,000
TOTAL	\$101,498,000	\$112,846,000	\$104,596,000