Meetings Scheduled for January

Date:	01/25/24, 1 p.m.
In Person:	Minnesota Housing, Lake Superior Conference Room, 400 Wabasha Street N. Suite 400 St. Paul, MN 55102
Conference Call:	1.877.309.2074, Access Code: 178-039-785

Note:

The information and requests for approval contained in this packet of materials are being presented by Minnesota Housing staff to the Minnesota Housing Board of Directors for its consideration on Thursday, January 25, 2024.

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

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

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MINNESOTA HOUSING

Agenda: Minnesota Housing Board Meeting
Date: 01/25/24, 1 p.m.

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

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

Standing Items

- Call to Order
- Roll Call
- Agenda Review
- Approval of Minutes
    a. (page 5) Regular Meeting of December 14, 2023

Reports
- Chair
- Commissioner
- Committee

Consent Agenda

A. (page 13) Extension, Minnesota Homeownership Center, Operating Technical Assistance Grant
B. (page 17) Forbearance Extension, Urban Indian Housing Program (UIHP), Minnesota Indian Women's Resource Center, D0806, Minneapolis
C. (page 21) Approval, Change in Loan Term, Rental Rehabilitation Deferred Loan (RRDL), Gra Mar Court Apartments, D8281, Kerkhoven
D. (page 25) Approval, Amendment to the Workforce Housing Development Program (WHDP) Guide

Action Items

Discussion Items

None

Information Items

Other Business

None

DRAFT Minutes
Minnesota Housing Board Meeting
Thursday, December 14, 2023
12:00 p.m.

1. **Call to Order.**
   Chair DeCramer called to order the regular meeting of the Board of Minnesota Housing Finance Agency at 12:04 p.m.

2. **Roll Call.**
   Members Present via hybrid: Chief Executive Benjamin, Auditor Blaha, Eric Cooperstein, Chair DeCramer, Stephanie Klinzing, Stephen Spears and Terri Thao.

   Minnesota Housing Staff present via hybrid: Anbar Ahmed**,** Tal Anderson, Tom Anderson, Erika Arms, Ryan Baumtrog, Abigail Behl, Scott Beutel, Jennifer Bergmann, Susan Bergmann, Cory Boushee, Joe Boutch, Sondra Breneman, Sarah Broich, Stacie Brooks, Sara Bunn, Deran Cadotte, Arlette Cuevas Renteria, Lane DeSalvo, Suzanne Dilla, Amol Dixit, Michelle Doyal, Allison Ehlert, Diane Elias, Mark Engel, Kathy Engstrom, Jim Erchul, Becca Faircloth, Vicki Farden, Jennifer Finnesgard, Graydon Francis, Mark Freeman, Steve Furlong, Rachel Franco, Rachel Ganani, Sara Gomoll, Vanessa Haight, Amanda Hedlund, Annalise Heitz, Anne Heitlinger, Darryl Henchen, Genevieve Hernandez, Adam Himmel, Jennifer Ho, Heidi Hovis, Summer Jefferson, Will Jensen-Kowski, Hannah Jirak, Callie Jirik, Karen Johnson, Irene Kao, Millicent Kasal, Aaron Keniski, Katey Kinley, Dan Kitzberger, Janine Langsjoen, Tresa Larkin, Debbi Larson, Tricia Lau, Ger Lee, Song Lee, Rachel Lochner, James Lehnhoff, Paul Marzynski, Sarah Matala, Jill Mazullo, Eric Matson, Don McCabe, David McGee, Leighann McKenzie, Colleen Meier, Amy Melmer, Erin Menne, Krissi Mills, Gary Mortenson, Gerald Narlock, Nira Ly, John Patterson, Mason Persons, Kirby Pitman, Caryn Polito, Ann Provo, Rinal Ray, Annie Reierson, Brittany Rice, Paula Rindels, Cheryl Rivinius, Dani Salus, Joel Salzer, Kayla Schuchman, Kareem Sherard, Mike Solomon, Steve Stanley, Corey Strong, Kimberly Stuart, Jodell Swenson, Mike Thomas, Susan Thompson, Mike Thone, Kody Thurnau, Nancy Urbanski, Que Vang, Teresa Vaplon, Manire Vaughn, Nicola Viana, Amanda Welliver, Alyssa Wetzel-Moore, Lakisha Whitson, Kelly Winter, Laurie Zabel and Kristy Zack.

   Others present via hybrid: Michelle Adams, Kutak Rock; Ramona Advani, Office of the Minnesota State Auditor; Melanie Johnson, Piper Sandler & Co.

3. **Agenda Review**
   None.

4. **Approval**
   Regular Meeting Minutes of November 16, 2023

Motion: Chief Executive Benjamin moved to approve the November 16, 2023, Regular Meeting Minutes. Seconded by Stephanie Klinzing. Roll call was taken. Motion carries 7-0. All were in favor.

5. Reports

A. Chair

None.

B. Commissioner

Commissioner Ho shared the following with the Board:

- Welcome new employees
- Meetings
- Program Updates

C. Committee

None.

6. Consent Agenda

A. Approval, Minnesota Child Tax Credit & Agency Programs

B. Approval, Amending Housing Stability Program Guides for the Tribal Per Capita Payment Exclusion

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

7. Action Items

A. Adoption, Series Resolution Authorizing the Issuance and Sale of Variable Rate Residential Housing Finance Bonds (RHFB)

Mike Solomon presented to the board a request for approval of a resolution authorizing the issuance and sale of variable rate residential housing finance bonds (RHFB). Michelle Adams joined the meeting to review the resolution. Chair DeCramer opened up the discussion Board members asked questions, and staff provided answers.

Motion: Stephanie Klinzing moved Adoption, Series Resolution Authorizing the Issuance and Sale of Variable Rate Residential Finance Housing Bonds. Seconded by Eric Cooperstein. Roll call was taken. Motion carries 7-0. All were in favor.

B. Approval, Selection of the Agency's Financial Advisor for 2024 - 2027

Mike Solomon presented to the board a request for approval of the recommendation to appoint CSG Advisors to serve as the Agency's Financial Advisor for the period covering 2024-2027. Chair DeCramer opened up the discussion. Board members asked questions, and staff provided answers.

Motion: Terri Thao moved Approval, Selection of the Agency's Financial Advisor for 2024 - 2027. Seconded by Eric Cooperstein. Roll call was taken. Motion carries 7-0. All were in favor.

C. Amendment to Limited Obligation Senior Housing Revenue Note, Series 2005 - CommonBond 202 Project

Mike Solomon presented to the board a request for the approval of CommonBond's request to amend the Limited Obligation Senior Housing Revenue Note, Series 2005, dated December 21, 2005, to change the Mandatory Tender Date from January 1, 2024, to May 1, 2024. The interest rate and required monthly payments will not change during that period. Chair DeCramer opened up the discussion. Board members asked questions, and staff provided answers.

Motion: Stephanie Klinzing moved Amendment to Limited Obligation Senior Housing Revenue Note, Series 2005 - CommonBond 202 Project. Seconded by Chief Executive Benjamin. Roll call was taken. Motion carries 7-0. All were in favor.

D. Approval, Amendments to the Workforce Housing Development Program Guide

Sara Bunn presented to the board a request for approval of the Workforce Housing Development Program (WHDP) Program Guide amendments. Chair DeCramer opened up the discussion. Board members asked questions, and staff provided answers.

Motion: Terri Thao moved Approval, Amendments to the Workforce Housing Development Program Guide. Seconded by Chief Executive Benjamin. Roll call was taken. Motion carries 7-0. All were in favor.

E. Waiver of 15-Year Minimum Term, Housing Trust Fund (HTF) Loan - Vail House fka Cabrini House, D1883, Minneapolis, MN

Sarah Matala presented to the board a request for approval of a waiver to terminate the Housing Trust Fund (HTF) Loan Repayment Agreement and Mortgage before the loan reaches the 15-year minimum term. Chair DeCramer opened up the discussion. Board members asked questions, and staff provided answers.

Motion: Eric Cooperstein moved Waiver of 15-Year Minimum Term, Housing Trust Fund Loan - Vail House fka Cabrini House, D1883, Minneapolis, MN. Seconded by Terri Thao. Roll call was taken. Motion carries 7-0. All were in favor.

F. Commitment, Low and Moderate Income Rental (LMIR) Loan, Funding Modification, Economic Development and Housing Challenge (EDHC) program, Update to Waiver of the Predictive Cost Model and Forgiveness of Accrued Interest - Wadaag Commons, D8217, Minneapolis, MN

Susan Thompson presented to the board a request for approval of the following: 1. Adoption of a resolution authorizing the issuance of a LMIR program commitment in the amount of up to $2,906,000; 2. Adoption of a resolution modifying the loan under the EDHC program, from $3,964,000 to a maximum of $5,303,000, increasing the committed loan amount by $1,339,000; 3. Approval of a waiver to the predictive cost model. The total development cost (TDC) per unit is $678,273 and exceeds the predictive model by 46%. A waiver of the predictive cost model was approved at the January 28, 2022, board meeting. Under Board Policy No. 15, an increase of more than 10 percentage points requires an updated waiver; and 4. Approval of accrued interest

on the existing Community Revitalization (CRV) loan be forgiven to the extent that the loan amount (principal plus accrued interest) exceeds $297,609. Chair DeCramer opened up the discussion. Board members asked questions, and staff provided answers.
Motion: Terri Thao moved Commitment, Low and Moderate Income Rental Loan, Funding Modification, Economic Development and Housing Challenge program, Update to Waiver of the Predictive Cost Model and Forgiveness of Accrued Interest - Wadaag Commons, D8217, Minneapolis, MN. Seconded by Eric Cooperstein. Roll call was taken. Motion carries 7-0. All were in favor.

G. Waiver of the Predictive Cost Model Threshold and Housing Tax Credit (HTC) per Development Allocation Credit Limit - Harbor Highlands VI, D8500, Duluth MN

Steve Stanley presented to the board a request for approval of a waiver to approve a waiver to the predictive cost model. The total development costs per unit is $491,534 and now exceeds the predictive cost model by 44%. Since the percentage is over the predictive cost model threshold of 25%, the increase requires a waiver under Board Policy No. 15. Staff also requested a board waiver to the HTC development allocation credit limit so that an additional $417,415 in HTCs can be allocated for a total of $1,765,672 at carryover. Since the cumulative allocation will be in excess of the $1,350,000 per development limit, the additional allocation requires board approval of a waiver. Chair DeCramer opened up the discussion. Board members asked questions, and staff provided answers.
Motion: Terri Thao moved Waiver of the Predictive Cost Model Threshold and Housing Tax Credit per Development Allocation Credit Limit - Harbor Highlands VI, D8500, Duluth MN. Seconded by Stephanie Klinzing. Roll call was taken. Motion carries 7-0. All were in favor.

H. Waiver of the Predictive Cost Waiver - Minnesota Indian Women's Resource Center, D0860, Minneapolis MN

Jennifer Finnesgard presented to the board a request for approval of an updated waiver to the predictive cost model. The total development costs per unit is $630,496 and is now approximately 83% over the predictive cost model estimate of $345,114. Since costs have increased and now exceed the original board approved waiver by more than ten percentage points, the increase requires an updated waiver under Board Policy No. 15. Chair DeCramer opened up the discussion. Board members asked questions, and staff provided answers.
Motion: Chief Executive Benjamin moved Waiver of the Predictive Cost Model Threshold - Minnesota Indian Women's Resource Center, D0860, Minneapolis MN. Seconded by Eric Cooperstein. Roll call was taken. Motion carries 7-0. All were in favor.

I. Approval, 2023 Manufactured Home Community Redevelopment Program Request for Proposals (RFP) Selections

Annie Reierson and Colleen Meier presented to the board a request for approval of the 2023 Manufactured Home Community Redevelopment Program Request for Proposals

(RFP) and Selection Committee recommendations. Chair DeCramer opened up the discussion. Board members asked questions, and staff provided answers.
Motion: Stephanie Klinzing moved Approval, 2023 Manufactured Home Community Redevelopment Program Request for Proposals Selections. Seconded by Terri Thao. Roll call was taken. Motion carries 7-0. All were in favor.

J. Approval, Single Family Selections, Community Homeownership Impact Fund and Workforce and Affordable Homeownership Development
Amanda Hedlund and Leighann McKenzie presented to the board a request for approval of funding recommendations for proposals submitted to the Community Homeownership Impact Fund (Impact Fund) and Workforce and Affordable Homeownership Development (Workforce Homeownership) through the Single Family Consolidated Request for Proposals (RFP). Chair DeCramer opened up the discussion. Board members asked questions, and staff provided answers.
Motion: Eric Cooperstein moved Approval, Single Family Selections, Community Homeownership Impact Fund and Workforce and Affordable Homeownership Development excluding the following projects:

- Blaine EDA/Blaine Manufactured Home Improvement Program
- CPED/Minneapolis Homes: Community Fix Up Program
- One Roof Community Housing Downpayment Program

Seconded by Terri Thao. Roll call was taken. Motion carries 7-0. All were in favor.

Motion: Eric Cooperstein moved Approval, Single Family Selections, Community Homeownership Impact Fund and Workforce and Affordable Homeownership Development for:

- Blaine EDA/Blaine Manufactured Home Improvement Program
- CPED/Minneapolis Homes: Community Fix Up Program

Seconded by Stephanie Klinzing. Terri Thao abstained. Roll call was taken. Motion carries 6-0. All were in favor.

Motion: Eric Cooperstein moved Approval, Single Family Selections, Community Homeownership Impact Fund and Workforce and Affordable Homeownership Development for:

- One Roof Community Housing Downpayment Program

Seconded by Terri Thao. Chief Executive Benjamin abstained. Roll call was taken. Motion carries 6-0. All were in favor.

Motion: Chief Executive Benjamin moved to rescind the initial motion Approval, Single Family Selections, Community Homeownership Impact Fund and Workforce and Affordable Homeownership Development excluding the following projects:

- Blaine EDA/Blaine Manufactured Home Improvement Program
- CPED/Minneapolis Homes: Community Fix Up Program
- One Roof Community Housing Downpayment Program

Seconded by Terri Thao. Roll call was taken. Motion carries 7-0. All were in favor.

Motion: Stephanie Klinzing moved Approval, Single Family Selections, Community Homeownership Impact Fund and Workforce and Affordable Homeownership Development excluding the following projects:

- Blaine EDA/Blaine Manufactured Home Improvement Program
- CPED/Minneapolis Homes: Community Fix Up Program
- One Roof Community Housing Downpayment Program
- PPL Greenbelt Homes

Seconded by Terri Thao. Roll call was taken. Motion carries 7-0. All were in favor.

Motion: Eric Cooperstein moved Approval, Single Family Selections, Community Homeownership Impact Fund and Workforce and Affordable Homeownership Development for:

- PPL Greenbelt Homes

Seconded by Terri Thao. Stephen Spears abstained. Roll call was taken. Motion carries 6-0. All were in favor.

K. Approval, 2023 Multifamily Consolidated Request for Proposals (RFP) Selections for Deferred and Amortizing Loans, 2024 Housing Tax Credits (HTC) Round 1, and the United States Housing and Urban Development (HUD) Section 811 Project-Based Rental Assistance

Que Vang presented to the board a request for approvals related to the 2023 Multifamily Consolidated RFP/2024 HTC Round 1. Chair DeCramer opened up the discussion. There were no questions from board members.
Motion: Eric Cooperstein moved adoption of a Resolution Approving Allocation of Federal Low Income Housing Tax Credits for Calendar Year 2024 excluding:

- PPL/BC Family Housing Phase I

Seconded by Terri Thao. Roll call was taken. Motion carries 7-0. All were in favor.

Motion: Terri Thao moved to rescind the motion approving the Resolution Approving Allocation of Federal Low Income Housing Tax Credits for Calendar Year 2024 excluding:

- PPL/BC Family Housing Phase I.

Seconded by Eric Cooperstein. Roll call was taken. Motion carries 7-0. All were in favor.

Motion: Eric Cooperstein moved adoption of a Resolution Approving Allocation of Federal Low Income Housing Tax Credits for Calendar Year 2024 excluding the following projects:

- PPL/BC Family Housing Phase I
- Sandgrass Pointe

Seconded by Terri Thao. Roll call was taken. Motion carries 7-0. All were in favor.

Motion: Eric Cooperstein moved adoption of a Resolution Approving Allocation of Federal Low Income Housing Tax Credits for Calendar Year 2024 for:

- PPL/BC Family Housing Phase I

- Sandgrass Pointe

Seconded by Stephanie Klinzing. Stephen Spears abstained. Roll call was taken. Motion carries 6-0. All were in favor.

Motion: Eric Cooperstein moved adoption of a Resolution Approving Selection of Developments for Further Processing and Commitment of Projects for Deferred Financing and Authorizing the Closing of Loans Related to the Following Programs and Funding Sources: Economic Development and Housing Challenge (EDHC), Emergency Rental Assistance 2 (ERA2) Capital Funding, HOME Investment Partnership Program (HOME), Housing Infrastructure Appropriations, and Preservation Affordable Rental Investment Fund (PARIF) excluding the following projects:

- PPL/BC Family Housing Phase I
- Sandgrass Pointe

Seconded by Terri Thao. Roll call was taken. Motion carries 7-0. All were in favor.

Motion: Eric Cooperstein moved adoption of a Resolution Approving Selection of Developments for Further Processing and Commitment of Projects for Deferred Financing and Authorizing the Closing of Loans Related to the Following Programs and Funding Sources: Economic Development and Housing Challenge (EDHC), Emergency Rental Assistance 2 (ERA2) Capital Funding, HOME Investment Partnership Program (HOME), Housing Infrastructure Appropriations, and Preservation Affordable Rental Investment Fund (PARIF) for:

- PPL/BC Family Housing Phase I
- Sandgrass Pointe:

Seconded by Stephanie Klinzing. Stephen Spears abstained. Roll call was taken. Motion carries 6-0. All were in favor.

Motion: Eric Cooperstein moved adoption of a Resolution Approving Selections of Low and Moderate Income Rental Program Loans and Bond Bridge Loans excluding the following projects:

- PPL/BC Family Housing Phase I
- Sandgrass Pointe.

Seconded by Terri Thao. Roll call was taken. Motion carries 7-0. All were in favor.

Motion: Eric Cooperstein moved adoption of a Resolution Approving Selections of Low and Moderate Income Rental Program Loans and Bond Bridge Loans for:

- PPL/BC Family Housing Phase I
- Sandgrass Pointe

Seconded by Stephanie Klinzing. Stephen Spears abstained. Roll call was taken. Motion carries 6-0. All were in favor.

Motion: Eric Cooperstein moved adoption of a Resolution Approving Selection and Commitment United States Department of Housing and Urban Development (HUD)

Section 811 Project-Based Rental Assistance. Seconded by Terri Thao. Roll call was taken. Motion carries 7-0. All were in favor.

8. Discussion Items

A. Fiscal Year 2024 Quarter 1 Financial Update

Mike Solomon provided the board with an update on the Fiscal Year 2024 Quarter 1 Financials.

9. Information Items

None.

10. Other Business

None.

11. Adjournment

The meeting was adjourned at 3:28 p.m.

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John DeCramer, Chair

MINNESOTA HOUSING

Consent Item: A
Date: 01/10/2024
Staff Contacts: Tal Anderson, 651.296.2198, tal.anderson@state.mn.us
Karen Johnson, 651.297.5146, karen.l.johnson@state.mn.us
Request Type: Approval, Resolution

Item

Extension, Minnesota Homeownership Center, Operating Technical Assistance Grant

Request Summary:

Staff requests additional time to enter into a sole source operating technical assistance grant to the Minnesota Homeownership Center to support in the administration and delivery of the Homeownership Education, Counseling and Training (HECAT) Fund and to provide leadership of the Homeownership Opportunity Alliance (HOA) for the 2024 and 2025 state fiscal years.

Fiscal Impact:

The operating and technical assistance support grant is funded from Pool 3 and will not earn interest for the Agency.

Agency Priorities:

☐ Improve the Housing System

☐ Preserve and Create Housing Opportunities

☒ Make Homeownership More Accessible

☐ Support People Needing Services

☐ Strengthen Communities

Attachments:

- Background
- Resolution

Background

At the September 21, 2023 board meeting, the Minnesota Housing Board approved a staff request of an operating technical assistance grant to the HOC funded for $240,000 for a two-year grant period, October 1, 2023 - September 30, 2025 through Resolution No. MHFA 23-049. Agency staff was provided a three-month period to enter into a grant contract agreement. Staff has been working with the Minnesota Homeownership Center; however, additional time is needed to execute the agreement.

Staff hereby requests a 90-day extension to execute an Operating Technical Assistance grant contract agreement with the Minnesota Homeownership Center.

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

RESOLUTION NO. MHFA 24-XX
SUPERSEDING RESOLUTION NO. MHFA 23-049

RESOLUTION APPROVING OPERATING TECHHNICAL ASSISTANCE GRANT FUNDS FOR THE MINNESOTA HOMEOWNERSHIP CENTER

WHEREAS, the Minnesota Housing Finance Agency (Agency) will provide grant funds to the Minnesota Homeownership Center to provide services under the operating technical assistance program; and

WHEREAS, Agency staff has reviewed the work plan and related materials submitted and is in compliance under the Agency's rules, regulations, and policies; and that the awardee will assist in fulfilling the purpose of the grant funds; and

WHEREAS, at the September 21, 2023 board meeting, the Minnesota Housing Board approved a staff request of an operating technical assistance grant to the HOC funded for $240,000 for a two-year grant period, October 1, 2023 - September 30, 2025 through Resolution No. MHFA 23-049; and

WHEREAS, additional time is needed to finalize and execute the grant contract agreement.

NOW THEREFORE, BE IT RESOLVED:

The Board hereby authorizes Agency staff to enter into a Grant Contract Agreement with the Minnesota Homeownership Center subject to the following conditions:

1. The amount of the Grant Contract Agreement shall not exceed $240,000 and shall be for a grant period of the date of contract execution through September 30, 2025.

2. The extension of time for the issuance of a Grant Contract Agreement is subject to the terms and conditions contained herein and in form and substance acceptable to Agency staff, and the execution of the Grant Contract Agreements shall occur no later than 90 days from the adoption date of this Resolution; and

3. The Minnesota Home Ownership Center and such other parties shall provide such information and execute all such documents relating to said Grant Contract Agreement as the Agency, in its sole discretion, deems necessary.

Adopted this 25th day of January 2024.

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CHAIR

MINNESOTA HOUSING

Consent Item: B
Date: 01/25/2024
Staff Contacts: Erin Coons, 651.296.9836, erin.coons@state.mn.us
Request Type: Approval, Resolution

Item:

Forbearance Extension, Urban Indian Housing Program (UIHP) Loans

- Minnesota Indian Women's Resource Center, D0806, Minneapolis, MN

Request Summary:

Staff requests board adoption of a resolution authorizing a forbearance extension for Minnesota Indian Women's Resource Center from February 1, 2024, to February 1, 2025, for the two Urban Indian Housing Program (UIHP) loans made to Minnesota Indian Women's Resource Center. The two loans have a current balance of $375,000 and $25,000.

Fiscal Impact:

None

Agency Priorities:

☒ Improve the Housing System

☒ Preserve and Create Housing Opportunities

☐ Make Homeownership More Accessible

☒ Support People Needing Services

☒ Strengthen Communities

Attachments:

- Background
- Resolution

Background:

Minnesota Indian Women's Resource Center (MIWRC) is a 14-unit supportive housing development located in Minneapolis. The property is owned and managed by Minnesota Indian Women's Resource Center, a Minnesota non-profit corporation. Existing financing on the development is as follows:

MH Program or Source/ Lender (In Order of Priority)	AMRT DEFR CFNP*	Recourse (Y/N)	Repayable (Y/N)	Note Rate	Maturity Date	Original Balance	Current Balance
Minnesota Housing - UIHP	DEFR	N	Y	0%	2/1/23	$ 375,000	$ 375,000
Minnesota Housing - UIHP	DEFR	N	Y	0%	2/1/23	$ 25,000	$ 25,000
Family Housing Fund	DEFR	N	Y	7%	2/1/24**	$ 204,500	$ 204,500
City of Minneapolis	DEFR	N	Y	1%	10/1/23**	$ 150,000	$ 37,465
City of Minneapolis	DEFR	N	Y	1%	11/1/36	$ 470,147	$ 470,147
Minnesota Housing - PARIF	DEFR	N	Y	0%	11/16/36	$ 348,000	$ 348,000
City of Minneapolis	DEFR	N	Y	1%	11/16/36	$ 273,849	$ 273,849
Family Housing Fund	DEFR	N	Y	0%	11/16/36	$ 100,000	$ 100,000

** Amortization/Deferred/Cash-flow Note Provision*

*** An extension of the Family Housing - and City of Minneapolis Loans are in process.*

In the 2022 Consolidated Request For Proposals, the development was selected for funding to allow for the refinance, rehabilitation and reconfiguration of the existing building, which will result in the development going from 14-units to 24-units. The development was allocated 9% housing tax credits under MHFA Resolution No. MHFA 22-101, a commitment for a new $110,000 Preservation Affordable Rental Investment Fund (PARIF) loan under Resolution No. MHFA 22-103, and was selected for further processing of a $5,600,0000 bridge loan (funded with Pool 2 proceeds) under Resolution No. MHFA 22-102. As part of the project refinancing, it is anticipated that the Agency loans will have long term extensions and be incorporated into the final project financing structure.

On January 25, 2023, the Mortgage Credit Committee approved a 12-month forbearance of the Agency's $375,000 and $25,000 Urban Indian Housing Program (UIHP) loans under Board Delegation No. 035 to allow time for underwriting and closing of the new proposed transaction. The development is nearing the end of the underwriting process and is projected to close in the summer of 2024. The current forbearance expires on February 1, 2024, and cannot be further extended under Board Delegation No. 035, which is why staff requests board approval of this second 12 month extension.

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

RESOLUTION NO. MHFA 24-xxx
RESOLUTION APPROVING FORBEARANCE EXTENSION
URBAN INDIAN HOUSING PROGRAM (UIHP) LOANS

WHEREAS, Minnesota Indian Women's Resource Center, a multi-unit housing development, was provided two UIHP loans in the amount of $375,000 and $25,000, with an original maturity date of February 1st, 2023; and,

WHEREAS, pursuant to Board Delegation No. 35 (per Resolution No. MHFA 22-006), the UIHP loan was approved to enter into a Forbearance Agreement from February 1, 2023, to February 1, 2024; and

WHEREAS, the development was selected as part of the 2022 Consolidated Request For Proposals and will continue to work through the underwriting and closing due diligence review for the new financing.

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

NOW THEREFORE, BE IT RESOLVED:

THAT, the Board hereby approves the following:

1. A one-year extension to the forbearance of the two UIHP loans in the amount of $375,000 and $25,000 from February 1, 2024, to February 1, 2025.
2. The forbearance extension is conditioned on execution by the borrower of Minnesota Housing's standard Forbearance Agreement and execution of all other documents that may be deemed necessary by Agency staff.

Adopted this 25th day of January 2024

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CHAIR

Consent Item: C
Date: 01/25/2024
Staff Contacts: Janine Langsjoen, 651.296.6354, Janine.langsjoen@state.mn.us
Request Type: Approval, Resolution

Item:

Approval, Change in Loan Term, Rental Rehabilitation Deferred Loan (RRDL)

- Gra Mar Apartments, Kerkhoven, D8281

Request Summary:

Agency staff requests board adoption of a resolution authorizing a change in the term of the Rental Rehabilitation Deferred Loan (RRDL) from 20 to 30 years for Gra Mar Apartments.

Fiscal Impact:

The RRDL program is funded with state appropriations. The Agency will not earn interest on the RRDL loan as the loan's term is not more than 30 years at 0% interest.

Agency Priorities:

☒ Improve the Housing System

☒ Preserve and Create Housing Opportunities

☐ Make Homeownership More Accessible

☐ Support People Needing Services

☒ Strengthen Communities

Attachments:

- Background
- Resolution

Background:

Gra Mar Apartments was selected in March 2020 for $500,000 in RRDL funding through Resolution No. MHFA 20-010. An increase of that amount to $700,000 was approved through Resolution No. MHFA 23-018 on April 27, 2023 and a funding commitment extension to September 30, 2024 was approved through Resolution No. MHFA 23-065.

On December 19, 2023, the Gra Mar Apartments closed on an ownership transfer with United States Department of Agriculture Rural Development (USDA RD). During the RD underwriting and closing process, the RRDL loan term was noted as 30 years to be coterminous with the other loans on the project. Rental Rehabilitation Deferred Loans commonly, but not exclusively, have 20-year terms and the prior Minnesota Housing board approval referenced a 20-year term.

In order to finalize the closing process with USDA RD, staff requests amending the loan term from 20 years to 30 years to be coterminous with the USDA RD loan. Swift County is also providing a coterminous loan term. Since this is a deferred loan, the longer term does not have a financial impact on the Agency. With the longer term, there will also be additional 10 years of affordability and USDA RD rental assistance on this project.

The following table indicates the updated term of the RRDL loan:

Program or Source	AMRT DEFR	Recourse (Y/N)	Repay (Y/N)	Note Rate	Term	Maturity Date	Current Loan Amount	Balloon Amount
USDA RD	AMRT	N	Y	1%	30/50 *	12/19/53	$ 32,422	$ 0
MHFA RRDL**	DEFR	N	Y	0%	30	12/19/53	$ 700,000	$ 630,000
Swift County HRA	AMRT	N	Y	1%	30	12/19/53	$ 513,084	$ 0
Swift County HTF grant	NA	NA	N	NA	NA	NA	$ 132,098	$ 0
FHLB grant	NA	NA	N	NA	NA	NA	$ 229,075	$ 0
Swift County SCDP***	DEFR	N	N	0%	5	NA	$ 200,000	$ 0

*Indicates 30-year term, 50-year amortization.
**Upon successful completion of the original loan term and maintaining RRDL rent and income requirements throughout the term of the loan, 10 percent of the original principal loan amount will be forgiven.
***SCDP, Small Cities Development Program, loan is forgiven after five years.

The RRDL funding amount is at the program maximum of $700,000 and no change is being made to this loan amount.

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

RESOLUTION NO. MHFA 24-xxx
Modifying Resolution No. MHFA 23-018 and 23-065

RESOLUTION APPROVING MORTGAGE LOAN COMMITMENT MODIFICATION
RENTAL REHABILITATION DEFERRED LOAN (RRDL)

WHEREAS, the Minnesota Housing Finance Agency Board (Board) at its March 26, 2020 meeting, previously authorized a commitment for the development Gra Mar Apartments hereinafter named by its Resolution No. 20-010; and

WHEREAS, Agency staff have determined a modification to the previously approved term structure is appropriate.

NOW THEREFORE, BE IT RESOLVED:

THAT, the Board hereby increases the loan term on the development noted above and hereby confirms the renewal of said commitment, subject to any revisions noted:

1. The Rental Rehabilitation Deferred Loan (RRDL) term shall be 30 years; and

2. The Rental Rehabilitation Deferred Loan (RRDL) shall not exceed $700,000; and

2. The deadline to close established loan by Resolution No. MHFA 20-010 was extended pursuant to Resolution No. MHFA 23-065 and is now September 30, 2024.

3. All other terms and conditions of Minnesota Housing Resolution No. 20-010 remain in effect.

Adopted this 25th day of January 2024

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CHAIR

MINNESOTA HOUSING

Consent Item: D
Date: 01/25/2024
Staff Contacts: Sara Bunn, 651.296.9827, sara.bunn@state.mn.us
Request Type: Approval, Motion

Item:

Approval, Amendment to the Workforce Housing Development Program (WHDP) Guide

Request Summary:

Staff recommends approval of the Workforce Housing Development Program (WHDP) Program Guide amendment.

Fiscal Impact:

None.

Agency Priorities:

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

Attachments:

- Background

Background:

On December 14, 2023, the board approved a substantial set of amendments to the WHDP Program Guide due to statutory changes from the 2023 legislative session. These amendments updated the eligible recipient criteria and the maximum funding amount per project along with various technical updates for multifamily rental projects.

In response to discussion at the December 2023 board meeting and subsequent collaboration with the Minnesota Housing Tribal Liaison Corey Strong and the Minnesota Housing legal team, staff requests an amendment to section 2.01 of the WHDP Program Guide. The proposed amendment clarifies that any Tribe may apply for a project outside the seven country metropolitan area and defines a Tribally Designated Housing Entity using the federal regulations to keep language consistent.

The proposed amendment only modifies the third bullet point under Section 2.01, Eligible Recipient:

> **Previously Approved Language:** A federally recognized Tribal Reservation or other Tribal community, as approved in writing by Minnesota Housing.
>
> **Proposed Language:** An area located outside of a Metropolitan County that serves a federally recognized Indian Tribe in Minnesota, or their associated Tribally Designated Housing Entity as defined by United States Code, title 25, section 4103(22), as approved in writing by Minnesota Housing.

MINNESOTA HOUSING

Action Item: A
Date: 01/25/2024
Staff Contacts: Greg Krenz, 651-297-3623, Greg.Krenz@state.mn.us
Laura Bolstad Grafstrom, 651-296-6346, Laura.Bolstad.Graftstrom@state.mn.us

Request Type: Approval, Resolution

Item

Approval, 2024 Minnesota City Participation Program (MCPP)

Request Summary:

Staff requests approval of local governments for participation in the Minnesota City Participation Program (MCPP). The program allows Minnesota Housing to apply for the portion of the annual private activity bond volume cap allocated by Minnesota Statutes Section 474A.03, subdivision 1 to the Housing Pool, $73,556,304 of which is available in 2024 for single family housing programs authorized by Minnesota Statutes Section 474A.061, subdivision 2a to enable local governments to provide first-time homebuyer loans in their communities.

Fiscal Impact:

Minnesota Housing is able to issue over $73.5 million of volume limited tax exempt bonds to provide loans to first-time homebuyers with lower incomes as a result of administering the Minnesota City Participation Program.

Agency Priorities:

☐ Improve the Housing System

☐ Preserve and Create Housing Opportunities

☒ Make Homeownership More Accessible

☐ Support People Needing Services

☒ Strengthen Communities

Attachments:

- Background
- Request Details

- Summary of 2024 MCPP Allocations
- MCPP Usage Maps
- Resolution

Background:

Since 1990, under the Minnesota City Participation Program (MCPP), Minnesota Housing has sold tax-exempt private activity bonds on behalf of local governments to assist them in meeting local housing goals pursuant to Minnesota Statutes Section 474A.061, subdivision 2a. In accordance with that statute, cities, counties and consortia of local government units apply annually for participation in MCPP.

MCPP is an important statewide tool that supports local governments in meeting their continuum of housing needs. Self-issuance of bonds is not economically feasible for most communities, given economies of scale necessary for successful self-issuance. Under the MCPP, Minnesota Housing efficiently sells bonds on behalf of the participating communities so residents can access affordable mortgage loans with downpayment and closing cost loan options. Communities report many benefits to participating in the program, including:

- Continuous, dedicated funding for their community.
- Access to local lenders as well as nonprofit agencies that provide homebuyer education.
- Minnesota Housing support through ready to use marketing and outreach templates, program reporting, industry updates, training and sharing of best practices.

In their application, local governments confirm that MCPP helps the community meet an identified housing need and the program is economically viable in their community. Loans are eligible for MCPP if they meet all requirements below:

- The loan is an eligible first-time homebuyer Start Up loan.
- The property is located in the applicants' jurisdiction as stated on their application.
- The borrower's income must not exceed 80% of the area median income.

The attached maps show the location of Start Up loans originated in the jurisdictions of the participating MCPP communities in 2023 and between 2019 and 2023. Two maps show loans in the metro area and two maps contain loans in Greater Minnesota. Minneapolis, Saint Paul and Dakota County are not eligible to participate in the MCPP program because they each receive an entitlement allocation of tax-exempt bonding authority.

Request Details:

Staff requests that the board approve the attached resolution which:

- Approves applying local governments for participation in MCPP for the allocation amounts shown in the resolution; and
- Authorizes Minnesota Housing to take necessary actions to apply to Minnesota Management and Budget for amounts available for tax-exempt private activity bonding authority on behalf of the same eligible local governments under Minnesota Statutes Chapter 474A.

Summary of 2024 MCPP Allocations:

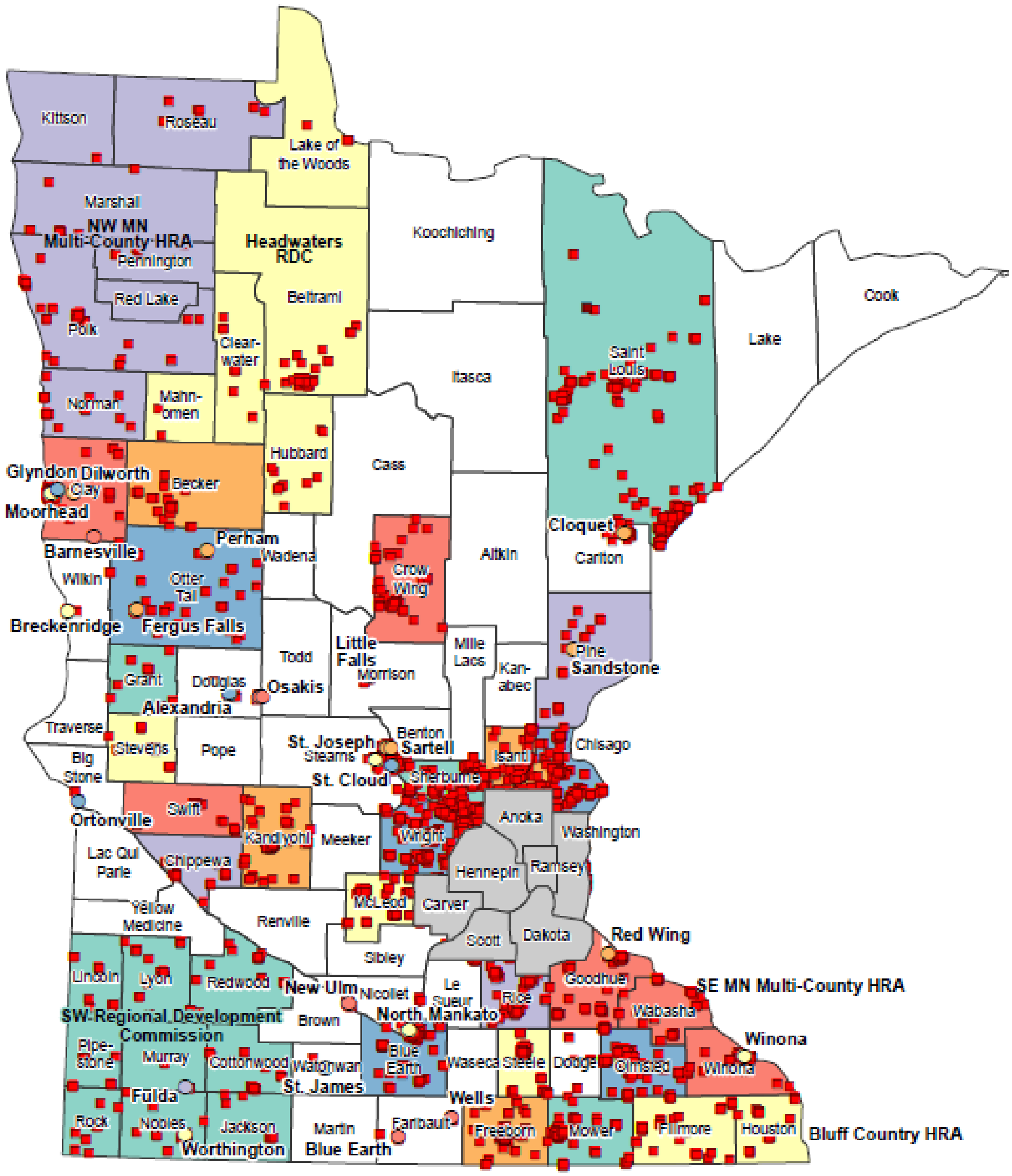
The amounts of the allocations set forth in Table 1 are determined based on a pro rata allocation of the $73,556,304 total amount available, according to the population of each community that has applied and meets the above requirements.

Table 1: 2024 MCPP Allocations to Applicants

Community	2024 Allocation
Aitkin County	$300,526
Alexandria, City of	$276,088
Anoka County	$6,661,718
Becker County	$646,455
Benton County	$275,075
Blue Earth County	$1,285,114
Blue Earth, City of	$100,000
Bluff Country HRA	$739,069
Breckenridge, City of	$100,000
Carver County	$1,992,221
Chippewa County	$230,649
Chisago County	$1,068,230
Clay County	$1,226,669
Cloquet, City of	$232,693
Crow Wing County	$1,253,115
Fergus Fall & Perham HRAs	$319,990
Foley, City of	$100,000
Freeborn County (Albert Lea administrates)	$559,014
Grant County	$111,662
Headwaters Regional Dev. Commission	$1,591,356
Hennepin County	$15,496,924
Isanti County	$774,324
Kandiyohi County	$818,189
McLeod County	$680,263
Meeker County	$432,502
Mower County	$734,493
New Prague, City of	$150,860
New Ulm, City of	$255,322
North Mankato, City of	$269,269
NW MN Multi-Co. HRA	$1,541,124
Oakdale, City of	$503,916
Olmsted County	$3,039,902
Osakis, City of	$100,000
Otter Tail County	$775,373
Pine County, HRA	$500,841

Ramsey County	$4,344,968
Red Wing, City of	$305,211
Rice County	$1,239,530
Sandstone, City of	$100,000
Sartell, City of	$354,648
Sauk Rapids, City of	$245,265
Scott County	$2,707,485
SE MN Multi-Co. HRA	$1,405,513
Sherburne County	$1,713,527
St. Cloud, City of	$1,286,507
St. James, City of	$100,000
St. Joseph, City of	$128,738
St. Louis County	$3,634,316
Steele County (Owatonna administrates)	$701,391
Stevens County	$170,052
SW Regional Development Commission	$2,134,615
Swift County	$181,864
Washington County	$4,463,051
Winona, City of	$470,217
Wright County	$2,726,460
Total	**$73,556,304**

Minnesota City Participation Program - 2019 - 2023 Start Up Loans, partly funded with MCPP

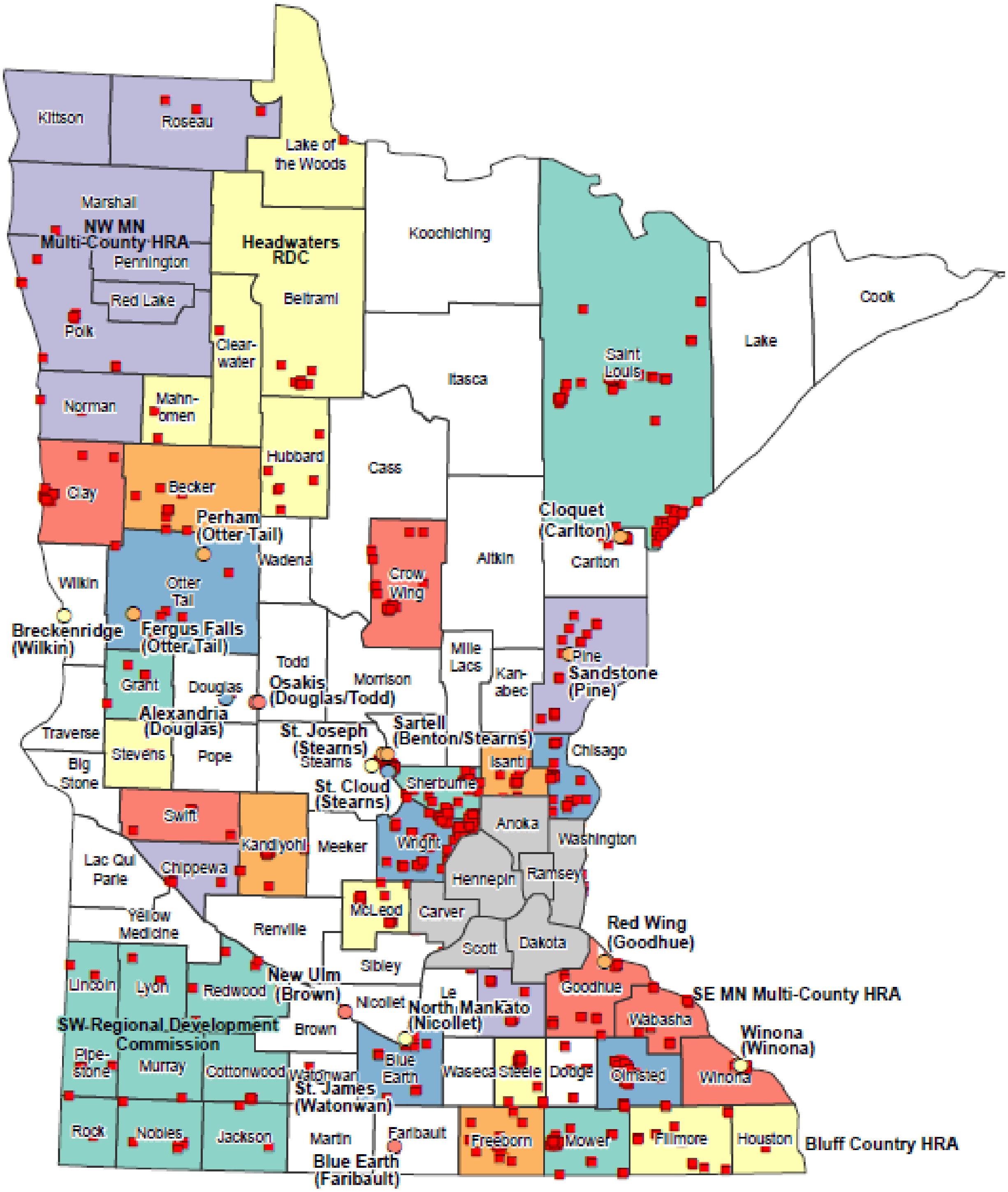


MINNESOTA HOUSING

Created: 1.2.2024 by: K. Thurnau

■ 2019-2023 Start Up Loans, partly funded with MCPP

Minnesota City Participation Program - 2023 Start Up Loans, partly funded with MCPP

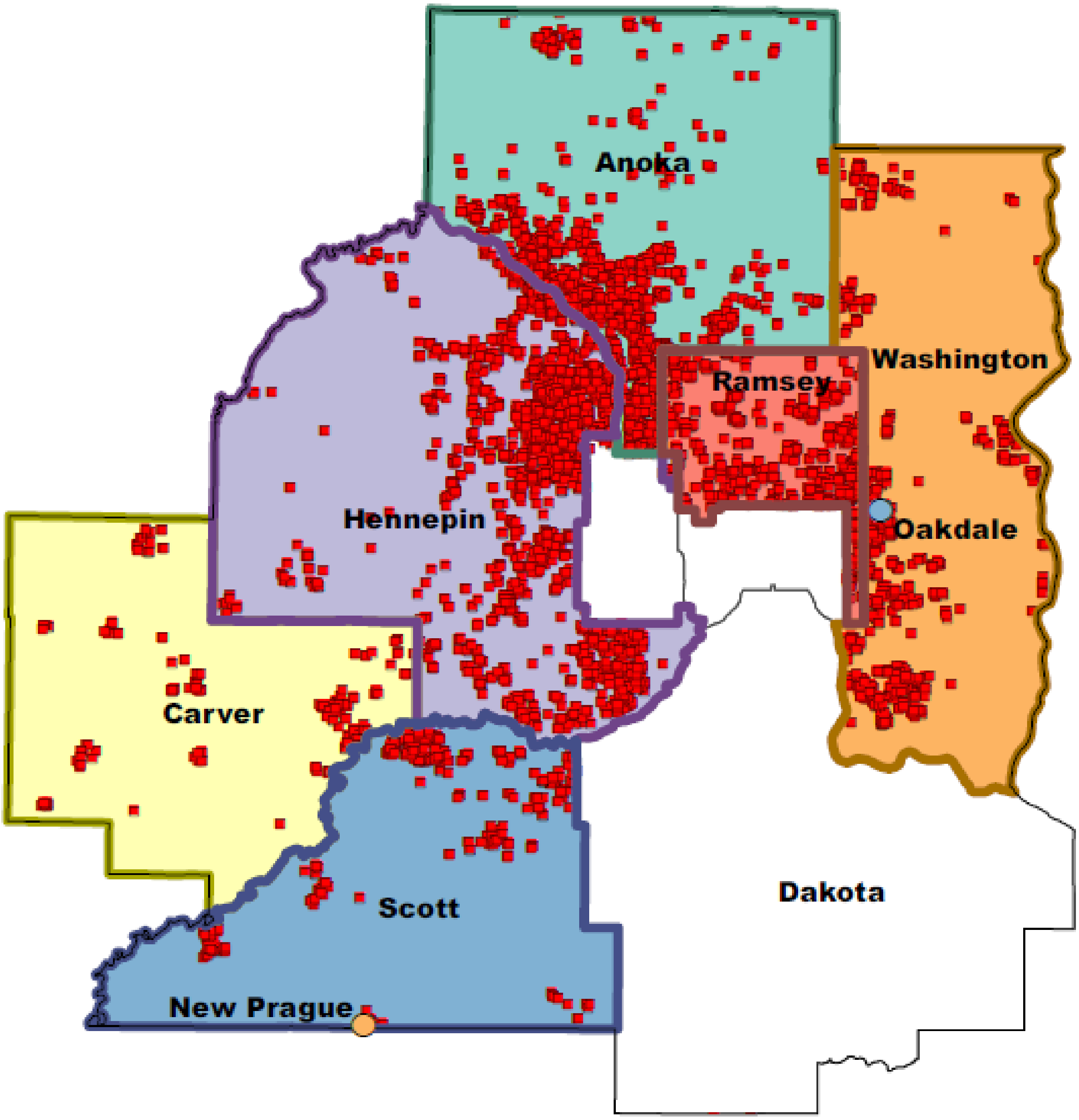


MINNESOTA HOUSING

Created: 1.2.2024 by: K. Thurnau

■ 2023 Start Up Loans, partly funded with MCPP

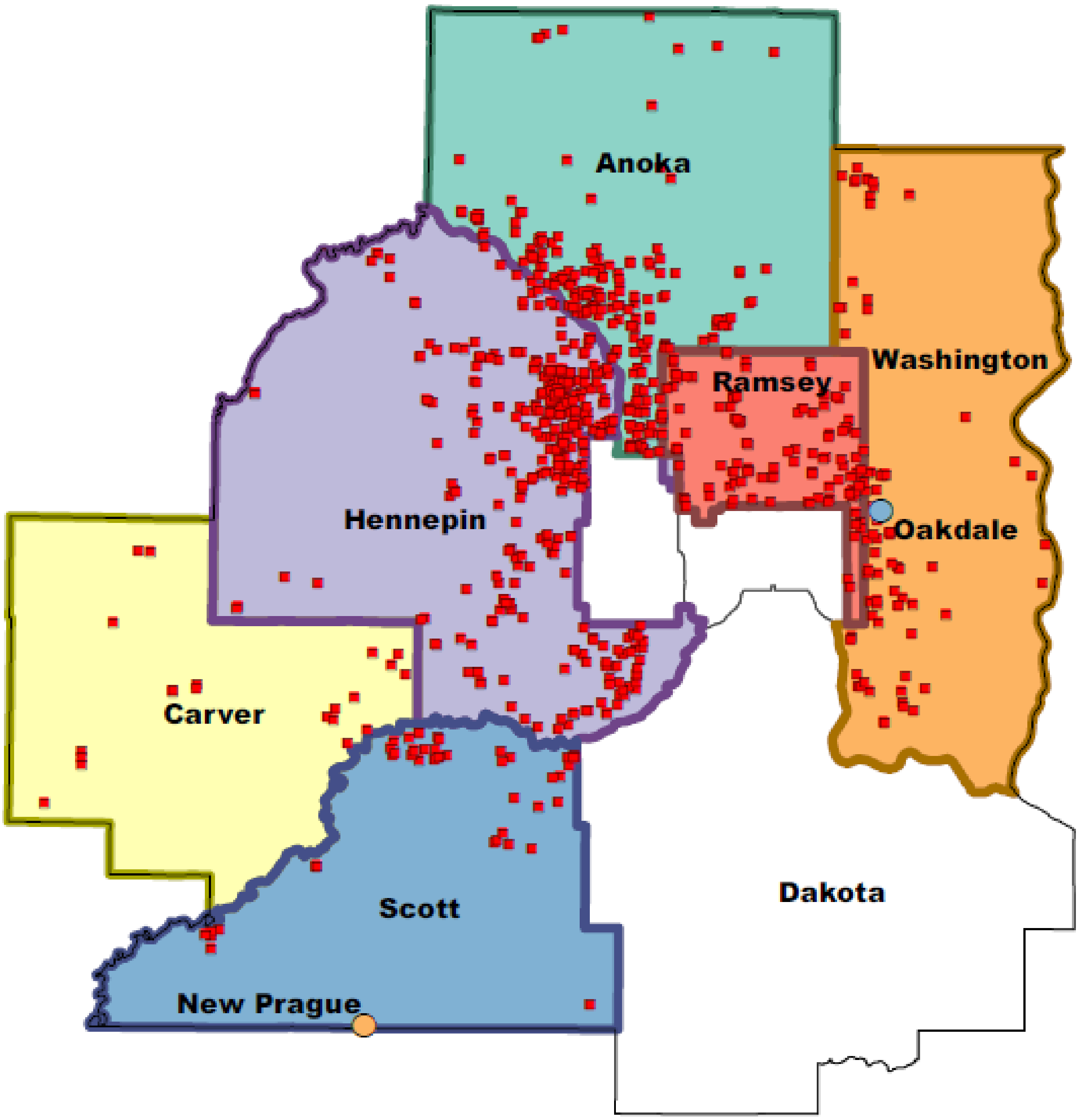
Minnesota City Participation Program -
2019 - 2023 Start Up Loans, partly funded with MCPP



MINNESOTA HOUSING

Created: 1.2.2024 by: K. Thurnau

Minnesota City Participation Program - 2023 Start Up Loans, partly funded with MCPP



MINNESOTA HOUSING

Created: 1.2.2024 by: K. Thurnau

■ 2023 Start Up Loans, partly funded with MCPP

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

RESOLUTION NO. MHFA 24-XXX

RESOLUTION AUTHORIZING APPLICATION FOR BONDING AUTHORITY ON BEHALF OF THE 2024 MINNESOTA CITY PARTICIPATION PROGRAM PARTICIPANTS

WHEREAS, Minnesota Statutes, Section 474A.061 subdivision 2a, paragraph (e) authorizes the Minnesota Housing Finance Agency to request an allocation of private activity bonding authority for the applicants who applied in January of 2024 and choose to have the Minnesota Housing Finance Agency issue bonds on their behalf, and the participating applicants are eligible for bonding authority in a total amount of not less than $73,556,304; and

WHEREAS, the Minnesota Housing Finance Agency is willing to take those actions necessary to make the private activity bonding authority available under Minnesota Statutes Chapter 474A available to the Minnesota City Participation Program participants.

NOW THEREFORE, BE IT RESOLVED:

That the Commissioner of the Minnesota Housing Finance Agency is hereby granted the authority to take all actions necessary to apply to the Commissioner of Minnesota Management and Budget for amounts available for tax-exempt private activity bonding authority during the times set forth in Minnesota Statutes Chapter 474A on behalf of the 2024 Minnesota City Participation Program participants as listed below.

Community	2024 Allocation
Aitkin County	$300,526
Alexandria, City of	$276,088
Anoka County	$6,661,718
Becker County	$646,455
Benton County	$275,075
Blue Earth County	$1,285,114
Blue Earth, City of	$100,000
Bluff Country HRA	$739,069
Breckenridge, City of	$100,000
Carver County	$1,992,221
Chippewa County	$230,649
Chisago County	$1,068,230
Clay County	$1,226,669
Cloquet, City of	$232,693
Crow Wing County	$1,253,115
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Hennepin County	$15,496,924
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Kandiyohi County	$818,189
McLeod County	$680,263
Meeker County	$432,502
Mower County	$734,493
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Olmsted County	$3,039,902
Osakis, City of	$100,000
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Ramsey County	$4,344,968
Red Wing, City of	$305,211
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Scott County	$2,707,485
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St. Louis County	$3,634,316
Steele County (Owatonna administrates)	$701,391
Stevens County	$170,052
SW Regional Development Commission	$2,134,615
Swift County	$181,864
Washington County	$4,463,051
Winona, City of	$470,217
Wright County	$2,726,460
Total	**$73,556,304**

Adopted this 25th day of January 2024

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CHAIR

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MINNESOTA HOUSING

Action Item: B
Date: 01/25/2024
Staff Contacts: Sarah Matala, 651.215.5577, sarah.matala@state.mn.us
Request Type: Approval, Motion, Resolution

Item:

Approval, Forgiveness, Housing Trust Fund (HTF) Loan (Nonprofit Housing Bonds)

- Dundry House, D4432, Minneapolis, MN

Request Summary:

Staff requests the board adopt a resolution authorizing the early forgiveness of the $1,082,805 Housing Trust Fund (HTF) loan originally funded with proceeds from Nonprofit Housing (NPH) Bonds. This forgivable loan is scheduled to mature on February 8, 2041.

Fiscal Impact:

Housing Trust Fund loans do not earn interest for the Agency.

Agency Priorities:

☐ Improve the Housing System

☒ Preserve and Create Housing Opportunities

☐ Make Homeownership More Accessible

☐ Support People Needing Services

☐ Strengthen Communities

Attachments:

- Background
- Map
- Resolution

Background:

The Dundry House is a 25-unit, 3-story walkup apartment building located at 1829 Fifth Avenue South in Minneapolis. The building is uniquely situated in the southeast corner of Interstates 35W and 94 immediately south of downtown Minneapolis. The front door faces the on-ramp to the interstate (see map).

The owner is Dundry House LLC, with Hope Community, Inc. (Hope) as its sole member. There were two rounds of funding, one in 2010 for Dundry House alone and a second that created a portfolio of Dundry House and three other properties owned by Hope Community in 2018. In the 2010 funding award, Dundry House was selected to receive a Housing Trust Fund Loan funded by proceeds of Nonprofit Housing Bonds (State Appropriation) ("NPH Bonds"). NPH Bonds are limited obligations of Minnesota Housing payable solely from a standing annual appropriation from the State of Minnesota in an amount equal to annual principal and interest on the bonds, similar to the State Appropriation Bonds (Housing Infrastructure). The board authorized the issuance of the NPH Bonds under Resolution No. MHFA 11-002 on January 27, 2011. Per the HTF declaration, 20 units are set aside for Long-Term Homeless households and five units are set aside for Households Experiencing Homelessness.

The second round of funding in 2018 created the Dundry/Hope Block Stabilization Phase II (D7934) that established a portfolio that includes the Dundry House and three nearby buildings on Portland Avenue, consisting of two – duplexes and one single-family home. The 2018 funding provided a $1,124,000 Preservation Affordable Rental Investment Fund (PARIF) Loan to assist with repairs at all four buildings. The Board approved selection and commitment of projects for deferred financing and authorized the closing of loans related to the PARIF program under Resolution No. MHFA 17-033 on October 19, 2017.

Since the spring of 2022, the Dundry House has struggled with security and crime issues, including nonresidents trespassing in the building and occupying several units. Hope responded by increasing security to 24 hours/7 days per week. Despite these changes, the trespassing and severe vandalism to the building continued. The existing management company ended their contract in the fall of 2022. Hope hired a new management company but conditions continued to deteriorate. By spring of 2023, Hope had expended nearly $290,000 in security costs or approximately $24,000 per month. For context, the property's total rent revenue was approximately $23,000 per month.

In May of 2023, Hope determined they could no longer afford to keep the building secure and began a process to sell the property to another organization. Unfortunately, Hope was unable to secure a buyer. Due to the deteriorating situation in the building, Hope worked with the property manager and the support service providers to find the residents a more suitable housing location. All residents were relocated by June 2023, and Hope closed and boarded the building while they continued to search for a potential buyer. Two local nonprofit organizations were working with Hope to purchase and rehabilitate the building for other uses; however, additional vandalism and the gas and water lines being stolen made the transaction infeasible for the other two nonprofit organizations.

At the end of November 2023, a trespasser caused a fire in the building that caused extensive damage. The city's Regulatory Services staff inspected the property on December 20, 2023, and issued a letter of intent to condemn. After 30 days, the city may exercise its regulatory power to call for demolition of the building.

Per current HTF restrictions on the Dundry House, the loan is not forgivable until it matures in 2041. Kutak Rock, Minnesota Housing's bond counsel, has indicated that they are able to give a written opinion that early forgiveness of the loan will not impact the tax-exempt status of the NPH Bonds that financed that loan. Forgiveness requires board approval because Board Delegation No. 7 limits the amount of forgiveness to $250,000 or less.

As noted above, Dundry House also benefited from a portfolio project accomplished with a $1,124,000 PARIF Loan in 2018. These three other properties remain in good operating condition. On December 13, 2023, Mortgage Credit Committee approved the partial release of the Dundry House property from the PARIF loan and declaration under Board Delegation No. 34. The entire PARIF loan will be assigned to the three remaining buildings that are part of Dundry /Hope Block Stabilization Phase II if the board approves the HTF Loan forgiveness. Loan documents will be amended to release the Dundry House property as collateral and to release the property from income and occupancy restrictions. The PARIF loan is repayable and matures on December 13, 2048.

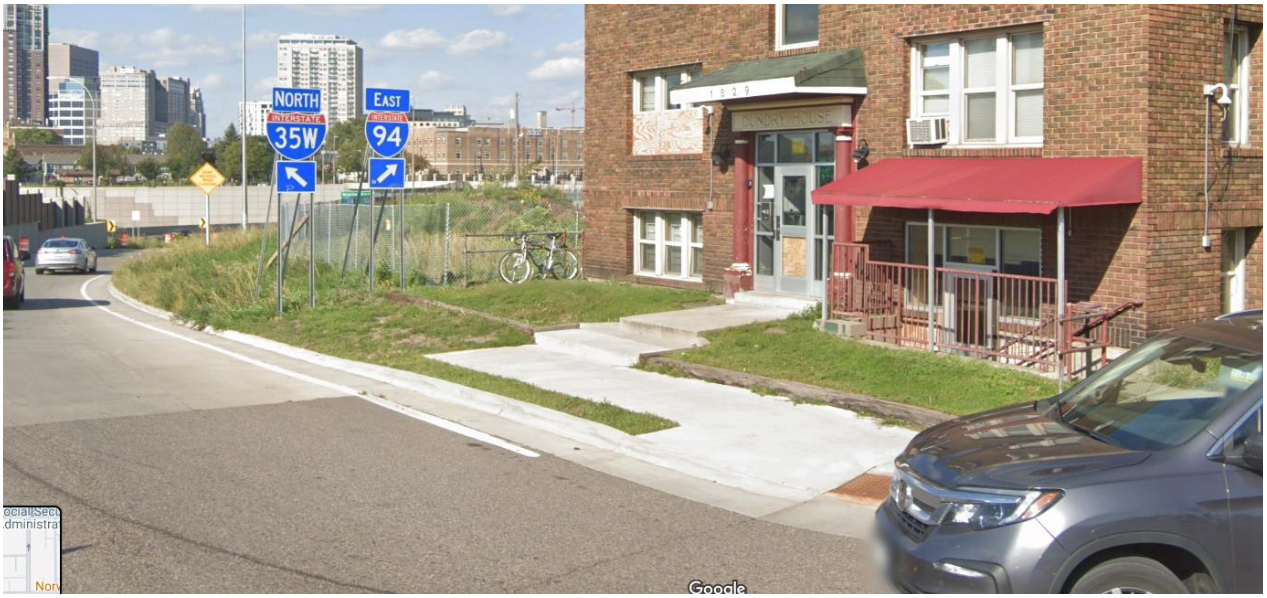
The City of Minneapolis and Hennepin County staff are also recommending forgiveness of their loans on the Dundry House and release of related declaration(s). Loans are the following:

Lender	Maturity Date	Loan Amount
Minneapolis Community Planning & Economic Development (CPED)	7/1/2037	$ 332,000
Hennepin County Affordable Housing Incentive Fund	7/1/2037	$ 325,000
Minneapolis CPED Affordable Housing Trust Fund	12/13/2048	$ 408,679

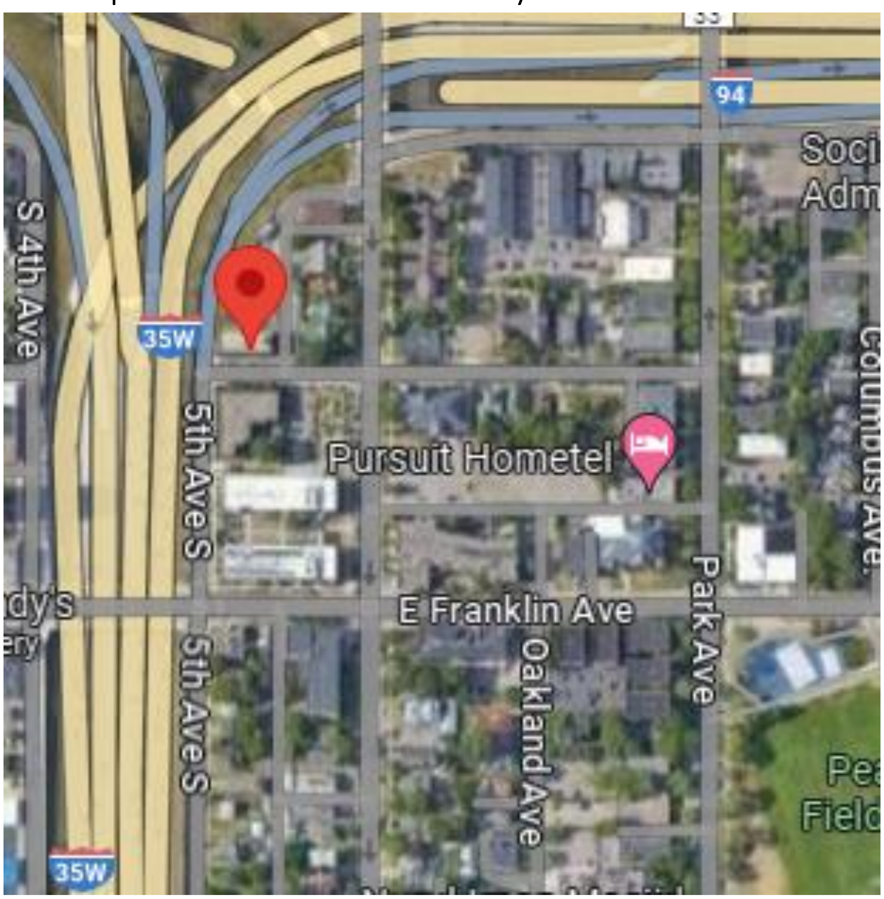
Given the extensive fire and water damage, the current value of the building has essentially been reduced to zero. Any renovation is likely financially infeasible, and the location and orientation of the building would remain problematic. The property in its current condition is a liability for the neighborhood, the organization and the funders. Forgiving the loan financed by the NPH Bonds and releasing the PARIF loan from the Dundry House will help Hope position the property for possible sale and redevelopment.

Map:

The front door of Dundry House, facing the on-ramp to Interstates 35W and 94.



The red pin is the location of the Dundry House.



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

RESOLUTION NO. MHFA 24-xxx
RESOLUTION APPROVING EARLY DEBT FORGIVENESS
HOUSING TRUST FUND (HTF) LOAN

WHEREAS, Dundry House, a multi-unit housing development, was selected to receive a Housing Trust Fund (HTF) loan funded with proceeds of Nonprofit Housing Bonds (State Appropriation), Series 2011 (the "NPH Bonds"), by the Minnesota Housing Board under Resolution No. MHFA 10-55; and,

WHEREAS, the Minnesota Housing Board authorized the issuance and sale of the NPH Bonds, and approved the execution and delivery of related documents under Resolution No. MHFA 11-002; and,

WHEREAS, the Agency subsequently provided an HTF loan in the amount of $1,082,805 as authorized by Resolution No. MHFA 10-55; and,

WHEREAS, the loan included in this request was structured to be forgiven upon maturity, if no events of default occurred; and,

WHEREAS, the current condition of the building does not provide any collateral for the loan and restoration is financially infeasible.

NOW THEREFORE, BE IT RESOLVED:

THAT, the Board hereby approves the following:

1. Early forgiveness of the HTF loan in the amount of $1,082,805 effective as of the date of this resolution.

Adopted this 25th day of January 2024

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CHAIR

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MINNESOTA HOUSING

Action Item: C
Date: 1/25/2024
Staff Contacts: Ji-Young Choi, 651.296.9839, ji-young.choi@state.mn.us
Deran Cadotte, 651.297.5230, deran.cadotte@state.mn.us
Request Type: Approval, Motion, Resolution

Item:

Approval, Selection of Housing Opportunities for Persons With AIDS (HOPWA) Program funding.

Request Summary:

Staff requests adoption of a resolution authorizing awards totaling $528,619 from the Housing Opportunities for Person With AIDS (HOPWA) Program to two grantees, Rainbow Health Minnesota and Clare Housing. Upon execution of Grant Contract Agreements, these funds will allow selected grantees to provide Short-Term Rent, Mortgage and Utility (STRMU) assistance to eligible households.

Fiscal Impact:

The HOPWA Program is funded by a United States Department of Housing and Urban Development (HUD) statutory formula-based grant to Minnesota Housing. Minnesota Housing will receive a fee of three percent for the administration of this program. Individual awards are structured as pass-through grants. Minnesota Housing may receive negligible earned interest based on when HUD funds are received and when they are committed.

Agency Priorities:

☒ Improve the Housing System

☒ Preserve and Create Housing Opportunities

☐ Make Homeownership More Accessible

☒ Support People Needing Services

☒ Strengthen Communities

Attachments:

- Background
- Resolution

Background:

Program Overview

HOPWA was authorized through the Housing and Community Development Act of 1992, enacted by the 102nd Congress of the United States. It is the only federal program dedicated to the housing needs of people living with human immunodeficiency virus (HIV)/acquired immunodeficiency syndrome (AIDS). Under the program, HUD awards grants to local communities, states and nonprofit organizations for projects that benefit households who are low-income and living with HIV/AIDS (HOPWA: Housing Opportunities for Persons With AIDS - HUD Exchange).

HOPWA funds are distributed under a federal statutory formula that is based on the number of people living with HIV/AIDS according to Centers for Disease Control and Prevention data, as well as other factors, including the share of a state's population in poverty and local housing costs.

In greater Minnesota, the grantee for HOPWA state formula funds is Minnesota Housing. Minnesota Housing awards funds to administrators known as project sponsors. These funds are appropriated annually by HUD and serve households with low-incomes (at or below 80% of area median income [AMI]) who are living with HIV/AIDS outside of the 15-county Eligible Metropolitan Statistical Area (EMSA). The HOPWA grantee for the 15-county EMSA is the City of Minneapolis.

Since 2001, Minnesota Housing maintained a sole source grant relationship with Rainbow Health Minnesota. Recently, the Agency became aware of other organizations that may be in a position to implement HOPWA in greater Minnesota. Additionally, Minnesota Housing has received increased funding since FFY2023. As a result, Minnesota Housing made the next term of HOPWA funds available through a competitive request for proposals (RFP) funding process.

Request for Proposals: Minnesota Housing issued the competitive HOPWA RFP on October 30, 2023. Applications were due on December 4, 2023.

Five proposals were submitted on time, requesting a total of $1,645,635.

Application Review, Scoring and Ranking Process

Of the five applications received, two applicants met the threshold review and successfully completed the financial review in accordance with the Office of Grants Management. Applications were scored on a 100-point scale related to three categories:

- Capacity and project design, including administration and performance (60%)
- Equity, including how the planning and decision-making process represent the demographics of those they intend to serve (30%)
- Budget (10%)

As part of the grant application process, applicants were required to describe how their proposed activities would meet the eligible HOPWA households' need and identify barriers for carrying out the HOPWA assistance in the proposed geographic areas. Applicants were also asked to demonstrate knowledge and experience in providing STRMU assistance through the coordinated and collaborative models with other health and housing providers.

Applicants were expected to provide a detailed response on how people living with HIV/AIDS will be included in the program evaluation and improvement process, including governance, data collection and decision making. The organizations with intentional outreach strategies to serve populations who may be experiencing housing instability at disproportionate levels (such as cultural, racial and ethnic communities, LGBTQIA2S+ communities, people with disabilities, veterans and others who are identified by the applicant) received high marks.

The expectations for the proposed budget were that it be clear, reasonable and directly connected to the proposed activities.

Applications underwent a review process led by a team of four state agency staff members from the Minnesota Department of Human Services, Minnesota Department of Health and Minnesota Housing. In addition, three community reviewers from Hennepin County, Trellis Connects and Rural AIDS Action Network participated in the review process and provided their feedback.

Each application was evaluated using a scoring methodology that considered the quality of the proposed activities, their specificity and measurability and the level of collaboration and equity demonstrated. Applications that clearly indicated their intention to broaden their well-regarded, client-centered HIV/AIDS services throughout Greater Minnesota were ranked highly.

Recommendation

Staff recommends providing one-year grants (March 1, 2024, through February 28, 2025) totaling $528,619 to the following organizations, as indicated in Table 1:

Table 1: HOPWA STRMU Funding Recommendations

Applicant	Requested Amount	Recommended Amount
Clare Housing	$ 424,100	$ 340,000
Rainbow Health Minnesota	$ 298,705	$ 188,619
TOTAL	**$ 722,805**	**$ 528,619**

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

RESOLUTION NO. MHFA 24-xxx

RESOLUTION APPROVING SELECTION/AUTHORIZATION TO FUND HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA) GRANT

WHEREAS, the Minnesota Housing Finance Agency (Agency) has received funds from the U.S. Department of Housing and Urban Development (HUD) for the purpose of funding Housing Opportunities for Persons with AIDS (HOPWA) activities for persons with low-incomes and living with HIV/AIDS in greater Minnesota; and

WHEREAS, the Agency has received applications to provide HOPWA funds for Short-Term Rent, Mortgage and Utility (STRMU) assistance to eligible households; and

WHEREAS, Agency staff have reviewed the applications and determined that they are in compliance with Agency's rules, regulations and policies; that such grants are not otherwise available, wholly or in part, from private lenders or other agencies upon equivalent terms and conditions; and that the applications will assist in fulfilling the purpose of Minn. Stat. ch. 462A.

NOW THEREFORE, BE IT RESOLVED:

THAT, the Board hereby authorizes Agency staff to enter into Grant Contract Agreements using federal resources as set forth below, subject to changes allowable under the HUD HOPWA Program, upon the following conditions:

1. Agency staff shall approve the following recommended Grantees for up to the total recommended amount for the grant period of March 1, 2024, through February 28, 2025; and

Applicant	2024-2025 Award
Clare Housing	$ 340,000
Rainbow Health Minnesota	$ 188,619
TOTAL	**$ 528,619**

2. The issuance of Grant Contract Agreements in form and substance acceptable to Agency staff and the execution of Grant Contract Agreements shall occur no later than six months from the adoption date of this Resolution; and

3. The sponsors and such other parties shall provide such information and execute all such documents relating to said grant, as the Agency, in its sole discretion, deems necessary.

Adopted this 25th day of January 2024

CHAIR

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Action Item: D
Date: 01/25/2023
Staff Contacts: Dani Salus, 651.248.3178, danielle.salus@state.mn.us
Request Type: Approval, Motion

Item

Approval, High Rise Sprinkler System (HRSS) Program Guide

Request Summary:

Staff requests approval of the High-Rise Sprinkler System Program Guide. This guide will be used to establish the High-Rise Sprinkler System program and facilitate a legislatively-named grant to CommonBond Communities for installation of sprinkler systems at two buildings known as Seward Tower West and Seward Tower East.

Minnesota Housing will distribute the remaining funding as grants through a competitive request for proposal process to be released in 2024.

Fiscal Impact:

Minnesota Housing may retain a portion of the appropriations to cover administrative costs in accordance with Minnesota Statutes, 2023, section 16B.98 subdivision 14.

Agency Priorities:

☐ Improve the Housing System

☒ Preserve and Create Housing Opportunities

☐ Make Homeownership More Accessible

☐ Support People Needing Services

☐ Strengthen Communities

Attachments:

- Background
- High-Rise Sprinkler System Program Guide

Action Item: D Background

Background:

The High-Rise Sprinkler System (HRSS) Grant Program (HRSS Program) was established in Minnesota Session Laws 2023, Regular Session, chapter 37, article 2, section 10 as a grant program to install sprinkler systems in eligible high-rise residential buildings. Minnesota Session Laws 2023, Regular Session, chapter 37, article 1, section 2, subdivision 27 provided $10 million of one-time state appropriations, of which up to $4 million must be for a grant to CommonBond Communities for installation of a sprinkler system at two buildings known as Seward Tower West located at 2515 South 9th Street in Minneapolis and Seward Tower East located at 2910 East Franklin Avenue in Minneapolis. Minnesota Rule 4900.0070 requires the Agency to prepare program guides for loan and grant programs, which are subject to board review and approval.

Seward Towers East and West are two 21-story high-rise buildings containing 320 apartments in each building. The buildings were built in 1969 and 1970 and have been governed by a board that includes residents of the Seward neighborhood, residents of Seward Towers as well as staff from Seward Redesign and CommonBond Communities. The project has a mix of studio, one and two-bedroom apartments that serve households at and below 50% and 60% Area Median Income (AMI) and is covered by a Section 8 contract. The HRSS grant will be used to install a sprinkler system in both of the towers. Per the 2023 Session Law, CommonBond Communities must provide a 25% funding match.

In order to facilitate the grant to CommonBond Communities and to issue a competitive request for proposals for the remaining funding, staff have prepared a program guide that establishes the legal standards of the program. Once the program guide is approved and the program established, Minnesota Housing will follow all Minnesota Housing and Minnesota Department of Administration Office of Grants Management (OGM) policies to negotiate a grant contract agreement, work plan and budget with CommonBond Communities that outlines eligible uses of the grant funds. The grant to CommonBond Communities must meet the HRSS Program Guide requirements.

Over the next several months, Minnesota Housing will design a competitive request for proposal process for the remaining HRSS funding. This process will be in alignment with Chapter 5 of the Program Guide, as well as with the policies established by the OGM. Applicants will be required to meet the eligibility, affordability and match requirements as established by Minnesota Session Laws 2023, Regular Session, chapter 37, article 2, section 10 and incorporated into the HRSS Program Guide.

Future HRSS Program funding selections will be subject to board review and approval.

High-Rise Sprinkler System Grant Program Guide

January 2024

EQUAL HOUSING OPPORTUNITY

The Minnesota Housing Finance Agency does not discriminate on the basis of race, color, creed, national origin, sex, religion, marital status, status with regard to public assistance, disability, familial status, gender identity, or sexual orientation in the provision of services.

An equal opportunity employer.
This information will be made available in alternative format upon request.

Table of Contents

Chapter 1 – Introduction

1.01 Program Purpose and Authorizing Statute

The High-Rise Sprinkler System (HRSS) Grant Program (HRSS Program) was established in Minnesota Session Laws 2023, Regular Session, chapter 37, article 2, section 10 as a grant program to install Sprinkler Systems in Eligible High-Rise Residential Buildings. Minnesota Session Laws 2023, Regular Session, chapter 37, article 1, section 2, Subdivision 27 provided $10 million of one-time state appropriations, of which up to $4 million must be for a grant to CommonBond Communities for installation of a Sprinkler System at two buildings known as Seward Tower West located at 2515 South 9th Street in Minneapolis and Seward Tower East located at 2910 East Franklin Avenue in Minneapolis.

The remaining funding will be distributed as grants through a competitive request for proposal process in accordance with the policies established by the Minnesota Department of Administration Office of Grants Management (OGM).

Minnesota Housing may retain a portion of the appropriations to cover administrative costs in accordance with Minnesota Statute 16B.98, subdivision 14.

1.02 Program Guide

This Program Guide, including subsequent changes and additions, will be incorporated into the Grant Contract Agreement executed between the Grantee and Minnesota Housing. If there are any conflicts between the terms of this Program Guide and the Grant Contract Agreement, the Grant Contract Agreement controls.

Any recipient of an award pursuant to the HRSS Program agrees to comply with the additional requirements and obligations as described in Appendix B, which is attached and incorporated into this Program Guide.

1.03 Definition of Terms

Appendix A, which is attached and incorporated into this Program Guide, includes definitions of capitalized terms.

Chapter 2 – Eligibility and Affordability Requirement

2.01 Eligible High-Rise Residential Buildings

Eligible High-Rise Residential Buildings are described as existing residential buildings that meet the following criteria:

- Provide permanent residential housing that is not time limited; and,
- Have at least one story used for human occupancy that is 75 feet or more above the lowest level of fire department vehicle access.

In accordance with Minnesota Session Laws 2023, Regular Session, chapter 37, article 2, section 10, priority shall be given to nonprofit applicants.

2.02 Affordability Requirement

At the time of the application, the building shall have at least two-thirds of its units affordable to households with an annual income at or below 50% of area median income as determined by the United States Department of Housing and Urban Development (HUD), adjusted for family size. Additionally, qualifying households shall not be paying more than 30%of annual income on rent.

The affordability requirement may be demonstrated in the form of a recorded declaration, covenants, Land Use Restrictive Agreement, or other documentation as approved by Minnesota Housing in its sole discretion.

The affordability requirement shall be in place for a minimum of five years after the Sprinkler System installation work is complete.

2.03 Voucher Acceptance

Rental properties that receive funds under the HRSS Program must accept rental subsidies, including but not limited to vouchers under Section 8 of the United States Housing Act of 1937, as amended.

2.04 Subgrantees

Subgrantees are not permitted in the HRSS Program.

Chapter 3 – Maximum Funding and Match Requirement

3.01 Maximum Funding per Eligible Building

The maximum grant per eligible building shall be $2,000,000.

3.02 Funding Match Requirements

Each grant to a nonprofit organization, local unit of government or federally recognized Indian Tribe in Minnesota or their associated Tribally Designated Housing Entity shall require a minimum 25% match. Each grant to a for-profit organization shall require a minimum 50% match.

The match:

- May be provided by the selected Grantee, a local unit of government, business, nonprofit organization, or federally recognized Indian Tribe.
- Must be fully committed without conditions at the time the Grant Contract Agreement is executed. Documentation of the required match shall be provided to the satisfaction of Minnesota Housing.
- Must be fully disbursed and expended on Eligible Expenses as defined in Chapter 4 before the HRSS Program funds are disbursed.

Upon completion, project savings, if any, may proportionally decrease the HRSS Program funds and match, subject to approval by Minnesota Housing in its sole discretion.

Chapter 4 – Eligible Expenses

Grantees may only use HRSS Program funds for costs associated with the installation of the Sprinkler System, which includes the costs to:

- Prepare performance specifications by a qualified design professional to design the Sprinkler System
- Obtain permits to install the Sprinkler System
- Install the Sprinkler System components
- Complete restoration work due to installation of the Sprinkler System
- Inspect the Sprinkler System by a design professional who prepared performance specifications
- Pay for temporary resident relocation expenses incurred as a result of installing the Sprinkler System. Permanent resident relocation is not an eligible expense.
- Pay a project management fee to the Grantee, which is the lesser of 5% of the total project costs or $100,000. The project management fee may include costs such as construction management, resident coordination, legal costs and other costs that are directly related to the installation of the Sprinkler System, subject to approval by Minnesota Housing.
- Pay other costs associated with installing the Sprinkler System upon prior written approval from Minnesota Housing

In mixed use buildings, the portion of costs to install the Sprinkler System in non-residential spaces are ineligible for reimbursement. Structured or underground parking and common areas may be prorated to the residential areas, subject to approval in Minnesota Housing's sole discretion.

The HRSS Program grant funding can only be used to reimburse expenses incurred after the Grant Contract Agreement is fully executed.

Chapter 5 – Competitive Application Process and Review Criteria

5.01 Competitive Application Process

Minnesota Housing will develop forms and procedures for soliciting and reviewing applications for grants under the HRSS program. Minnesota Housing will:

A. Publish notifications of this grant opportunity, at a minimum, on Minnesota Housing's website, in the State Register, and through issuance of Minnesota Housing eNews.
B. Publish the required application materials on Minnesota Housing's website, which will include, but is not limited to:
    i. Supporting documentation needed to verify organizational status
    ii. Budget to complete the Sprinkler System, including the required match
    iii. Temporary relocation plan, if applicable
    iv. Certification that the units in the building meet the affordability requirements of the HRSS Program as defined in Section 2.03 of this Program Guide
    v. Organizational and financial information necessary to complete required reviews in conformance with OGM policies
    vi. Evidence of required matching funds
    vii. Other documentation, as determined by Minnesota Housing

Upon review of the application materials, applicants must be willing to provide additional documentation, if requested, to help ensure a viable project. Incomplete or insufficient documentation may result in denial of the application.

5.02 Review Criteria

Minnesota Housing will review all application submissions for:

- Program eligibility
- Application completeness
- Applicant type
- Commitment of required matching funds
- Confirmation that no tenants will be permanently relocated as a result of installing the Sprinkler System

Applications will be evaluated based upon the following criteria:

- Geographic distribution
- Type of applicant (priority shall be given to nonprofit applicants)

- Evidence the applicant has the financial and organizational capacity to complete the purpose of the grant
- Percentage and commitment of matching funds
- Number of affordable units and level of affordability
- Project feasibility

5.03 Financial and Organizational Review

The Grantee or applicant shall provide the organization financial and other information necessary to conduct any review required by OGM.

5.04 Funding Selections

Funding selections are subject to approval by the Minnesota Housing board of directors.

After selection, each Grantee will receive a grant award letter with the allocated grant amount, terms and due diligence requirements.

Chapter 6 – Grant Contracting Requirements

6.01 Work Plan and Budget

The following items are subject to review and approval by Minnesota Housing before a Grant Contract Agreement can be executed:

A. Work plan and budget on a template provided by Minnesota Housing. At a minimum, the budget shall include all costs related to the Eligible Expenses.
B. Temporary relocation plan, if applicable
C. Project timeline
D. Proof of ownership of the building
E. Most recent financials and operating budget for the building
F. Evidence that the building meets the affordability requirement outlined in Section 2.03 of this Program Guide
G. Review of the organizational and financial information necessary to conduct the review required by OGM

6.02 Grantee Requirements

The Grantee is a party to the Grant Contract Agreement and shall adhere to the following requirements which include, but are not limited to, the activities listed below. If there are any conflicts between this Program Guide and the Grant Contract Agreement, the Grant Contract Agreement controls.

- Execute a Grant Contract Agreements with Minnesota Housing outlining the scope of work to be performed. The Grantee may also be responsible for completing the proposal, budget, work plan and/or other exhibits to the Grant Contract Agreement(s).
- Maintain financial records for a minimum of six years after the Grant Contract Agreement(s) ends that document the use of all grant proceeds awarded. Minnesota Housing, at its sole discretion, may request to review the accounting and documentation of such records at as part of a site visit or at other times.
- Complete and submit all invoices and required reports on time in a manner determined by Minnesota Housing.
- Have a written conflict of interest policy and take necessary steps to prevent individual and organizational conflicts of interest. All suspected, disclosed, or discovered conflicts of interest must be reported to Minnesota Housing in a timely manner.
- Comply with applicable contracting and bidding requirements defined in the Grant Contract Agreement.

- Comply with all affirmative action and non-discrimination requirements defined in the Grant Contract Agreement.
- Comply with all applicable state statutes, rules and policies.

Chapter 7 – Disbursement Requests

After the Grant Contract Agreement is fully executed, the Grantee may only submit a disbursement request to Minnesota Housing using the disbursement request form provided by Minnesota Housing. On the disbursement request form, the Grantee must identify the amount of Eligible Expenses by eligible expense category. Grantees shall use the disbursement form provided by Minnesota Housing. Disbursement will be made directly to the Grantee and will be on a reimbursement basis only. Minnesota Housing will process one disbursement request per month for each Grantee.

The Grantee shall provide evidence of the Eligible Expenses incurred with the disbursement request, which may include contractor pay applications/draw requests, paid invoices, photographs of work in progress and completed work, and invoices for Eligible Expenses. Minnesota Housing may request additional documentation as needed to verify expenses.

Before the initial disbursement, Grantee must submit the following items to Minnesota Housing:

- Evidence that the design documents were prepared and approved by a qualified design professional.
- 100% fire Sprinkler System permit set provided by general contractor or design-build sprinkler contractor.
- All applicable permits.
- Evidence of payment and performance bonds and contractor’s insurance.
- Executed construction contract.

In order to receive the final disbursement of funds, the Grantee must provide:

- A written inspection report with photographic evidence of the Sprinkler System installation at 100% completion provided by the design professional who created the performance specifications. Confirmation by the design professional that the work is complete. The report and photographs shall be provided to Minnesota Housing within ten business days after the inspection.
- Evidence that all building permits are closed out.
- Certificate of substantial completion.
- A cost report or general ledger, including receipts and expenses for the work, invoices for the work, and any other documentation deemed necessary by Minnesota Housing to complete the financial reconciliation.

- A final written report and financial review that includes the outcomes of the HRSS Program activities and confirmation of compliance with applicable affordability requirements.

Chapter 8 – Budget Modifications

The budget attached to the Grant Contract Agreements may be modified only with the prior written approval from Minnesota Housing. Any modification to the budget must occur prior to any modified expense being incurred.

Chapter 9 – Monitoring and Reporting

9.01 Monitoring

Minnesota Housing will conduct ongoing evaluations of the projects funded by the HRSS Program. The following will be required as part of grant monitoring:

- Site visit to review the complete project. Minnesota Housing reserves the right to conduct site visits to review construction progress.
- A written inspection report with photographic evidence of the Sprinkler System installation at 50% completion provided by the design professional who created the performance specifications. The report and photographs shall be provided to Minnesota Housing within ten business days after the inspection.
- A written inspection report with photographic evidence of the Sprinkler System installation at 100% completion provided by the design professional who created the performance specifications. Confirmation by the design professional that the work is complete. The report and photographs shall be provided to Minnesota Housing within ten business days after the inspection.
- Evidence that all building permits are closed out.
- Certificate of substantial completion.
- Before the final payment is made, Minnesota Housing will complete a financial reconciliation as required by OGM. Grantees shall be required to submit a cost report or general ledger, including receipts and expenses for the work, invoices for the work, and any other documentation deemed necessary by Minnesota Housing to complete the financial reconciliation.
- A final written report and financial review that includes the outcomes of the HRSS Program activities and confirmation of compliance with applicable affordability requirements.

9.02 Corrections and Funding Repayment

If the Grantee expends funds on any ineligible expenses, Minnesota Housing will issue a notification to the Grantee requiring immediate return of the applicable funds. The Grantee shall have 10 business days to respond to Minnesota Housing to appeal the determination and submit any supporting documentation that supports its appeal or return the improperly invoiced funds. Minnesota Housing may extend the appeal period in its sole discretion. Grantees that fail to comply and/or return funds within 10 business day for ineligible uses may be subject to consequences, including a finding of Unacceptable Practices in future Request for Proposals (RFP), suspension from doing business with Minnesota Housing, and/or any other disciplinary or legal action Minnesota Housing deems appropriate and as determined in Minnesota Housing's sole discretion.

9.03 Record Keeping

Grantees are responsible for maintaining records that document the use of all HRSS Program funds awarded. Grantees must save copies of all books, records, program files, documents and accounting procedures related to the HRSS Program funds in a secure and organized format. Grantees must maintain these documents for a minimum of six years from the end of the Grant Contract Agreement. Minnesota Housing reserves the right to review all records during this six-year period, and records must be made available to Minnesota Housing upon request.

Documents to save and retain include, but are not limited to:

- Executed Grant Contract Agreement
- Reports submitted by the Grantee to Minnesota Housing
- Invoices and supporting invoice documentation (receipts, proof of payment, employee payroll, etc.)
- Documentation related to contracting such as solicitations, bids and contract documents
- Written approvals from Minnesota Housing

Appendix A: Definitions

Term	Definition
Eligible High-Rise Residential Buildings	Those buildings as described in Chapter 2 of this Program Guide.
Grant Contract Agreement	The Grant Contract Agreement executed between the Minnesota Housing Finance Agency and the Grantee for the HRSS program.
Grantee	An applicant selected by the Minnesota Housing board of directors to receive HRSS Program funding
HRSS Program	The High-Rise Sprinkler System Program established in Minnesota Session Laws 2023, Regular Session, chapter 37, article 2, section 10
Minnesota Housing	The Minnesota Housing Finance Agency
OGM	The Minnesota Department of Administration Office of Grants Management
RFP	A competitive process of applying for funding from Minnesota Housing.
Sprinkler System	Means the same as “fire protection system” as defined in Minnesota Statute, chapter 299M.01, subdivision 7.
Unacceptable Practices	See Chapter 2.J of the 2025-2025 Qualified Allocation Plan

Appendix B : Legal Addendum

1.01 Conflict and Control

In the event of any conflict between the terms of this Addendum and the document to which it is attached, the terms of this Addendum will govern and control.

1.02 Fraud

Fraud is any intentionally deceptive action, statement or omission made for personal gain or to damage another.

Any person or entity (including its employees and affiliates) that enters into a contract with Minnesota Housing and witnesses, discovers evidence of, receives a report from another source or has other reasonable basis to suspect that fraud or embezzlement has occurred must immediately make a report through one of the communication channels described in section 1.07.

1.03 Misuse of Funds

A contracting party that receives funding from Minnesota Housing promises to use the funds to engage in certain activities or procure certain goods or services while Minnesota Housing agrees to provide funds to the recipient to pay for those activities, goods or services. Regardless of the Minnesota Housing program or funding source, the recipient must use Minnesota Housing funds as agreed, and the recipient must maintain appropriate documentation to prove that funds were used for the intended purpose(s).

A misuse of funds shall be deemed to have occurred when: (1) Minnesota Housing funds are not used as agreed by a recipient; or (2) a recipient cannot provide adequate documentation to establish that Minnesota Housing funds were used in accordance with the terms and conditions of the contract.

Any recipient (including its employees and affiliates) of Minnesota Housing funds that discovers evidence, receives a report from another source or has other reasonable basis to suspect that a misuse of funds has occurred must immediately make a report through one of the communication channels described in section 1.07.

1.04 Conflict of Interest

A conflict of interest – Actual, Potential or Appearance of a Conflict of Interest – occurs when a person has an actual or apparent duty or loyalty to more than one organization and the competing duties or loyalties may result in actions which are adverse to one or both parties. A

Potential Conflict of Interest or Appearance of a Conflict of Interest exists even if no unethical, improper or illegal act results from it.

- **Actual Conflict of Interest**: An Actual Conflict of Interest occurs when a person's decision or action would compromise a duty to a party without taking immediate appropriate action to eliminate the conflict.

- **Potential Conflict of Interest**: A Potential Conflict of Interest may exist if a person has a relationship, affiliation or other interest that could create an inappropriate influence if the person is called on to make a decision or recommendation that would affect one or more of those relationships, affiliations or interests.

- **Appearance of a Conflict of Interest:** The Appearance of a Conflict of Interest means any situation that would cause a reasonable person, with knowledge of the relevant facts, to question whether another person's personal interest, affiliation or relationship inappropriately influenced that person's action, even though there may be no Actual Conflict of Interest.

A conflict of interest includes any situation in which one's judgment, actions or non-action could be interpreted to be influenced by something that would benefit them directly or through indirect gain to a Partner, Family Member, Relative, Friend, Business or other Outside Interest with which they are involved. Such terms are defined below.

- **Business**: Any company, corporation, partnership, proprietorship, firm, enterprise, franchise, association, organization, self-employed individual or any other legal entity which engages either in nonprofit or profit-making activities.
- **Family Member**: A person's current and former spouse; children, parents, and siblings; current and former children-in-law, parents-in-law, and siblings-in-law; current and former stepchildren and stepparents; grandchildren and grandparents; and members of the person's household.
- **Friend**: A person with whom the individual has an ongoing personal social relationship. "Friend" does not generally include a person with whom the relationship is primarily professional or primarily based on the person being a current or former colleague. "Friend" does not include mere acquaintances (i.e., interactions are coincidental or relatively superficial). Social media friendships, connections, or links, by themselves, do not constitute friendship.
- **Outside Interest**: An Outside Interest may occur when an individual, their Family Member or their Partner has a connection to an organization via employment (current or prospective), has a financial interest or is an active participant.
- **Partner**: A person's romantic and domestic partners and outside Business partners.
- **Relative:** Uncle or aunt; first or second cousin; godparent; godchild; other person related by blood, marriage or legal action with whom the individual has a close personal relationship.

Once made aware of a conflict of interest, Minnesota Housing will make a determination before disbursing any further funds or processing an award. Determinations could include:

- Revising the contracting party's responsibilities to mitigate the conflict
- Allowing the contracting party to create firewalls that mitigate the conflict
- Asking the contracting party to submit an organizational conflict of interest mitigation plan
- Terminating the contracting party's participation

Any person or entity (including its employees and affiliates) that enters into a contract with Minnesota Housing must avoid and immediately disclose to Minnesota Housing any and all conflicts of interest through one of the communication channels described in section 1.07.

A contracting party should review its contract and request for proposals (RFP) material, if applicable, for further requirements.

1.05 Assistance to Employees and Affiliated Parties

Any party entering into a contract with Minnesota Housing for the purpose of receiving an award or benefit in the form of a loan, grant, combination of loan and grant or other funding is restricted in issuing a loan, grant, combination of loan and grant or other funding to a recipient ("Affiliated Assistance") who is also: (1) a director, officer, agent, consultant, employee or Family Member of an employee of the contracting party; (2) an elected or appointed official of the State of Minnesota; or (3) an employee of Minnesota Housing, unless each of the following provisions are met:

- The recipient meets all eligibility criteria for the program;
- The assistance does not result in a violation of the contracting party's internal conflict of interest policy, if applicable;
- The assistance does not result in a conflict of interest as outlined in section 1.04;
- The assistance is awarded utilizing the same costs, terms and conditions as compared to a similarly situated unaffiliated recipient and the recipient receives no special consideration or access as compared to a similarly situated unaffiliated recipient; and
- The assistance is processed, underwritten and/or approved by staff/managers who are independent of the recipient and independent of any Family Member of the recipient. Family Member is defined in section 1.04.

A contracting party need not disclose Affiliated Assistance to Minnesota Housing. However, the contracting party must document and certify, prior to the award, that the Affiliated Assistance meets each of the provisions outlined above. This documentation must be included in the Affiliated Assistance file and must be made available to Minnesota Housing upon request. Affiliated Assistance that does not meet each of the provisions outlined above will be considered a violation of Minnesota Housing conflict of interest standards and must be reported by the contracting party through one of the communication channels outlined in section 1.07.

1.06 Suspension

By entering into any contract with Minnesota Housing, a contracting party represents that the contracting party (including its employees or affiliates that will have direct control over the subject of the contract) has not been suspended from doing business with Minnesota Housing. Please refer to Minnesota Housing's website for a list of suspended individuals and organizations (Go to mnhousing.gov, scroll to the bottom of the screen and select Report Wrongdoing, then select Suspensions from the menu).

1.07 Disclosure and Reporting

Minnesota Housing promotes a "speak-up, see something, say something" culture whereby internal staff must immediately report instances of fraud, misuse of funds, conflicts of interest or other concerns without fear of retaliation through one of the communication channels listed below. External business partners (e.g., administrators, grantees or borrowers) and the general public are strongly encouraged to report instances of fraud, misuse of funds, conflicts of interest or other concerns without fear of retaliation using these same communication channels.

- Minnesota Housing's Chief Risk Officer at 651.296.7608 or 800.657.3769 or by email at MHFA.ReportWrongdoing@state.mn.us;
- Any member Minnesota Housing's Servant Leadership Team, as denoted on Minnesota Housing's current organizational chart (Go to mnhousing.gov, scroll to the bottom of the screen and select About Us, select Servant Leadership Team); or
- Report Wrongdoing or Concerns (mnhousing.gov) (Go to mnhousing.gov, scroll to the bottom of the screen and select Report Wrongdoing).

1.08 Electronic Signatures

Minnesota Housing will use and accept e-signatures on eligible program documents subject to all requirements set forth by state and federal law and consistent with Minnesota Housing policies and procedures. The use of e-signatures for eligible program documents is voluntary. Questions regarding which documents Minnesota Housing permits to be e-signed should be directed to Minnesota Housing staff.

1.09 Fair Housing Policy

It is the policy of Minnesota Housing to affirmatively further fair housing in all its programs so that individuals of similar income levels have equal access to Minnesota Housing programs, regardless of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, familial status, gender identity or sexual orientation.

Minnesota Housing's fair housing policy incorporates the requirements of Title VI of the Civil Rights Act of 1968; the Fair Housing Act, Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendment Act of 1988; and the Minnesota Human Rights Act. Housing providers and other entities involved in real-estate related transactions are expected to comply with the applicable statutes, regulations and related policy guidance. Housing providers should ensure that admissions, occupancy, marketing and operating procedures comply with non-discrimination requirements. Housing providers and other entities involved in real-estate related transactions must comply with all non-discrimination requirements related to the provision of credit, as well as access to services.

In part, the Fair Housing Act and the Minnesota Human Rights Act make it unlawful, because of protected class status, to:

- Discriminate in the selection/acceptance of applicants in the rental of housing units;
- Discriminate in the making or purchasing of loans for purchasing, constructing or improving a dwelling, or in the terms and conditions of real-estate related transactions;
- Discriminate in the brokering or appraisal of residential property;
- Discriminate in terms, conditions or privileges of the rental of a dwelling unit or services or facilities;
- Discriminate in the extension of personal or commercial credit or in the requirements for obtaining credit;
- Engage in any conduct relating to the provision of housing that otherwise make unavailable or denies the rental of a dwelling unit;
- Make, print or publish (or cause to make, print or publish) notices, statements or advertisements that indicate preferences or limitations based on protected class status;
- Represent a dwelling is not available when it is in fact available;
- Refuse to grant a reasonable accommodation or a reasonable modification to a person with a disability;
- Deny access to, or membership or participation in, associations or other services organizations or facilities relating to the business of renting a dwelling or discriminate in the terms or conditions of membership or participation; or
- Engage in harassment or quid pro quo negotiations related to the rental of a dwelling unit.

Minnesota Housing has a commitment to affirmatively further fair housing for individuals with disabilities by promoting the accessibility requirements set out in the Fair Housing Act, which establish design and construction mandates for covered multifamily dwellings and requires those in the business of buying and selling dwellings to make reasonable accommodations and to allow persons with disabilities to make reasonable modifications.

Under certain circumstances, applicants will be required to submit an Affirmative Fair Housing Marketing Plan at the time of application, to update the plan regularly and to use affirmative fair housing marketing practices in soliciting renters, determining eligibility and concluding all transactions.

As a condition of funding through Minnesota Housing, housing providers are not permitted to refuse to lease a unit to, or discriminate against, a prospective resident solely because the prospective resident has a Housing Choice Voucher or other form of tenant-based rental assistance.

1.10 Minnesota Government Data Practices

Minnesota Housing, and any party entering into a contract with Minnesota Housing, must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by Minnesota Housing under the contract, and as it applies to all data created, collected, received, stored, used, maintained or disseminated by the contracting party under the contract. The civil remedies of Minnesota Statutes Section 13.08 apply to the release of the data referred to in this section by either the contracting party or Minnesota Housing. If the contracting party receives a request to release the data referred to in this section, the contracting party must notify Minnesota Housing. Minnesota Housing will give the contracting party instructions concerning the release of the data to the requesting party before the data is released. The contracting party's response to the request shall comply with applicable law.

1.11 Prevailing Wage

Under certain circumstances, awards of Minnesota Housing funds may trigger state prevailing wage requirements under Minnesota Statutes Chapter 177 or Minnesota Statutes Section 116J.871. In broad terms, Minnesota Statutes Chapter 177 applies to an award of $25,000 or greater for housing that is publicly owned. Minnesota Statutes Section 116J.871 applies to awards for non-publicly owned housing that meet the following conditions: (1) new housing construction (not rehabilitation); (2) a single entity receives from Minnesota Housing $200,000 or more of grant proceeds or $500,000 of loan proceeds.

Minnesota Statutes Section 116J.871 sets out several exceptions to the applicability of prevailing wage including (1) rehabilitation of existing housing; (2) new housing construction in which total financial assistance at a single project site is less than $100,000; and (3) financial assistance for the new construction of fully detached single-family affordable homeownership units for which the financial assistance covers no more than ten fully detached single-family affordable homeownership units.

All determinations regarding prevailing wage are made by the Minnesota Department of Labor and Industry. All questions regarding state prevailing wages and compliance requirements should be directed to that agency as follows:

Division of Labor Standards and Apprenticeship
State Program Administrator
443 Lafayette Road N, St. Paul, MN 55155
651.284.5091 or dli.prevwage@state.mn.us

If, after a determination by the Minnesota Department of Labor that prevailing wage does apply, a contractor or subcontractor fails to adhere to prevailing wage laws, then that contractor or subcontractor could face civil and/or criminal liability.

MINNESOTA HOUSING

Action Item: E
Date: 01/25/2024
Staff Contacts: Susan Bergmann, 651.296.3797, susan.bergmann@state.mn.us
Janine Langsjoen, 651.296.6354, janine.langsjoen@state.mn.us
Request Type: Approval, Motion, Resolution

Item:

Approval of Funding Modification, Publicly Owned Housing Program (POHP)

- Hill Lake Manor, D7776, Hill City, MN

Request Summary:

At the July 22, 2021 board meeting, deferred funding under the Publicly Owned Housing Program (POHP) was committed to Aitkin County Housing and Redevelopment Authority (HRA) for two properties, Hill Lake Manor and Pioneer Villa, under Resolution No. MHFA 21-036 in the amount of $260,200. After selection, it was determined that the loan should be evenly split into two loans, one for each property, assigning a $130,100 loan to each.

Agency staff recommends the adoption of a resolution to increase the loan amount for Hill Lake Manor by $150,750, increasing the total POHP loan from $130,100 to $280,850.

Fiscal Impact:

POHP loans are funded by State of Minnesota General Obligation (GO) bond proceeds and the loans do not earn interest for the Agency.

Agency Priorities:

☐ Improve the Housing System

☒ Preserve and Create Housing Opportunities

☐ Make Homeownership More Accessible

☐ Support People Needing Services

☐ Strengthen Communities

Attachments:

- Background
- Resolution

Background:

Hill Lake Manor is a 30-unit, two-story building in Hill City, MN. It was built in 1973 and is owned and managed by the Aitkin County HRA. On July 22, 2021, the Minnesota Housing board selected the development along with a mirror image property, Pioneer Villa, for a POHP loan of $260,200 as part of the 2020 Publicly Owned Housing Program Request for Proposals (POHP RFP). After selection, Agency staff determined the loan should be evenly split into two loans, one for each property, assigning a $130,100 loan to Hill Lake Manor and a $130,100 loan to Pioneer Villa.

The scope of work to be funded by the loan addresses health and life safety and accessibility needs at the building: replacing the fire alarm system, common area fire doors and ADA compliant entrance doors. These components are beyond the end of their expected useful life.

The POHP RFP uses a concept-based application and project costs are not expected to be final at the time of application. Bids received on November 16, 2023, were significantly higher than estimated at selection but are consistent to what Minnesota Housing is experiencing across the current construction and labor market.

The Aitkin County HRA, the owner of Hill Lake Manor, has requested a funding increase to $280,850 to cover the increased costs of construction, environmental testing, and unforeseen asbestos abatement costs.

The Aitkin County HRA has also increased their capital fund contribution to maintain their leverage amount of 32%, helping to offset the increased costs.

Note that several factors caused a delayed start to this project, including the COVID-19 pandemic and related issues, and a single response that was too high the first time the project was bid. A 12-month commitment extension was approved by the Mortgage Credit Committee on January 17, 2024 through Board Delegation No. 009. The new loan commitment will expire on January 22, 2025.

The following tables summarize the financial composition changes since selection.

Sources	Amount at Selection	Current Amount	Difference
POHP Loan	$ 130,100	$ 280,850	$ 150,750
Property Capital Funds	$ 62,500	$ 130,177	$ 67,677
TOTAL SOURCES	$ 192,600	$ 411,027	$ 218,427

Uses	Amount at Selection	Current Amount	Difference
Construction	$ 180,000	$ 330,400	$ 150,400
Contingency	$ 12,600	$ 23,144	$ 10,544
Soft Costs	$ 0	$ 57,483	$ 57,483
TOTAL DEVELOPMENT COSTS	$ 192,600	$ 411,027	$ 218,427

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

RESOLUTION NO. MHFA 24-xxx
Modifying Resolution No. MHFA 21-036

RESOLUTION APPROVING
FUNDING MODIFICATION PUBLICLY OWNED HOUSING PROGRAM (POHP)

WHEREAS, the Minnesota Housing Finance Agency Board (Board) at its July 22, 2021 meeting, previously authorized a commitment for Hill Lake Manor development herein named by its Resolution No. MHFA 21-036; and

WHEREAS, Agency staff have determined that there are increased development costs; and

WHEREAS, the loan commitment has been extended to January 22, 2025 through Board Delegation No. 009; and

WHEREAS, the development continues to be in compliance with Minnesota Statute chapter 462A and Agency's rules, regulations and policies.

NOW THEREFORE, BE IT RESOLVED:

THAT, the Board hereby increases the funding commitment on the development noted above and hereby confirms the renewal of said commitment, subject to any revisions noted:

1. The Publicly Owned Housing Program (POHP) loan shall not exceed $280,850; and

2. The loan must close on or before January 22, 2025; and

3. All other terms and conditions of the Resolution No. MHFA 21-036 remain in effect.

Adopted this 25th day of January 2024

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CHAIR

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Action Item: F
Date: 01/25/2024
Staff Contacts: Susan Bergmann, 651.296.3797, susan.bergmann@state.mn.us
Janine Langsjoen, 651.296.6354, janine.langsjoen@state.mn.us
Request Type: Approval, Motion, Resolution

Item:

Approval of Funding Modification, Publicly Owned Housing Program (POHP)

- Pioneer Villa, D7777, McGregor, MN

Request Summary:

At the July 22, 2021 board meeting, deferred funding under the Publicly Owned Housing Program (POHP) was committed to Aitkin County Housing and Redevelopment Authority (HRA) for two properties, Hill Lake Manor and Pioneer Villa, under Resolution No. MHFA 21-036 in the amount of $260,200.

After selection, it was determined that the loan should be evenly split into two loans, one for each property, assigning a $130,100 loan to each.

Agency staff recommends the adoption of a resolution to increase the loan amount for Pioneer Villa by $150,750, increasing the total POHP loan from $130,100 to $280,850.

Fiscal Impact:

POHP loans are funded by State of Minnesota General Obligation (GO) bond proceeds and the loans do not earn interest for the Agency.

Agency Priorities:

☐ Improve the Housing System

☒ Preserve and Create Housing Opportunities

☐ Make Homeownership More Accessible

☐ Support People Needing Services

☐ Strengthen Communities

Attachments:

- Background
- Resolution

Background:

Pioneer Villa is a 30-unit, two-story building in McGregor, MN. It was built in 1973 and is owned and managed by the Aitkin County HRA. On July 22, 2021, the Minnesota Housing board selected the development along with a mirror image property, Hill Lake Manor, for a POHP loan of $260,200 as part of the 2020 Publicly Owned Housing Program Request for Proposals (POHP RFP). After selection, Agency staff determined the loan should be evenly split into two loans, one for each property, assigning a $130,100 loan to Hill Lake Manor and a $130,100 loan to Pioneer Villa.

The scope of work to be funded by the loan addresses health and life safety and accessibility needs at the building: replacing the fire alarm system, common area fire doors, and ADA compliant entrance doors. These components are beyond the end of their expected useful life.

The POHP RFP uses a concept-based application and project costs are not expected to be final at the time of application. Bids received on November 16, 2023, were significantly higher than estimated at selection, but are consistent to what Minnesota Housing is experiencing across the current construction and labor market.

The Aitkin County HRA, the owner of Pioneer Villa, has requested a funding increase to $280,850 to cover the increased costs of construction, environmental testing and unforeseen asbestos abatement costs.

The Aitkin County HRA has also increased their capital fund contribution to maintain their leverage amount of 32%, helping to offset the increased costs.

Note that several factors caused a delayed start to this project, including the COVID-19 pandemic and related issues, and a single response that was too high the first time the project was bid. A 12-month commitment extension was approved by the Mortgage Credit Committee on January 17, 2024 through Board Delegation No. 009. The new loan commitment will expire January 22, 2025.

The following tables summarize the financial composition changes since selection

Sources	Amount at Selection	Current Amount	Difference
POHP Loan	$ 130,100	$ 280,850	$ 150,750
Property Capital Funds	$ 62,500	$ 134,137	$ 71,637
TOTAL SOURCES	$ 192,600	$ 414,987	$ 222,387

Uses	Amount at Selection	Current Amount	Difference
Construction	$ 180,000	$ 334,100	$ 154,100
Contingency	$ 12,600	$ 23,404	$ 10,804
Soft Costs	$ 0	$ 57,483	$ 57,483
TOTAL DEVELOPMENT COSTS	$ 192,600	$ 414,987	$ 222,387

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

RESOLUTION NO. MHFA 24-xxx
Modifying Resolution No. MHFA 21-036

RESOLUTION APPROVING
FUNDING MODIFICATION PUBLICLY OWNED HOUSING PROGRAM (POHP)

WHEREAS, the Minnesota Housing Finance Agency Board (Board) at its July 22, 2021 meeting, previously authorized a commitment for Pioneer Villa development herein named by its Resolution No. MHFA 21-036; and

WHEREAS, Agency staff have determined that there are increased development costs; and

WHEREAS, the loan commitment has been extended to January 22, 2025 through Board Delegation No. 009; and

WHEREAS, the development continues to be in compliance with Minnesota Statute chapter 462A and Agency's rules, regulations and policies.

NOW THEREFORE, BE IT RESOLVED:

THAT, the Board hereby increases the funding commitment on the development noted above and hereby confirms the renewal of said commitment, subject to any revisions noted:

1. The Publicly Owned Housing Program (POHP) loan shall not exceed $280,850; and

2. The loan must close on or before January 22, 2025; and

3. All other terms and conditions of the Resolution No. MHFA 21-036 remain in effect.

Adopted this 25th day of January 2024

____
CHAIR

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Action Item: G
Date: 01/25/2024
Staff Contacts: Susan Bergmann, 651.296.3797, susan.bergmann@state.mn.us
Janine Langsjoen, 651.296.6354, janine.langsjoen@state.mn.us
Request Type: Approval, Motion, Resolution

Item:

Approval of Funding Modification, Publicly Owned Housing Program (POHP)

- John Carroll Hi-Rise, D2514, South St. Paul, MN

Request Summary:

Staff recommends approval of an increase of $1,124,948 to the Publicly Owned Housing Program (POHP) loan for John Carroll Hi-Rise from $3,287,152 to $4,412,100.

Fiscal Impact:

POHP loans are funded by State of Minnesota General Obligation (GO) bond proceeds and the loans do not earn interest for the Agency.

Agency Priorities:

☐ Improve the Housing System

☒ Preserve and Create Housing Opportunities

☐ Make Homeownership More Accessible

☐ Support People Needing Services

☐ Strengthen Communities

Attachments:

- Background
- Resolution

Background:

John Carroll Hi-Rise is a 13-story building, with a total of 166 units. It was built in 1974 and serves an elderly population. On July 22, 2021, the Housing and Redevelopment Authority of the City of South St. Paul (SSP HRA) was selected by the board to receive $3,287,152 in 2020 POHP funds under Resolution No. 21-036. The initial scope of work addressed critical needs by replacing the entire original plumbing system and conducting related asbestos abatement.

The POHP request for proposals (RFP) uses a concept-based application and project costs are not expected to be final at the time of application. At bid, several factors contributed to the higher-than-expected construction costs. Environmental testing for radon showed the need for radon mitigation, which had not been considered in the original scope of work. The radon mitigation work was reviewed by Minnesota Housing's assigned architect and added to the previously approved scope of work. The asbestos abatement and temporary resident relocation costs are also higher than the estimate at application. This is primarily due to a better understanding of how long residents will be temporarily displaced from their units. Finally, the calculated rate of inflation was higher in the final bid than at application. Although these overall costs are higher than the original estimate, they are in line with bids submitted for other similar projects. Relocation is not an eligible cost under the POHP program, so the SSP HRA leverage funds will be used to cover these costs.

The SSP HRA worked diligently with the contractor to value engineer the project as much as possible. The radon mitigation system was redesigned to take advantage of the plumbing rehabilitation project by accessing the same plumbing stacks. The same contractor will be managing both the plumbing and radon mitigation, providing more efficiency during rehabilitation. The asbestos abatement oversight contract was renegotiated resulting in approximately 15% lower costs.

SSP HRA maintained their leverage contribution of 44% by increasing their capital fund contribution to help offset the increased costs.

A 12-month commitment extension was approved by the Mortgage Credit Committee on January 17, 2024 through Board Delegation No. 009. The new loan commitment will expire on January 22, 2025 but the loan is anticipated to close in the first quarter of 2024.

The following tables summarize the sources and uses changes since selection.

Sources	Amount at Selection	Current Amount	Difference
POHP Loan	$ 3,287,152	$ 4,412,100	$ 1,124,948
Property Capital Funds	$ 2,600,000	$ 3,466,607	$ 866,607
TOTAL SOURCES	$ 5,887,152	$ 7,878,707	$ 1,991,555

Uses	Amount at Selection	Current Amount	Difference
Construction	$ 4,914,441	$ 5,675,046	$ 760,605
Contingency	$ 344,011	$ 397,253	$ 53,242
Environmental Testing/Abatement	$ 36,300	$ 1,070,715	$ 1,034,415
Relocation Costs	$ 307,400	$ 460,193	$ 152,793
Soft Costs	$ 285,000	$ 275,500	$ (9,500)
TOTAL DEVELOPMENT COSTS	$ 5,887,152	$ 7,878,707	$ 1,991,555

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

RESOLUTION NO. MHFA 24-XXX
Modifying Resolution No. MHFA 21-036

RESOLUTION APPROVING
FUNDING MODIFICATION PUBLICLY OWNED HOUSING PROGRAM (POHP)

WHEREAS, the Minnesota Housing Finance Agency Board (Board) at its July 22, 2021 meeting, previously authorized a commitment for John Carroll Hi-Rise development herein named by its Resolution No. MHFA 21-036; and

WHEREAS, Agency staff have determined that there are increased development costs; and

WHEREAS, the loan commitment has been extended to January 22, 2025 through Board Delegation No. 009; and

WHEREAS, the development continues to be in compliance with Minnesota Statute chapter 462A and Agency's rules, regulations and policies.

NOW THEREFORE, BE IT RESOLVED:

THAT, the Board hereby increases the funding commitment on the development noted above and hereby confirms the renewal of said commitment, subject to any revisions noted:

1. The Publicly Owned Housing Program (POHP) loan shall not exceed $4,412,100; and

2. The loan must close on or before January 22, 2025; and

3. All other terms and conditions of the Resolution No. MHFA 21-036 remain in effect.

Adopted this 25th day of January 2024

____
CHAIR

MINNESOTA HOUSING

Action Item: H
Date: 01/25/2024
Staff Contacts: Tresa Larkin, 651.284.3177, tresa.larkin@state.mn.us
Request Type: Approval, Motion, Resolution

Item

Commitment of Manufactured Home Park Acquisition Loan

- Bois de Sioux Cooperative, D8649, Breckenridge, MN

Request Summary:

Staff requests board authorization to finance the acquisition and financing costs of Bois de Sioux Cooperative, a manufactured home community in Breckenridge, MN. The financing will include a secured first mortgage loan with a seven-year term. The first three years will require interest only payments.

Fiscal Impact:

The acquisition loan will be funded from Housing Investment Fund (Pool 2) resources. Minnesota Housing will earn interest income on the Pool 2 loan and will earn additional fee income from originating the loan for this project.

Agency Priorities:

☒ Improve the Housing System

☒ Preserve and Create Housing Opportunities

☒ Make Homeownership More Accessible

☐ Support People Needing Services

☒ Strengthen Communities

Attachments:

- Background
- Development Summary
- Resolution

Background

Minnesota Housing has increased lending options to manufactured housing communities over the last few years. At the June 24, 2021 meeting, the Minnesota Housing Board of Directors approved several financing options for manufactured housing, including acquisition financing, improvement financing, and permanent financing. The approval indicated that these repayable loans may be funded from either Pool 2 or Pool 3 and may be used in connection with each other or independently and are to be offered on a year-round basis.

General loan terms were recommended and adopted at that time with the requirement that each individual loan transaction be brought to board for approval at the time of engagement. To date, Minnesota Housing has received approval for, and closed, two acquisition loans: Woodlawn Terrace located in Richfield and Emerald Pines Cooperative located in Alexandria. There has been strong interest from manufactured home community owners for each of these types of lending and additional opportunities to lend to manufactured housing communities are being analyzed by staff.

It is important to note that while staff believes these financing activities will be a complement to the Manufactured Home Community Redevelopment Program, utilizing Agency financing for acquisition, improvement or permanent financing does not guarantee that an application for the Redevelopment Program or other Agency RFP will result in a selection for other programs. Nor does a successful application for an infrastructure grant qualify any community for other forms of lending by the Agency.

Development Summary

Section I: Project Description and Recommendations

Project Information				
Development Name	Bois de Sioux Cooperative		**D#** 8649	**M#** 20698
Address	702 5th Street South			
City	Breckenridge	**County**	Wilkin	
Date of Selection	12/06/2023	**Region**	Northwest	

A. Project Description

- Bois de Sioux is an existing manufactured housing community located on 16.44 acres in Breckenridge.
- The Property is licensed for 75 mobile home rental spaces, of which 43 are currently occupied. Each of these homes are resident owned.
- The community was originally built in 1970 and is serviced by Breckenridge Public Utilities which provides electrical, water and sanitary sewer service to the private park utilities.
- The community is currently privately owned. Upon closing of the acquisition loan, Bois de Sioux will be owned by a resident owned cooperative, Bois de Sioux Mobile Estates, LLC.
- This project provides the unique opportunity to infill 32 affordable manufactured housing units in Breckenridge. The owner intends to place the additional homes in the community over the term of the acquisition loan.
- While the acquisition loan will not include rent or income limits, given the nature of the cooperative ownership model and the tenant base of the community, Bois de Sioux will continue to serve low- and moderate-income Minnesotans.

B. Mortgagor Information

- Upon closing of the acquisition loan, the project will be owned by a resident owned cooperative, Bois de Sioux Mobile Estates, LLC.
- Bois de Sioux Mobile Estates, LLC has elected a four-person Board of Directors to manage the cooperative.
- As of November 1, 2023, over 50% of the homes (22 of the 43 occupied homes) have signed to become members of the resident cooperative.

C. Development Team

- Bois de Sioux Community Cooperative has signed a Technical Assistance Agreement with Northcountry Cooperative Foundation (NCF) to assist the owner with the intricacies of the acquisition and financing requirements.
- Bois de Sioux will hire a professional management company to provide property management services.

D. Current Funding Request

Loan Type	Program	Source	Amount	Rate	Term	Amort
Interest Only 3 years, Balloon	Manufactured Home Acquisition	Pool 2	$943,500	6.625%	7	35

E. Conditions of Closing

- Final legal review and approval of all closing and due diligence items.
- Bois de Sioux Community Cooperative must maintain a Technical Assistance Agreement with an Agency approved technical assistance provider through the term of the acquisition loan.
- An operating reserve in the amount of $70,000 will be required and will not be held by Minnesota Housing.
- A replacement reserve in the amount of $50,000 will be required and will not be held by Minnesota Housing.
- A technical assistance fee escrow in the amount of $84,000 is required and will be held by Minnesota Housing.

Section II: Sources and Uses

A. Project Sources

Description	Amount	Per Unit
Pool 2 Acquisition Loan	$ 943,500	$ 12,580
NCF Subordinate Loan	$ 570,000	$ 7,600
Total Permanent Financing	**$ 1,513,500**	**$ 20,180**

B. Project Uses

Description	Amount	Per Unit
Acquisition	$ 1,100,000	$ 14,667
MHFA Financing and App fee	$ 25,250	$ 337
NCF Consultant Fee	$ 66,000	$ 880
Replacement Reserve Escrow	$ 50,000	$ 667
Operating Reserve	$ 70,000	$ 933
Technical Assistance Escrow	$ 84,000	$ 1,120
Closing and Financing Costs	$ 118,250	$ 1,576
Total Development Cost	**$ 1,513,500**	**$ 20,180**

C. Financing Structure
- The $943,500 first mortgage acquisition loan will be funded with Housing Investment Funds, (Pool 2) with a 6.625% fixed interest rate. The term of the loan will be 7 years and will be amortized over 35 years. The first three years will require interest only payments.
- The subordinate debt in the approximate amount of $570,000 will be provided by the Cooperative Loan Fund sponsored by Northcountry Cooperative Foundation. This loan will be interest only at 4.5% for the first three years, with principal and interest payments beginning in year 4 of the 7-year term of the loan. This loan amount is based on estimated costs for financing and professional fees to date. If fees are higher or lower at the time of loan closing, the NCF loan will adjust to address any gaps or overages.

Section III: Underwriting

A. Income
- Each cooperative member will own the manufactured housing unit they reside in. The cooperative has reviewed the lot rent increase to $350 as proposed and underwritten.
- Increase in the number of housing units throughout the term of the acquisition loan is included in the cashflow analysis. Increasing the total number of units at the community supports the payoff of the acquisition loan. The initial projections of just five additional units in the community supports the repayment of the loans within the first three years.
- Income assumes standard 2% inflation factor.

B. Expenses
- Total Operating Expense of $98,050 per year are underwritten based on historical information provided, adjusted for cooperative ownership model.
- Debt service is adjusted to reflect interest only payment for years 1-3, with principal and interest beginning in year 4 for both the first and the second lien position loans.
- Operating costs assume a 3.25% inflation factor.

C. Feasibility Summary
- Current occupancy of the community provides limited cashflow for interest payments. An operating reserve is being underwritten to offset that risk.
- As additional units are placed and rented, cashflow improves and supports refinance within the term of the Agency loans.

D. Loan to Value
- An appraisal dated September 28, 2023 was completed by Colliers International Valuation & Advisory Services. Indicated as-is value was $1,110,000.
- Loan to Value for the first mortgage is between 85% based on these metrics.
- The first mortgage loan amount is limited by the appraised value, rather than by debt service coverage requirements.
- It is anticipated that property value will increase throughout the term of the acquisition loan as additional units are placed in service.

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

RESOLUTION NO. MHFA 24-XXX

RESOLUTION APPROVING COMMITMENT OF MANUFACTURED HOME PARK ACQUISITION LOAN

WHEREAS, the Minnesota Housing Finance Agency (Agency) has received a request to provide financing to a manufactured home development, as follows:

Name of Development:	Bois de Sioux Cooperative
Location of Development:	Breckenridge
Owner:	Bois de Sioux Mobile Estates, LLC
Number of Units:	75
Amount of Loan Commitment:	$943,500

WHEREAS, Agency staff has determined that such project is eligible for a commitment under the Agency's statute; that such loan is not otherwise available, wholly or in part, from private lenders upon equivalent terms and conditions; and that the financing of the development will assist in fulfilling the purpose of Minn. Stat. ch. 462A.05, subd. 35; and

NOW THEREFORE, BE IT RESOLVED:

THAT, the Board hereby authorizes Agency staff to issue a commitment to provide mortgage loans to said Owner from the Housing Investment Fund (Pool 2) for acquisition and related costs of the indicated manufactured home development subject to the following terms and conditions:

1. The amount of the Pool 2 loan shall not exceed $943,500; and

2. The interest rate shall be 6.25% per annum, with monthly payments based on a 35-year amortization; and

3. Interest only payments for the Pool 2 loan shall be due monthly for years 1 through 3 and principal and interest payments due for years 4 through 7; and

4. The term of the Pool 2 loan shall be up to 7 years, with prepayment in full without penalty allowed at any time; and

5. The Pool 2 loan shall be non-recourse; and

6. The Pool 2 loan shall be secured by a mortgage; and

7. The Owner shall execute documents embodying the above in form and substance acceptable to Agency staff; and

8. Annual property financial statements (or more frequently in the Agency's sole discretion) must be submitted to Minnesota Housing; and

9. The Owner and such other parties as Agency staff in its sole discretion deems necessary, shall execute all such documents relating to said loans, to the security therefore, and to the operation of the development, as Agency staff in its sole discretion deems necessary.

Adopted this 25th day of January 2024

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CHAIR

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MINNESOTA HOUSING

Action Item: I
Date: 01/25/2024
Staff Contacts: Michael Solomon, 651.297.4009, michael.solomon@state.mn.us
Paula Rindels, 651.296.2293, paula.rindels@state.mn.us
Request Type: Approval, Motion, Resolution

Item:

Adoption, Resolution Authorizing the Issuance and Sale of General Purpose Bonds, 2024 Series A

Request Summary:

Staff is seeking authorization to issue General Purpose Bonds secured by the Agency's general obligation pledge to fund its existing financing programs in the Housing Investment Fund (Pool 2) in an amount not to exceed $60 million.

Fiscal Impact:

The issuance of the bonds will result in new interest costs but will provide a source of funding to support ongoing lending activities continuing the growth of the Agency's assets. Similar to frequent borrowings for first mortgage programs, the proceeds are expected to fund loans at a rate higher than the cost of borrowing and thus produce a profitable spread such that the Agency builds the sustainability of future income.

Agency Priorities:

☒ Improve the Housing System

☒ Preserve and Create Housing Opportunities

☒ Make Homeownership More Accessible

☐ Support People Needing Services

☐ Strengthen Communities

Attachments:

- Background
- Draft Preliminary Official Statement
- Resolution

Background:

The Agency has typically funded its lending programs in the Housing Investment Fund, also known as Pool 2, with its cash on hand. That fund was designed to act as a revolving fund with loan repayments funding the origination of new loans. The main types of loans funded with Pool 2 are Home Improvement Loans, Monthly Payment Loans originated as part of Start Up or Step Loan homebuyer lending, and Low and Moderate Income Rental (LMIR) first mortgages for multifamily rental projects.

Pool 2 loan assets have increased from $267.9M in FY2019 to $409.6M in FY2023. In that time Multifamily LMIR loan assets increased by 38%, Home Improvement loans increased by more than 50% and Monthly Payment Loan assets increased by more than 70%. With this ramp up of production, annual new lending exceeds repayment of existing loans. This, together with higher interest rates slowing down prepayments, has reduced Pool 2's cash available to fund new loans, a challenge created by the success of the programs.

In order to fund the Agency's new Pool 2 lending, it is therefore prudent for the Agency to bond finance portions of these activities. Such bond financing provides liquidity to facilitate the continued growth of assets on the balance sheet that generate future spread income. The proposed $60M bond issuance would finance roughly 41% of the anticipated FY2024 loan volume and represents less than 16% of the Pool 2 net position at year end FY2023.

To facilitate the issuance of the bonds for Pool 2, and since many of these loans are second lien assets, the bonds will carry the Agency's general obligation, or full faith and credit, pledge. This is consistent with our other frequent bond issues, such as bonds issued pursuant to the Residential Housing Finance Bond resolution. Unlike that resolution, and because the funding is to provide resources for Pool 2 as a whole, the assets financed by these bonds will not be specifically identified or pledged to the repayment of the bonds. While the repayments of loans financed by the issuance of the bonds are anticipated to pay principal and interest on the bonds, any of the Agency's available funds may be used to fund those payments. The Agency's general obligation ratings are strong, at Aa1/AA+, and the issuance of the bonds is not anticipated to have any implications for that credit rating.

Staff are working with CSG, the Agency's Financial Advisor, to evaluate which method of sale of the bonds will ensure the most efficient outcome.

Ongoing analysis will be necessary to determine the need for future bond issuances under this indenture of trust based on many variables including loan production, market interest rates and other economic factors. The Agency finance team will monitor these changing variables and the impacts of the liquidity tools put in place, including the issuance of these bonds, on the cash position, credit ratings and ongoing profitability of the Agency both in Pool 2 and the balance sheet overall.

NEW ISSUE **RATINGS: Moody's: "__"**
S&P: "__"
(See "Ratings" herein.)

Minnesota Housing Finance Agency has prepared this Official Statement to provide information about the Series Bonds. Selected information is presented on this cover page for the convenience of the user. To make an informed decision regarding the purchase of the Series Bonds, a prospective investor should read all of this Official Statement. Capitalized terms used on this cover page have the meanings given in this Official Statement.

MINNESOTA HOUSING

Minnesota Housing Finance Agency
$60,000,000* General Purpose Bonds, 2024 Series A
(Taxable)

Dated Date: Date of Delivery **Due: As shown on inside front cover**

Tax Exemption	Interest on the Series Bonds is includable in gross income for purposes of federal income taxation and is includable in the taxable net income of individuals, trusts and estates for State income tax purposes
Redemption	The Agency may redeem all or a portion of the Series Bonds by optional redemption and must redeem a portion of the Series Bonds by mandatory sinking fund redemption, as described under "The Series Bonds" herein**.**
Security	The Series Bonds are general obligations of the Agency, payable out of any of its generally available moneys, assets or revenues. Payment of principal and interest on the Series Bonds is secured, on an equal basis with payment of principal and interest on all Outstanding Bonds that the Agency may subsequently issue, under an Indenture of Trust (the "Indenture"), by the Agency's pledge of the Investment Obligations in the funds and accounts held in the Indenture. *The Agency has no taxing power. The State is not liable for the payment of the Series Bonds and the Series Bonds are not a debt of the State.* (See "Security for the Bonds" herein.).
Interest Payment Dates	January 1 and July 1, commencing July 1, 2024,* and, in respect of a Series Bond to be redeemed, the redemption date.
Denominations	$5,000 or any integral multiple thereof.
Closing/Settlement	__________, 2024* through the facilities of DTC in New York, New York.
Bond Counsel	Kutak Rock LLP.
Underwriter's Counsel	Dorsey & Whitney LLP.
Trustee	Computershare Trust Company, National Association, in St. Paul, Minnesota.
Book-Entry-Only System	The Depository Trust Company. See Appendix E hereto.

The Series Bonds are offered when, as and if issued, subject to withdrawal or modification of the offer without notice and to the opinion of Kutak Rock LLP, Bond Counsel, as to the validity of the Series Bonds.

RBC Capital Markets

The date of this Official Statement is _______, 2024

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*Preliminary; subject to change.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND PRICES*

2024 Series A Bonds (Taxable)

*Preliminary; subject to change.

**CUSIP numbers have been assigned by an organization not affiliated with the Agency and are included for the convenience of the owners of the Series Bonds. The Agency is not responsible for the selection or uses of these CUSIP numbers, nor is any representation made as to their correctness on the Series Bonds or as indicated above. A CUSIP number for a specific maturity may be changed after the issuance date. CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems Inc.

Neither Minnesota Housing Finance Agency nor the Underwriter has authorized any dealer, broker, salesperson or other person to give any information or representations, other than those contained in this Official Statement. Prospective investors must not rely on any other information or representations as being an offer to buy. No person may offer or sell Series Bonds in any jurisdiction in which it is unlawful for that person to make that offer, solicitation or sale. The information and expressions of opinion in this Official Statement may change without notice. Neither the delivery of the Official Statement nor any sale of the Series Bonds will, under any circumstances, imply that there has been no change in the affairs of the Agency or the Initial Liquidity Provider since the date of this Official Statement.

This Official Statement contains statements that, to the extent they are not recitations of historical fact, constitute “forward-looking statements.” In this respect, the words “estimate,” “intend,” “expect,” and similar expressions are intended to identify forward-looking statements. A number of important factors affecting the Agency, its Program and the Series Bonds could cause actual results to differ materially from those contemplated in the forward-looking statements.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, their respective responsibilities under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of the information.

In connection with this offering, the Underwriter may over-allot or effect transactions that stabilize or maintain the market price of the Series Bonds at a level above that which might otherwise prevail in the open market. This stabilizing, if commenced, may be discontinued.

NO FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY HAS RECOMMENDED THESE SECURITIES. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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OFFICIAL STATEMENT
relating to
$60,000,000*
MINNESOTA HOUSING FINANCE AGENCY
GENERAL OBLIGATION BONDS,
2024 SERIES A (TAXABLE)

This Official Statement (which includes the cover page, inside front cover and Appendices) provides certain information concerning the Minnesota Housing Finance Agency (the "Agency"), and its General Purpose Bonds, 2024 Series A (Taxable) (the "Series Bonds"), in connection with the offering and sale of the Series Bonds by the Agency and for the information of all who may become initial Owners of the Series Bonds.

The Agency is issuing the Series Bonds pursuant to Minnesota Statutes, Chapter 462A, as amended (the "Act"), and an Indenture of Trust, dated as of ______ 1, 2024, as supplemented by a First Supplemental Indenture of Trust, to be dated as of ________ 1, 2024 (as so supplemented, and as amended and supplemented from time to time in accordance with its terms, the "Indenture"), each between the Agency and Computershare Trust Company, National Association, as trustee (the "Trustee"). The Series Bonds and any additional bonds (the "Additional Bonds") issued pursuant to the Indenture are equally and ratably secured thereunder and are herein called the "Bonds.".

The Indenture includes definitions of capitalized terms used in this Official Statement, some of which are reproduced in Appendix C. The summaries and references in this Official Statement to the Act, the Indenture and other documents are only outlines of certain provisions and do not summarize or describe all the provisions thereof. All references in this Official Statement to the Act and the Indenture are qualified in their entirety by the complete text of the Act and the Indenture, copies of which are available from the Agency. All references to the Series Bonds are qualified in their entirety by the complete form thereof and the provisions in the Indenture establishing the terms of the Series Bonds.

INTRODUCTION

The Agency is a public body corporate and politic, constituting an agency of the state of Minnesota (the "State"). The Act authorizes the Agency to issue bonds for the purpose, among other purposes, of purchasing, making or otherwise participating in the making of mortgage loans to persons and families of low and moderate income, and to sponsors of residential housing, for the purchase and improvement of residential housing upon the determination by the Agency that those loans are not otherwise available from private lenders upon equivalent terms and conditions.

Since its creation in 1971, the Agency has issued bonds to purchase single family mortgage loans, to purchase home improvement loans and to finance multifamily developments. In addition to financing loans through the issuance of debt, the Agency finances grants and loans through State and federal appropriations and its Alternative Loan Fund in the Residential Housing Finance Bonds Resolution. Please refer to the information in the notes to the financial statements included in Appendix A-1 to this Official Statement at pages 69 and 70 under the heading "Net Position — Restricted by Covenant."

The Agency is issuing the Series Bonds to provide money for the Agency to continue its Program by purchasing, or reimbursing itself for the purchase of, Program Loans made by Lenders for home improvements to facilitate the rehabilitation and improvement of residential housing in the State, as well as other housing related loans, for persons and families of low and moderate income and others as permitted by the Act. See "The Home Improvement

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* Preliminary; subject to change.

Loan Program – History and Growth of the Program" for a description of the increase in the use of the program and the Home Improvement Loans receivable held by the Agency.

The Series Bonds are general obligations of the Agency payable from any of its moneys, assets or revenues, subject only to the provisions of other resolutions or indentures now or hereafter pledging and appropriating particular moneys, assets or revenues to particular notes or bonds, or State or federal laws or restrictions that provide that particular funds must be applied for a specified purpose. The net position of the General Reserve and the Alternative Loan Fund is legally available if needed to pay debt service on any obligations of the Agency, including the Series Bonds. (See "The Agency—Net Position Restricted By Covenant and Operations to Date—General Reserve; Alternative Loan Fund.") Under the Indenture, the Agency is authorized to use the proceeds of the Series Bonds to acquire Program Obligations in connection with Housing, which is defined to include single family loans, home improvement loans, multifamily loans and other housing related loans, and to secure those loans in the manner as the Agency determines, which would include first mortgage loans, subordinate mortgage loans or loans that are unsecured.

Although the State has appropriated amounts to the Agency for various specific purposes (see "The Agency —State Appropriations"), the Agency generally pays its general and administrative expenses from certain interest earnings and fees charged in connection with its bond-funded programs. For programs funded through State appropriations, the Agency recovers the costs of administering those programs from those appropriations only to the extent of interest earnings on the appropriations, although certain of the programs allow the Agency to use a portion of the appropriations for administrative costs. The appropriations are not available to pay debt service on the Bonds.

The Agency has no taxing power. Neither the State nor any political subdivision thereof is or will be obligated to pay the principal or redemption price of or interest on the Series Bonds and neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to that payment.

THE AGENCY

Purpose

The Agency was created in 1971 by the Act as a public body corporate and politic, constituting an agency of the State, in response to legislative findings that there existed in Minnesota a serious shortage of decent, safe, and sanitary housing at prices or rentals within the means of persons and families of low and moderate income, and that the then present patterns of providing housing in the State limited the ability of the private building industry and the investment industry to produce that housing without assistance and resulted in a failure to provide sufficient long-term mortgage financing for that housing.

Structure

Under the Act, the membership of the Agency consists of the State Auditor and six public members appointed by the Governor with the advice and consent of the Senate for terms of four years. Pursuant to the Act, each member continues to serve until a successor has been appointed and qualified. The Chair of the Agency is designated by the Governor from among the appointed public members. Pursuant to State law, the State Auditor may delegate duties and has delegated her duties as a member of the Agency in the event that the Auditor is unable to attend a meeting of the Agency.

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The present members of the Agency, who serve without compensation (except for per diem allowance and expenses for members not otherwise compensated as public officers), are listed below.

John DeCramer, Chair — Term expired January 2024,* Marshall, Minnesota – Magnetics Engineer

The Honorable *Julie Blaha* — *Ex officio*, St. Paul, Minnesota – State Auditor

Melanie Benjamin, Member — Term expires January 2025, Onamia, Minnesota – Consultant

Eric Cooperstein, Member — Term expires January 2027, Edina, Minnesota – Attorney

Stephanie Klinzing, Member — Term expires January 2027, Elk River, Minnesota – Writer and Publisher

Stephen Spears, Member — Term expires January 2026, Plymouth, Minnesota – Banker

Terri Thao, Vice Chair — Term expired January 2024,* St. Paul, Minnesota – Program Director

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*Continues to serve until a successor is appointed and qualified.

Staff

The staff of the Agency presently consists of approximately 295 persons, including professional staff members and contractors who have responsibilities in the fields of finance, law, mortgage underwriting, architecture, construction inspection and housing management. The Attorney General of the State provides certain legal services to the Agency.

The Commissioner is appointed by the Governor. The Act authorizes the Commissioner of the Agency to appoint the permanent and temporary employees as the Commissioner deems necessary subject to the approval of the Commissioner of Management and Budget.

The principal officers and staff related to the Program are as follows:

Jennifer Ho — Commissioner-Designee, appointed effective January 2019. When Governor Tim Walz took office on January 7, 2019, Ms. Ho was appointed Commissioner and has all of the powers and will perform all of the duties of the office. The appointment of Ms. Ho as Commissioner may be confirmed or rejected by the advice and consent of the state of Minnesota Senate. Prior to her appointment, Ms. Ho was the Senior Policy Advisor for Housing and Services at the U.S. Department of Housing and Urban Development during the Obama Administration. Prior to that, she served as deputy director at the United States Interagency Council on Homelessness (USICH), shepherding the creation of Opening Doors, the nation's first-ever comprehensive federal plan to prevent and end homelessness. Ms. Ho worked with former First Lady Michelle Obama to launch the Mayors Challenge to End Veteran Homelessness that resulted in reducing the number of veterans experiencing homelessness on any night by nearly half. In 1999, as Executive Director of Hearth Connection, a Minnesota non-profit, she began her work to end homelessness by managing a nationally recognized demonstration project on supportive housing and long-term homelessness for single adults, youth and families in Ramsey and Blue Earth counties. Ms. Ho oversaw the replication of that project in 34 additional counties in partnership with the Fond du Lac, Bois Fort and Grand Portage Tribal Bands. She has served on the Boards of Directors for West Side Community Health Services in St. Paul, and nationally for the Corporation for Supportive Housing and the Melville Charitable Trust. Ms. Ho received a Bachelor of Arts Degree in philosophy from Bryn Mawr College.

Rachel Robinson — Deputy Commissioner, appointed effective March 2019. Prior to this position, Ms. Robinson was Fund Manager for the NOAH Impact Fund, a subsidiary of the Greater Minnesota Housing Fund, a certified Community Development Financial Institution, from 2016 to 2019, responsible for securing investment commitments, structuring transactions, developing investor and partner relations, and ensuring that social impact goals and compliance requirements were met. She has worked in affordable housing development and finance for over 15 years, including with CommonBond Communities from 2011 to 2015, where as Vice President she developed and led enterprise asset management systems, and as Senior Housing Development Manager from 2008 to 2011. Ms. Robinson was also Director of Property Development at Artspace Projects, Inc. from 2015 to 2016. She holds a Master's degree in Urban and Regional Planning from the University of Minnesota Humphrey School of Public Affairs and a Bachelor of Arts degree in Urban Studies from Macalester College, St. Paul, Minnesota.

Michael Solomon — Chief Financial Officer, appointed effective August 2022. In this position, Mr. Solomon leads the finance and accounting teams of the Agency and provides strategic direction regarding the organization's financial resources. Prior to this position he served as Treasurer of the City of Saint Paul overseeing financial operations including cash, investment and debt management in addition to significant work in economic development and financial empowerment. He held other roles in the City's Office of Financial Services from 2012 to 2017 including Debt Manager leading the issuance of debt obligations from a variety of credits utilizing innovative financing tools. Mr. Solomon worked for a local municipal financial advisory and consulting firm from 2008 to 2012 specializing in the issuance and management of municipal debt. He received his degree in Financial Management from the University of St. Thomas in Saint Paul, Minnesota and is an active member of the Government Finance Officers Association, serving on its Committee of Treasury and Investment Management contributing to best practices and guidance used across the industry.

Debbi Larson — Director of Finance appointed effective December 2019. Ms. Larson was Controller and Director of Financial Operations for the Agency from August 2015 to December 2019. Prior to that position, she was Director of Finance and Information Technology for a subsidiary of Taylor Corporation and responsible for domestic and international locations and, prior to that, was the Chief Financial Officer for a division of the Minnesota Department of Corrections. Ms. Larson previously held various accounting positions of increasing responsibility. Ms. Larson holds a Bachelor of Science degree with a concentration in Accounting from the University of Phoenix, and an MMBA (accelerated MBA program) Executive Leadership certification from the University of St. Thomas.

Irene Kao — General Counsel, appointed effective November 2022. Prior to this position, Ms. Kao was the Intergovernmental Relations Counsel at the League of Minnesota Cities where she served as legislative legal counsel and lobbyist representing cities on issues related to land use and zoning, data practices, Open Meeting Law, procurement, and civil liability. She also serves as adjunct faculty at Mitchell Hamline School of Law. Ms. Kao earned a law degree from Mitchell Hamline School of Law, a Master of Arts degree in College Student Personnel from the University of Maryland College Park and a Bachelor of Arts degree in English and Psychology from the University of Minnesota Twin Cities.

Kayla Schuchman — Assistant Commissioner, Single Family, appointed effective January 2022. Prior to Ms. Schuchman's appointment to this role she was the Housing Director for the City of Saint Paul, and prior to that worked as a Project Manager at CommonBond Communities. Her previous experience includes nine years with the Agency, including as Multifamily Programs Middle Manager from December 2014 to December 2016, Low Income Housing Tax Credit Program Manager and RFP Coordinator from 2012 to 2014 and Multifamily Housing Development Officer from 2007 to 2012. Prior to that, Ms. Schuchman held positions as a Senior Financial Analyst and Budget Analyst at Minneapolis Public Housing Authority. She holds a Master's degree in Public Policy from the University of Minnesota's Humphrey School and a Bachelor of Arts Degree in Economics from Macalester College, Saint Paul, Minnesota. Ms. Schuchman holds a Housing Development Finance Professional certification through the National Development Council, has served as a director on several nonprofit boards and was named a 40 under 40 honoree by the Minneapolis/Saint Paul Business Journal in February 2021.

The Agency's offices are located at 400 Wabasha Street North, St. Paul, Minnesota 55102, and its general telephone number is (651) 296-7608. The Agency's website address is http://www.mnhousing.gov. No portion of the Agency's website is incorporated into this Official Statement.

Independent Auditors

The financial statements of the Agency as of and for the year ended June 30, 2023, included in this Official Statement as Appendix A-1, have been audited by RSM US LLP, independent auditors, as stated in their report appearing herein. RSM US LLP has not been engaged to perform, and has not performed, any procedures on the financial statements after June 30, 2023. RSM US LLP also has not performed any procedures relating to this Official Statement.

Financial Statements of the Agency

The Agency financial statements included in this Official Statement as Appendix A-1 as of and for the fiscal year ended June 30, 2023, are presented in combined "Agency-wide" form followed by "fund" financial statements presented for its major funds in order to comply with the requirements of Statement No. 34 of the Governmental Accounting Standards Board.

Information regarding the Minnesota State Retirement System ("MSRS"), to which the Agency contributes, is included in Appendix A-1 in the Notes to Financial Statements at pages 71 through 74 under the heading "Defined Benefit Pension Plan." The Agency's allocable portion of net pension liability reported at June 30, 2023, with respect to MSRS is $11.271 million. The Agency's total net pension liability and post-employment benefits liability is $13.428 million.

In Appendix A-2 to this Official Statement, the Agency has included certain unaudited financial statements of the Agency (excluding State Appropriated and Federal Appropriated Funds) as of and for the three months ended September 30, 2023. The Agency has prepared the information in Appendix A-2 and, in the opinion of the Agency, that information reflects all normal recurring adjustments and information necessary for a fair statement of the financial position and results of operations of the Agency (excluding State and Federal Appropriated Funds) for the period, subject to year-end adjustments. The information in Appendix A-2 is not accompanied by a statement from the independent auditors.

Disclosure Information

The Agency will covenant in a Continuing Disclosure Undertaking for the benefit of the Owners and Beneficial Owners (as defined in Appendix B hereto) of the Series Bonds to provide annually certain financial information and operating data relating to the Agency (the "Agency Annual Report") and to provide notices of the occurrence of certain enumerated events. (There is no other obligated person under the Continuing Disclosure Undertaking.) The Agency must file the Agency Annual Report no later than 120 days after the close of each fiscal year, commencing with the fiscal year ending June 30, 2024, with the Municipal Securities Rulemaking Board, at its EMMA internet repository. The Agency also must file notices of the occurrence of the enumerated events, if any, with EMMA. (See "Appendix B — Summary of Continuing Disclosure Undertaking.")

During the prior five years, one disclosure report timely filed with EMMA was not timely linked to all outstanding CUSIPs for the associated Bonds of the Agency. The Agency timely filed the Agency Annual Report for its fiscal year ended June 30, 2019 with EMMA; however, that Agency Annual Report was not specifically linked to two CUSIPs for the Agency's Residential Housing Finance Bonds, 2014 Series C, and three CUSIPs for the Agency's Residential Housing Finance Bonds, 2014 Series E. The Agency posted that Annual Report to CUSIP 60416SHP8, the only one of the five omitted CUSIPs with respect to bonds still outstanding, on February 1, 2021. In addition, the Agency failed to file with EMMA within 10 business days of the occurrence of a May 22, 2023, downgrade of the short-term rating by S&P of the Agency's Residential Housing Finance Bonds, 2019 Series H. The Agency did not receive any notice from S&P of that downgrade, which was triggered by the downgrade by S&P of the liquidity provider for those bonds. Upon discovery of the downgrade on July 6, 2023, the Agency that same day posted notice with EMMA of both the downgrade and failure to file to CUSIP 60416SP61. Also, on June 29, 2023, and July 27, 2023, the Agency entered into derivative agreements with The Bank of New York Mellon in connection with the Agency's Residential Housing Finance Bonds, 2023 Series I, with an issuance date of July 26, 2023, and Residential Housing Finance Bonds, 2023 Series K, with an issuance date of August 24, 2023, respectively. On August 23, 2023, the day after the Agency discovered that it had failed to file event notices regarding each of these financial obligations within 10 business days of their respective incurrence, the Agency posted notice of both the incurrence of those financial obligations and its failure to file to all CUSIPS of its bonds for which it had an obligation to report these events.

The specific nature of the information to be contained in the Agency Annual Report or the notices of events, and the manner in which these materials are to be filed, are summarized in "Appendix B — Summary of Continuing Disclosure Undertaking." The Agency has made these covenants to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5) (the "Rule").

In addition to the information required by the Continuing Disclosure Undertaking, the Agency also uses its best efforts to prepare a quarterly disclosure report for each of its single family bond resolutions and a semiannual disclosure report for its rental housing bond resolution. Recent reports are available at the Agency's website at http://www.mnhousing.gov/investors/disclosure.html, but no information on the Agency's website is incorporated into this Official Statement. The Agency is also committed to providing appropriate credit information as requested by any rating agency rating the Bonds at the Agency's request.

Net Position Restricted By Covenant and Operations to Date—General Reserve; Alternative Loan Fund

In addition to its bond funds pledged to the payment of particular bonds by bond resolutions or indentures of the Agency, the Agency has also established certain other funds that it has restricted by covenant. Currently, the restricted funds are the General Reserve and the Alternative Loan Fund. The General Reserve contains the Housing Endowment Fund (also referred to as "Pool 1") and the Agency's net investment in capital assets. The Alternative Loan Fund, held under the Residential Housing Bond Resolution, comprises the Housing Investment Fund (also referred to as "Pool 2") and the Housing Affordability Fund (also referred to as "Pool 3"). The net position of the General Reserve and the Alternative Loan Fund is not pledged to the payment of the Bonds or any other debt obligations of the Agency but, to the extent funds are available therein, are generally available to pay any debt obligations of the Agency, including the Bonds.

Subject to the restrictions in the Agency's bond resolutions, the Agency may withdraw excess assets from bond funds held thereunder. To the extent the Agency withdraws excess assets from bond funds, the Agency has pledged to deposit those excess assets in the General Reserve or the Alternative Loan Fund, except for any amounts as may be necessary to reimburse the State for money appropriated to restore a deficiency in any debt service reserve fund.

The Agency has further covenanted that it will use the money in the General Reserve and the Alternative Loan Fund only to administer and finance programs in accordance with the policy and purpose of the Act. This includes creating reserves for the payment of bonds and for loans made from the proceeds thereof, and accumulating and maintaining a balance of funds and investments as will be sufficient for that purpose. To ensure that assets available in the General Reserve and the Alternative Loan Fund provide security for the Agency's bondowners as covenanted in the bond resolutions, the Agency has established investment guidelines for Pools 1 and 2. The investment guidelines are subject to change by the Agency from time to time in its discretion.

Under the net position requirements and investment guidelines effective January 23, 2014, the required size of Pool 1 (which is intended to be a liquidity reserve) is 1 percent of gross loans receivable (excluding mortgage-backed securities, appropriated loans and loans credited to Pool 3) and the required size of Pool 2 is an amount that would cause the combined net position (exclusive of unrealized gains and losses resulting from marking to market investment securities, including mortgage-backed securities, and swaps entered into by the Agency for which the unrealized loss or gain will not be realized if the security or swap is held to maturity or its optional termination date; and realized gains and losses resulting from the purchase and sale of investment securities between Agency funds) in the General Reserve, in Pool 2, and in the funds pledged under bond resolutions to be at least equal to the combined net position of the same funds as of the immediately preceding fiscal year end. Currently, this amount is $492.196 million, representing the combined net position of these funds so calculated as of June 30, 2023. Pool 2 is intended to comprise amortizing interest-bearing housing loans or investment grade securities. Pool 1 and Pool 2 represent, with assets pledged to pay bonds of the Agency, the sustainable lending operations of the Agency. Pool 3 represents the more mission-intensive operations of the Agency and is intended to comprise deferred, zero percent and low interest-rate loans and grants and, for unapplied funds, investment grade securities. Pool 3 is not subject to the investment guidelines. Loan activity related to loans financed by funds in Pool 2 and Pool 3 is recorded as part of the Alternative Loan Fund. The Agency approves all interfund transfers. A further discussion of Pools 1, 2 and 3 and the amounts credited thereto as of June 30, 2023, appears in the Notes to Financial Statements of the Agency included in Appendix A-1 to this Official Statement at pages 69 and 70 under the heading "Net Position — Restricted by Covenant."

The following summary indicates the revenues earned, the expenses paid, and funds transferred to and from the General Reserve (which contains Pool 1 and net investment in capital assets), for the two most recent audited fiscal years of the Agency (in thousands):

	Three months Ended September 30, 2023 (unaudited)	Fiscal Year Ended June 30, 2023	Fiscal Year Ended June 30, 2022
Revenues			
Fees earned and other income[1]	$ 3,304	$14,901	$12,372
Interest earned on investments	304	823	157
Unrealized gain (loss) on investments	--	--	--
Administrative reimbursement[2], [3]	10,336	34,959	31,161
Total revenues	13,944	50,673	43,690
Expenses			
Salaries and benefits	9,824	29,219	17,676
Other general operating expenses	4,035	5,574	4,282
Interest	81	359	423
Total expenses	13,940	35,152	22,381
Revenues over expenses	4	15,521	21,309
Non-operating transfer of assets between funds[4]	49	(14,922)	(22,153)
Change in net position	53	599	(844)
Net position beginning of period	9,490	8,891	9,735[5]
Net position end of period	$ 9,543	$9,490	$8,891

(1) Fees earned consist primarily of fees collected in conjunction with the administration of the low income housing tax credit program and HUD contract administration of certain non-Agency financed Section 8 developments.

(2) The Agency transfers bond funds to the General Reserve for administrative reimbursement in accordance with the Agency's Affordable Housing Plan based on the adjusted assets of the bond funds. Adjusted assets are defined generally as total assets (excluding the reserve for loan loss), unrealized gains or losses on investments (including mortgage-backed securities and interest rate swap agreements), deferred loss on interest rate swap agreements and assets relating to escrowed debt.

(3) Reimbursement from appropriated accounts consists of the portion of direct and indirect costs of administering the programs funded by the appropriations. The Agency recovers costs associated with administering State appropriations only to the extent of interest earnings on the appropriations. Costs associated with administering federal appropriations generally are recovered from the appropriations.

(4) The Agency may transfer excess assets from bond funds to the General Reserve to the extent permitted by the resolution or indenture securing bonds of the Agency. In addition, the Agency may transfer funds in excess of the requirement for Pool 1 from the General Reserve to the Alternative Loan Fund. See the comments under the headings "Interfund Transfers" and "Net Position Restricted by Covenant" in the Notes to Financial Statements of the Agency in Appendix A-1 to this Official Statement for additional information.

(5) Adjusted pursuant to required GASB 87 treatment of Leases as of July 1, 2021.

State Appropriations

Over the years, the State Legislature has appropriated funds to the Agency to be used for low interest loans, grants, programs for low and moderate income persons and families and other housing related program costs. The Agency generally does not pay its general or administrative expenses from appropriated funds, although it can recover its allocable costs of administering State appropriations from investment earnings thereon. The State Legislature has appropriated funds to the Agency for its programs in every biennium since 1975. The Agency has expended or committed most of the appropriations.

Over the biennial periods ended June 30, 2015, through June 30, 2023, the total appropriations to the Agency aggregated approximately $562.1.5 million. For the biennial period ending June 30, 2025, the Legislature has appropriated approximately $1.065 billion to the Agency.

The appropriations are not available to pay debt service on the Bonds.

Agency Indebtedness

The principal amount of general obligation bonds and notes of the Agency that are outstanding at any time (excluding the principal amount of any refunded bonds and notes) is limited to $5,000,000,000 by State statute. The following table lists the principal amounts of general obligation indebtedness of the Agency outstanding as of December 31, 2023:

	Number of Series*	Final Maturity	Original Principal Amount* (in thousands)	Principal Amount Outstanding (in thousands)
Rental Housing Bonds	11	2049	$ 78,590	$ 77,850
Residential Housing Finance Bonds	87	2054	4,850,445	3,420,425
Homeownership Finance Bonds	59	2052	2,674,572	981,235
Multifamily Housing Bonds (Treasury HFA Initiative)	1	2051	15,000	12,400
Totals	158		$7,618,607	$4,491,910

*Does not include series of bonds or the original principal amount of any bonds that had been, as of December 31, 2023, defeased or paid in full, whether at maturity or earlier redemption.

The payment of principal of and interest on general obligations of the Agency as shown above may be made, if necessary, from the General Reserve or the Alternative Loan Fund. (See “Net Position Restricted By Covenant and Operations to Date—General Reserve; Alternative Loan Fund” above.)

The Agency has entered into liquidity facilities and interest rate swap agreements in respect of its outstanding Residential Housing Finance Bonds that bear interest at a variable rate or floating rate and may be subject to optional and mandatory tender. Certain information related to those variable rate demand bonds, floating rate term bonds, liquidity facilities and swap agreements is included in the Notes to Financial Statements contained in Appendix A-1 to this Official Statement and in the unaudited financial statements contained in Appendix A-2 to this Official Statement. The Agency does not make any representation as to the creditworthiness of any provider or counterparty on facilities and agreements relating to its variable rate demand bonds or floating rate term bonds.

Certain of the swap agreements obligate the Agency to make periodic fixed rate payments and entitled the Agency to receive periodic payments based on the United States dollar-denominated London Interbank Offered Rate (“USD LIBOR”); as of July 1, 2023, all of such swap agreements have been amended in accordance with industry protocols to replace USD LIBOR with the secured overnight financing rate (“SOFR”), a rate published by the Federal Reserve Bank of New York, but otherwise retaining the same computational periods.

In 2009, the Agency issued $13,270,000 in aggregate principal amount of its Nonprofit Housing Bonds (State Appropriation), Series 2009, to finance permanent supportive housing in two different multifamily housing developments. In 2011, the Agency issued $21,750,000 in aggregate principal amount of its Nonprofit Housing Bonds (State Appropriation), Series 2011, to finance permanent supportive housing in five additional multifamily housing developments. Both series of bonds were issued under a separate indenture of trust, are not general obligations of the Agency and are not payable from any funds or assets of the Agency other than the appropriations the Agency expects to receive from the State General Fund pursuant to a standing appropriation made by the Legislature in 2008.

From time to time, beginning in 2012, the Legislature has authorized the Agency to issue housing infrastructure bonds (the "Housing Infrastructure Bonds") for various purposes payable, like the Nonprofit Housing Bonds, solely from a standing appropriation from the State General Fund and not from any other funds or assets of the Agency. The aggregate principal amount of Housing Infrastructure Bonds that the Agency may issue is $515,000,000. The Agency has issued 32 series of its State Appropriation Bonds (Housing Infrastructure) in 2013 through 2023 in an aggregate principal amount of $498,130,000 under a separate indenture of trust.

On December 23, 2021, the Agency issued its Third Amended and Restated Bank Note (the "Amended Bank Note") to Royal Bank of Canada (the "Bank"), pursuant to a Revolving Credit Agreement dated as of June 1, 2018, as amended by a First Amendment to Revolving Credit Agreement dated as of October 28, 2019, a Second Amendment to Revolving Credit Agreement dated as of November 22, 2019, a Third Amendment to Revolving Credit Agreement dated as of November 12, 2020, a Fourth Amendment to Revolving Credit Agreement dated as of February 25, 2021, a Fifth Amendment to Revolving Credit Agreement dated as of December 23, 2021, a Sixth Amendment to Revolving Credit Agreement dated as of December 14, 2022 and a Seventh Amendment to Revolving Credit Agreement dated as of December [22], 2023 (the "Amended Revolving Credit Agreement"), and as further amended from time to time, for the purpose of preserving current private activity bond volume cap by refunding the maturing principal or redemption price, as the case may be, of portions of Residential Housing Finance Bonds and Homeownership Finance Bonds previously issued by the Agency (collectively, the "Single Family Housing Bonds"). Upon the refunding of Single Family Housing Bonds with amounts advanced to the Agency pursuant to the Amended Revolving Credit Agreement as evidenced by the Amended Bank Note, funds representing prepayments and repayments of mortgage loans financed with Single Family Housing Bonds, and other amounts available under the applicable bond resolution for the payment of those Single Family Housing Bonds, will be deposited into a cash collateral fund established under a separate amended and restated indenture of trust, as amended (the "2018 Revolving Credit Indenture"), between the Agency and Computershare Trust Company, National Association, as successor trustee, as security for the repayment of the principal amount of the Amended Bank Note that has been advanced to the Agency. The Bank agrees to make advances until December 27, 2024, a later date if extended by the Bank or an earlier date upon an event of default or a termination pursuant to the terms of the Amended Revolving Credit Agreement or if the Agency elects an earlier termination. The amount of the advances outstanding and not repaid with respect to the Amended Bank Note bear interest at a variable interest rate equal to the forward looking Term SOFR Reference Rate for the following one month interest period plus a spread (currently 0.65%) and may not exceed $75,000,000 at any time, and the cumulative amount of the advances made may not exceed $1,700,000,000. The obligation of the Agency to pay the interest on, but not the principal of, the Amended Bank Note is a general obligation of the Agency. The Agency has requested advances in the aggregate principal amount of $[1,204,698,942, $8,165,703] of which is outstanding.

Agency Continuity of Operations Plan

Certain external events, such as pandemics, natural disasters, severe weather, technological emergencies, riots, acts of war or terrorism or other circumstances, could potentially disrupt the Agency's ability to conduct its business. A prolonged disruption in the Agency's operations could have an adverse effect on the Agency's financial condition and results of operations. To plan for and mitigate the impact such an event may have on its operations, the Agency has developed a Continuity of Operations Plan (the "Plan"). The Plan is designed to (i) provide for the continued execution of the mission-essential functions of the Agency and minimize disruption if an emergency threatens, interrupts or incapacitates the Agency's operations, (ii) provide Agency leadership with timely direction, control and coordination before, during and after an emergency or similar event, and (iii) facilitate the return to normal operating conditions as soon as practical based on the circumstances surrounding any given emergency or similar event. No assurances can be given that the Agency's efforts to mitigate the effects of an emergency or other event will be successful in preventing any and all disruptions to its operations.

Cybersecurity

The Agency relies on a complex technology environment to conduct its operations. As a recipient and provider of personal, private and sensitive information, the Agency faces multiple cyber threats including, but not limited to, hacking, viruses, malware, ransomware, phishing, business email compromise, and other attacks on computers and other sensitive digital networks, systems, and assets. Housing finance agencies and other public finance entities have been targeted by outside third parties, including technologically sophisticated and well-resourced actors, attempting to misappropriate assets or information or cause operational disruption and damage. Further, third parties, such as hosted solution providers, that provide services to the Agency, could also be a source of security risk in the event of a failure of their own security systems and infrastructure.

The Agency uses a layered approach that employs sound operational strategies and security technology solutions to secure against, detect, and mitigate the effects of cyber threats on its infrastructure and information assets. The Agency conducts regular information security and privacy awareness training that is mandatory for all Agency staff. The Agency's Business Technology Support group has management responsibility for all information technology and leads the efforts of the Agency to keep its cyber assets secure. The Agency's Business Technology Support group and contracted services from the Office of MN.IT Services, an agency of the executive branch of the State, regularly conduct risk assessments, audits and tests of the Agency's cybersecurity systems and infrastructure.

Despite its efforts, no assurances can be given that the Agency's security and operational control measures will be successful in guarding against any and each cyber threat and attack, especially because the techniques used by perpetrators are increasingly sophisticated, change frequently, are complex, and are often not recognized until launched. To date, cyber attacks have not had a material impact on the Agency's financial condition, results or business; however, the Agency is not able to predict future attacks or their severity. The results of any attack on the Agency's computer and information technology systems could impact its operations for an unknown period of time, damage the Agency's digital networks and systems, and damage the Agency's reputation, financial performance, and customer or vendor relationships. Such an attack also could result in litigation or regulatory investigations or actions, including regulatory actions by state and federal governmental authorities. The costs of remedying any such damage could be substantial and such damage to the Agency's reputation and relationships could adversely affect the Agency's ability to conduct its programs and operations in the future.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds related to the Series Bonds are as follows:

Sources

Principal amount of Series Bonds	
[Original issue premium]	
Agency funds	
Total Sources of Funds	

Uses

Deposit to Housing Investment Fund (Pool 2)………………...	
Deposit to Costs of Issuance Account	
Underwriter's Compensation	
Total Uses of Funds	

THE SERIES BONDS

General

The Series Bonds will be fully registered bonds issued in the denominations of $5,000 or any integral multiple thereof of single maturities. The Series Bonds will be fully registered bonds issued in the denominations of $100,000 or any integral multiple of $5,000 in excess thereof. The Series Bonds of each Series will initially be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Series Bonds. Computershare Trust Company, National Association, St. Paul, Minnesota, serves as successor Trustee under the Residential Housing Finance Bond Resolution, and will be the trustee under the Indenture. (See “Trustee.”) Interest on the Series Bonds will be paid by moneys wired by the Trustee to DTC, or its nominee, as registered owner of the Series Bonds, which interest is to be redistributed by DTC. Principal of the Series Bonds will be paid at maturity or earlier redemption upon surrender at the principal corporate trust office of the Trustee. (See “Appendix D — Book-Entry-Only System.”)

For every exchange or transfer of Series Bonds, whether temporary or definitive, the Agency or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to that exchange or transfer. The Series Bonds mature on the dates and in the amounts set forth on the inside front cover hereof, subject to prior redemption and tender as hereinafter described.

Interest on the Series Bonds

Interest on the Series Bonds will be paid semiannually on January 1 and July 1 of each year, commencing July 1, 2024,* and, in respect of any Series Bond then to be redeemed, on any redemption date. The Series Bonds will bear interest from their dated date, at the respective annual rates set forth on the inside front cover hereof until payment of the principal of or redemption price on those Series Bonds. Interest on the Series Bonds will be computed on the basis of a 360-day year composed of twelve 30-day months and will be paid to the Owners of record in the bond registration books maintained by the Trustee as of the 15th day of the month preceding the regularly scheduled interest payment date, whether or not a business day (the “Record Date”).

Sinking Fund Redemption

The Agency is required to redeem the Series Bonds with a stated maturity of ____ 1, ___,* in part on _______ 1, _______,* and on each January 1 and July 1 thereafter to and including ______ 1, ______,* at the principal amount thereof to be redeemed plus accrued interest thereon, without premium, on the dates and in the principal amounts as follows:

Date*	Principal Amount*	Date*	Principal Amount*

Upon redemption of Series Bonds maturity for which sinking fund installments have been established or any purchase and cancellation in lieu of redemption, the principal amount of that maturity of the Series Bonds redeemed or purchased may be credited toward one or more sinking fund installments for that Series and maturity thereafter coming due in the manner the Agency specifies. The portion of any sinking fund installment remaining after the deductions credited to those payments is the unsatisfied balance of that sinking fund installment with respect to that maturity of the Series Bonds for the purpose of calculating the payment due on or scheduled for a future date.

* Preliminary; subject to change.

Optional Redemption of the Series Bonds

The Agency may redeem the Series Bonds with stated maturities on or after ________* prior to their stated maturity dates, at its option, in whole or in part, in the amounts and from the stated maturities that the Agency designates, on __________* or any date thereafter, from any amounts available to the Agency for that purpose, at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest to the date of redemption, without premium.

General Provisions as to Series Bonds

Except as otherwise provided in the Indenture, any Series Bonds to be redeemed other than upon mandatory sinking fund redemption will be redeemed only upon receipt by the Trustee of a certificate signed by an officer authorized by the Agency and stating (a) the Series Bonds to be redeemed and (b) the maturities and amounts from which Series Bonds are to be redeemed. If less than all Series Bonds of a maturity are to be redeemed, the Fixed Rate Series Bonds of that maturity to be redeemed will be selected at random by a method determined by the Trustee. The Agency will not at any time cause Series Bonds to be redeemed (other than pursuant to mandatory redemption) if this would have any material adverse effect on its ability to pay when due the principal of and interest on the Bonds Outstanding after that redemption.

The Trustee must mail a copy of the notice of redemption, by first class mail, to the registered owner of any Series Bond called for redemption at least 30 days prior to the redemption date; that registered owner to be determined from the registry books as of the 15th day preceding the date that notice is mailed. (See “Appendix D — Book-Entry-Only System.”)

SECURITY FOR THE BONDS

The Bonds, including the Series Bonds, are general obligations of the Agency, payable out of any of its moneys, assets or revenues, subject only to the provisions of other resolutions or indentures now or hereafter pledging and appropriating particular moneys, assets or revenues to particular notes or bonds, or State or federal laws or restrictions that particular funds be applied for a specified purpose. Amounts on deposit in the Alternative Loan Fund are available for the payment of principal of or interest on the Bonds and other debt of the Agency but are not pledged to payment of Outstanding Bonds or other debt. The Bonds, including the Series Bonds, also are secured as provided in the Indenture by a pledge of all money, Investment Obligations, and other assets and income held in and receivables of Funds established by or pursuant to the Indenture. The pledge granted by the Indenture is for the equal benefit, protection and security of Owners of all Outstanding Bonds, except as otherwise expressly provided therein or in a Series Resolution.

The Agency has no taxing power. The State is not liable for the payment of the Bonds, and the Bonds are not a debt of the State.

Investment Obligations

All moneys held in the Funds under the Indenture may be invested in Investment Obligations as defined in the Indenture (see “Appendix C – Summary of Certain Provisions of the Indenture – Certain Defined Terms”).

Additional Bonds

The Indenture permits the issuance of Additional Bonds, upon authorization by a resolution of the Agency and the execution and delivery of a Supplemental Indenture, without limitation as to amount, to provide funds for the purpose of financing Program Obligations and, in addition, to refund outstanding Bonds or other obligations of the Agency. Any Additional Bonds issued under the Indenture will be secured on an equal basis with the Series Bonds and all other Outstanding Bonds and will be entitled to the equal benefit, protection and security of the provisions, covenants and agreements in the Bond Resolution, except as otherwise expressly provided therein or in a Supplemental Indenture.

State Pledge Against Impairment of Contracts

The State in the Act has pledged to and agreed with the Owners that it will not limit or alter the rights vested in the Agency to fulfill the terms of any agreements made with them or in any way impair the rights and remedies of the Owners until the Bonds, together with the interest thereon and on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of the Owners, are fully met and discharged.

HOME IMPROVEMENT LOAN PROGRAM

Procedures for Origination and Purchase

General

The following is a general description of the Agency's Program in respect of Program Loans to finance home improvements ("Home Improvement Loan Program"), which is subject to change from time to time. Certain proceeds of the Series Bonds deposited in the Housing Investment Fund will be used to purchase Program Loans pursuant to the Home Improvement Loan Program (the "Home Improvement Program Loans").

Under the Home Improvement Loan Program, the Agency purchases Home Improvement Program Loans at varying terms and interest rates. The interest rates are established from time to time and are estimated to cover anticipated costs of funding the Home Improvement Loan Program, servicing the Home Improvement Program Loans and defraying a portion of other Program expenses which include compensation to Home Improvement Lenders (as hereinafter defined) and Agency operation costs and expenses. Under the Community Fix Up Loan Program, reduced interest rates on loans are available for individuals or families who meet the requirements of the Community Fix Up initiative.

History and Growth of Program

While the Fix Up Program, the core program of the Home Improvement Loan Program, provides loans not offered elsewhere in the market and serves a group of homeowners who might not otherwise qualify for a home improvement loan, the long-standing program had become greatly underutilized, falling from $45 million in production in 2005 to just more than $11 million in 2017.

Program staff sought to permanently turn the program around in 2018 by initiating a full program review, which included analyzing loan and borrower data, setting production goals, and conducting lender surveys and interviews. Staff proposed a long list of changes to the Fix Up Program that would better meet the needs of homeowners, make it easier for lenders to offer the program by streamlining processes and policies, and expand borrower and improvement eligibility. These changes included: increased income limits, use of qualifying income, increased loan limits, expanded improvement eligibility (such as allowing for larger garages), and increased lender compensation. To heighten awareness of the program and further borrower usage, the Agency also hired a dedicated Business Develop Representative to strengthen current lender relationships and cultivate new ones. While production increased with the changes made in 2018, the Agency has continued to build on that growth by continuing to make program updates to meet the needs of both lenders and borrowers.

In addition, there was high program usage during the COVID-19 pandemic, which staff and lenders attributed to homeowners spending more time at home and choosing to improve their current property instead of purchasing a new home. From fiscal year end 2020 to fiscal year end 2023, the Home Improvement Program Loans receivable gross increased by 43.7 percent.

Lender Application and Participation

The Home Improvement Loan Program includes loans from the Fix Up Loan Program, which provides home improvement loans to low and moderate income homeowners, and the Community Fix Up Loan Program, which provides home improvement loans to assist a designated community in addressing its specific home improvement needs through partnerships with local lenders, nonprofit organizations, local governments and community organizations. It also includes Incentive Rate Energy Conservation and Accessibility loans, which provide a lower interest rate, have no income limits, and must be used exclusively for specified energy conservation or accessibility improvements.

The Agency may purchase Home Improvement Program Loans from participating banks, savings banks, credit unions and mortgage companies organized under the laws of Minnesota or the United States, non-profit organizations licensed by the State of Minnesota and agencies or instrumentalities of the United States or the State (the "Home Improvement Lenders").

In connection with the Home Improvement Loan Program, the Agency has published the *Home Improvement Loan Programs Procedural Manual* (the "Home Improvement Manual") for the purchase of Home Improvement Program Loans which sets forth the guidelines and procedures for participation in the program and the requirements for origination of the loans.

Home Improvement Lenders interested in participating in the Agency's Home Improvement Loan Program may access information and materials on the Agency's website. Each Home Improvement Lender that meets the Home Improvement Loan Program requirements and participates in the Program either executes or has executed a Participation Agreement (the "Agreement") that incorporates the Home Improvement Loan Programs Procedural Manual by reference. Lenders use the Minnesota Housing Loan Commitment System to lock loans.

Upon execution of the Agreement by the Agency, each Home Improvement Lender must pay an initial fee of $250 to participate in the Home Improvement Loan Program and an annual renewal fee of $250, unless payment of those fees is specifically modified or waived by the Agency.

Qualified Borrowers

Borrowers must be persons or households of low to moderate income. Low to moderate income is currently defined as gross annual income that does not exceed 140% of the area median income (for the 11-county Twin Cities Metro Area, Dodge and Olmsted Counties, and All Other Counties) as published by HUD.

The Fix Up Loan Program income limits may be waived with prior written approval by Minnesota Housing when the loan proceeds will be used exclusively for Accessibility Improvements. The Incentive Rate Energy Conservation and Accessibility loans do not have an income limit.

The Home Improvement Loan Program Note contains certain promises and conditions including: the property to be improved must be the principal residence of the Borrower; the property to be improved must be a completed home and is a year-round permanent residence; the residence must be permanently attached to the land by way of a foundation and must be taxed as real property; the Borrower cannot use or intend to use more than 49% of the residence primarily for business purposes; and the Borrower must have at least a one-third interest in the residence, either as owner, as holder of a life estate, or as a buyer under a contract for deed.

Additionally, the Home Improvement Loan Program requires that the Borrower use loan proceeds only for eligible improvements as described in the Home Improvement Loan Programs Procedural Manual and in the Eligible/Ineligible Improvements list located on Minnesota Housing's website; loan funds must be used and improvements completed within nine months of the date of the Note; the Agency has the right to inspect the property to be improved at any time after the date of the Note; work must comply with applicable building or housing code regulations and ordinances; and all necessary permits and licenses are obtained. The Note also contains due-on-sale, non-assumption provisions.

Loan Origination

By terms of the Agreement, Home Improvement Lenders are responsible for receiving applications for loans; processing applications; gathering supporting documentation to establish applicant and property compliance with Home Improvement Loan Program eligibility requirements, including documentation showing the applicant to be solvent with reasonable ability to pay the loan; and closing and funding loans.

The purchase price of each Home Improvement Program Loan is the original principal balance of the subject loan plus a processing fee of $350 for unsecured loans and $500 for secured loans.

Home Improvement Lenders may directly charge borrowers the following fees:

1. A Loan Origination Fee not to exceed 1% of the principal balance of the loan (secured loans only)
2. The actual cost of the title search and flood certification (secured loans only).
3. The actual cost of document preparation, not to exceed $75.
4. A credit investigation fee not to exceed the actual cost of the credit report fee*
5. Actual recording fees and mortgage registration tax costs (secured loans only).*
6. The actual cost of a broker's purchase price opinion based on a competitive market analysis, not to exceed $150.

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* These fees must be collected directly from the applicant and may not be financed in the loan amount or deducted from loan proceeds.

Warranties by Home Improvement Lender

The Home Improvement Lender warrants that the following additional documentation has been retained by the Home Improvement Lender and shall be made available to the Agency upon request: (1) written evidence of verification of income sources relied upon for repayment of the Home Improvement Program Loan; (2) credit report and supplementary information as appropriate for normal, prudent underwriting; (3) documentation of the current ownership of property and prior encumbrances (secured loans only); (4) bids and estimates for all proposed improvements; and (5) any compliance documentation required by Home Improvement Lender's regulatory authority. The Home Improvement Lender must further warrant to the Agency that it has submitted the original mortgage and assignment of mortgage to the county for recording, and that the recorded documents will be uploaded into the loan commitment system within 120 days of the loan closing.

The Home Improvement Lender must repurchase a Home Improvement Program Loan in the event of breach of its warranties with regard to that loan.

Special Assistance Programs – Community Fix Up, Incentive Rate Energy Conservation and Accessibility Improvement Loans

The Agency offers several special assistance Fix Up loan options. The Community Fix Up Loan Program assists communities to address specific home improvement needs and goals by promoting partnerships between Fix Up lenders and community organizations. The partnerships provide for the origination and purchase of qualifying Community Fix Up loans that provide supplemental funds, value added services, and/or a loan loss reserve to borrowers.

Incentive Rate Energy Conservation and Accessibility Improvement loans provide reduced interest rates and must be used exclusively for energy conservation and accessibility improvements as specified in program materials. These programs do not have an income limit. The unsecured energy loan program is offered in partnership with the Minnesota Department of Commerce.

Terms of Home Improvement Program Loans

Home Improvement Program Loans bear simple interest and must be structured to provide for monthly payments. Home Improvement Program Loans are purchased in principal amounts of between $2,000 and $75,000, except where consolidated with existing Agency loans, or where used exclusively for accessibility improvements, in which cases the total loan amount may not exceed $75,000. The table below shows the maximum loan term available by loan amount for each loan type.

Key Features	Unsecured Loan	Unsecured Energy Incentive Loan*	Secured Loan	Secured Energy Incentive Loan	Secured Accessibility Loan
Maximum Loan Amount	$25,000	$30,000	$75,000	$60,000	$35,000
Maximum Repayment Term	10 years	10 years	10 to 20 years	10 to 20 years	10 to 20 years
Credit Score	680	680	620	620	620

*This project was made possible by a grant from the U.S. Department of Energy and the Minnesota Department of Commerce through the American Recovery and Reinvestment Act of 2009 (ARRA).

Mortgages on Home Improvement Program Loans are not subject to mortgage insurance and may be subordinated to an outstanding first mortgage on the property. Home Improvement Program Loans do not include prepayment penalties.

Servicing

Under the Home Improvement Loan Program, the Agency has set forth requirements for the servicing of Home Improvement Program Loans in a Servicing Manual. The Servicer must demonstrate adequate technical capability to the Agency's satisfaction. The Servicer must maintain at all times a fidelity bond and an errors and omissions policy issued by a company having a current rating in Best's Rating Guide of "B/IX" or better.

The Agency monitors the performance of the Servicer by reviewing the annual audited financial statements and the Servicer's systems of internal controls and reconciling monthly reports to the Agency's control accounts. The Agency has established specific requirements for the Servicer regarding the procedures to be followed in cases involving delinquencies. Under the Home Improvement Program, the Servicer will receive a monthly servicing fee equal to the greater of 1.06 percent/12 of the outstanding principal amount or $3.50 on each Program Loan it services. The Agency may assign servicing to other servicers at its discretion.

Home Improvement Loan Portfolio

As of September 30, 2023, the Agency had outstanding Home Improvement Program Loans receivable of $109,942,000 gross. *None of these loans are pledged to the payment of principal of or interest on the Bonds*.

OTHER PROGRAMS

In addition to the Home Improvement Program funded, the Agency offers other housing programs that provide loans for the purchase of single family housing and the acquisition, construction or rehabilitation of multifamily rental housing in the State. The assets devoted to these programs are briefly described in the Notes to the Financial Statements in Appendix A-1 to this Official Statement.

For example, as of September 30, 2023, the Homeownership Finance Bond Fund had $998,941,000 in outstanding principal amount of mortgage-backed securities, which were financed from the proceeds of the Agency's Homeownership Finance Bonds, the Residential Housing Finance Bond Fund (excluding Pool 2 and Pool 3) had outstanding mortgage loans receivable of $198,385,000 gross, including outstanding Deferred Payment Loans receivable of $19,422,000 gross, and $2,802,406,000 in outstanding principal amount of mortgage-backed securities, which were financed from the proceeds of the Agency's Residential Housing Finance Bonds and the Rental Housing Bond Fund had outstanding mortgage loans receivable of $197,674,000 gross, which were financed from the proceeds of, or pledged as additional security for, the Agency's Rental Housing Bonds. *None of these loans or mortgage-backed securities secure or are available for the payment of principal of or interest on the Bonds*.

Deferred Payment Loans

The Agency has established The Deferred Payment Loan Program, a Homeownership Assistance Fund program funded by State appropriations. The Housing Affordability Fund within the Residential Housing Finance Bond Resolution and Outstanding Residential Housing Finance Bonds are also a source of funding for these loans. Under The Deferred Payment Loan Program there are two options: the Deferred Payment Loan and the Deferred Payment Loan Plus. A DPA Loan originated under either of these options is a junior lien loan from the Agency to the mortgagor that is interest-free, with repayment due on sale or transfer of the property or when the property is no longer occupied by the mortgagor.

Mortgagors who meet program income and liquid asset limits, and who do not have sufficient cash for down payment and closing costs, are eligible for a Deferred Payment Loan in an amount of up to $16,500.

Mortgagors who meet the requirements for a Deferred Payment Loan and additional targeting criteria are eligible for a Deferred Payment Loan Plus in an amount of up to $18,000. In addition to down payments and closing costs, mortgagors may use the funds to write down the senior lien loan principal.

The Agency has not pledged the Homeownership Assistance Fund to the payment of principal or interest on Outstanding Bonds and it is not available for that purpose. Amounts on deposit in the Alternative Loan Fund are available for the payment of principal of or interest on the Bonds and other debt of the Agency but are not pledged to payment of Outstanding Bonds or other debt. DPA Loans financed with proceeds of Residential Housing Finance Bonds are pledged to payment of Outstanding Residential Housing Finance Bonds.

Monthly Payment Loans

A Monthly Payment Loan is a junior lien loan made by the Agency. The interest-bearing, amortizing loan has a ten-year term with an interest rate equal to the interest rate of the applicable first mortgage loan. Borrowers can receive a Monthly Payment Loan in an amount up to $18,000. The Housing Investment Fund and Outstanding Residential Housing Finance Bonds are sources of funding for these loans. Monthly Payment Loans financed with proceeds of Residential Housing Finance Bonds are pledged to payment of Outstanding Residential Housing Finance Bonds.

TAX MATTERS

Federal Tax Matters

General. In the opinion of Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Series Bonds is included in gross income for federal income tax purposes. The following is a summary of certain anticipated federal income tax consequences of the purchase, ownership, and disposition of the Series Bonds. The summary is based upon the provisions of the Code, the regulations promulgated thereunder and the judicial and administrative rulings and decisions now in effect, all of which are subject to change or possible differing interpretations. The summary does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances or certain types of investors subject to special treatment under the federal income tax laws. Potential purchasers of the Series Bonds should consult their own tax advisors in determining the federal, state or local tax consequences to them of the purchase, holding and disposition of the Series Bonds.

Although there are not any regulations, published rulings or judicial decisions involving the characterization for federal income tax purposes of securities with terms substantially the same as the Series Bonds, Bond Counsel has advised the Agency that the Series Bonds will be treated for federal income tax purposes as evidences of indebtedness of the Agency and not as an ownership interest in the trust estate securing the Series Bonds or as an equity interest in the Agency or any other party, or in a separate association taxable as a corporation. Interest on the Series Bonds will be fully subject to federal income taxation. In general, interest paid on the Series Bonds and recovery of accrued market discount, if any, will be treated as ordinary income to a bondholder, and principal payments will be treated as a return of capital. The Code contains special federal income tax rules for “real estate mortgage investment conduits.” The Agency does not intend to treat the arrangement by which the trust estate secures the Series Bonds as a “real estate mortgage investment conduit.”

Bond Premium. An investor that acquires a Series Bond for a cost greater than its remaining stated redemption price at maturity and holds that bond as a capital asset will be considered to have purchased that bond at a premium and, subject to prior election permitted by Section 171(c) of the Code, may generally amortize that premium under the constant yield method. Except as may be provided by regulation, amortized premium will be allocated between, and treated as an offset to, interest payments. The basis reduction requirements of Section 1016(a)(5) of the Code apply to amortizable bond premium that reduces interest payments under Section 171 of the Code. Bond premium is generally amortized over the bond’s term using constant yield principles, based on the purchaser’s yield to maturity. Investors of any Series Bonds purchased with a bond premium should consult their own tax advisors as to the effect of that bond premium with respect to their own tax situation and as to the treatment of bond premium for state or local tax purposes.

Market Discount; Original Issue Discount. An investor that acquires a Series Bonds for a price less than the adjusted issue price of that bond (or an investor who purchases a Series Bonds in the initial offering at a price less than the issue price) may be subject to the market discount rules of Sections 1276 through 1278 of the Code. Under these sections and the principles applied by the Regulations, “market discount” means (a) in the case of a Series Bonds originally issued at a discount, the amount by which the issue price of that bond, increased by all accrued original issue discount (as if held since the issue date), exceeds the initial tax basis of the owner therein, less any prior payments that did not constitute payments of qualified stated interest, and (b) in the case of a Series Bonds not originally issued at a discount, the amount by which the stated redemption price of that bond at maturity exceeds the initial tax basis of the owner therein. Under Section 1276 of the Code, the owner of such a Series Bonds will generally be required (i) to allocate each principal payment to accrued market discount not previously included in income and, upon sale or other disposition of the bond, to recognize the gain on that sale or disposition as ordinary income to the extent of the cumulative amount of accrued market discount as of the date of sale or other disposition of such a bond or (ii) to elect to include that market discount in income currently as it accrues on all market discount instruments acquired by that owner on or after the first day of the taxable year to which that election applies.

The Code authorizes the Treasury Department to issue regulations providing for the method for accruing market discount on debt instruments the principal of which is payable in more than one installment. Until such time as regulations are issued by the Treasury Department, certain rules described in the legislative history will apply. Under those rules, market discount will be included in income either (a) on a constant interest basis or (b) in proportion to the accrual of stated interest or, in the case of a Series Bond with original issue discount, in proportion to the accrual of original issue discount.

An owner of a Series Bond that acquired that bond at a market discount also may be required to defer, until the maturity date of that bond or its earlier disposition in a taxable transaction, the deduction of a portion of the amount of interest that the owner paid or accrued during the taxable year on indebtedness incurred or maintained to purchase or carry the bond in excess of the aggregate amount of interest (including original issue discount) includable in that owner’s gross income for the taxable year with respect to that bond. The amount of the net interest expense deferred in a taxable year may not exceed the amount of market discount accrued on the Series Bond for the days during the taxable year on which the owner held the bond and, in general, would be deductible when the market discount is includable in income. The amount of any remaining deferred deduction is to be taken into account in the taxable year in which the Series Bond matures or is disposed of in a taxable transaction. In the case of a disposition in which gain or loss is not recognized in whole or in part, any remaining deferred deduction will be allowed to the extent gain is recognized on the disposition. This deferral rule does not apply if the owner elects to include the market discount in income currently as it accrues on all market discount obligations acquired by that owner in that taxable year or thereafter.

Attention is called to the fact that regulations implementing the market discount rules have not yet been issued. Therefore, investors should consult their own tax advisors regarding the application of these rules as well as the advisability of making any of the elections with respect thereto.

Unearned Income Medicare Contribution Tax. Pursuant to Section 1411 of the Code, as enacted by the Health Care and Education Reconciliation Act of 2010, an additional tax is imposed on individuals earning certain investment income. Holders of the Series Bonds should consult their own tax advisors regarding the application of this tax to interest earned on the Series Bonds and to gain on the sale of a Series Bond.

Sales or Other Dispositions. If an owner of a Series Bond sells the bond, the owner will recognize gain or loss equal to the difference between the amount realized on the sale and the owner's basis in that bond. Ordinarily, that gain or loss will be treated as a capital gain or loss. If the terms of a Series Bond were materially modified, in certain circumstances, a new debt obligation would be deemed created and exchanged for the prior obligation in a taxable transaction. Among the modifications that may be treated as material are those that relate to redemption provisions and, in the case of a nonrecourse obligation, those which involve the substitution of collateral. Each potential owner of a Series Bond should consult its own tax advisor concerning the circumstances in which that bond would be deemed reissued and the likely effects, if any, of that reissuance.

Defeasance. The legal defeasance of the Series Bonds may result in a deemed sale or exchange of those bonds under certain circumstances. Owners of Series Bonds should consult their tax advisors as to the federal income tax consequences of such a defeasance.

Foreign Investors. An owner of a Series Bond that is not a "United States person" (as defined below) and is not subject to federal income tax as a result of any direct or indirect connection to the United States of America in addition to its ownership of a Series Bond will generally not be subject to United States income or withholding tax in respect of a payment on a Series Bond, provided that the owner complies to the extent necessary with certain identification requirements (including delivery of a statement, signed by the owner under penalties of perjury, certifying that the owner is not a United States person and providing the name and address of that owner). For this purpose the term "United States person" means a citizen or resident of the United States of America, a corporation, partnership or other entity created or organized in or under the laws of the United States of America or any political subdivision thereof, or an estate or trust whose income from sources within the United States of America is includable in gross income for United States of America income tax purposes regardless of its connection with the conduct of a trade or business within the United States of America.

Except as explained in the preceding paragraph and subject to the provisions of any applicable tax treaty, a 30% United States withholding tax will apply to interest paid and original issue discount accruing on Series Bonds owned by foreign investors. In those instances in which payments of interest on the Series Bonds continue to be subject to withholding, special rules apply with respect to the withholding of tax on payments of interest on, or the sale or exchange of Series Bonds having original issue discount and held by foreign investors. Potential investors that are foreign persons should consult their own tax advisors regarding the specific tax consequences to them of owning a Series Bond.

Tax-Exempt Investors. In general, an entity that is exempt from federal income tax under the provisions of Section 501 of the Code is subject to tax on its unrelated business taxable income. An unrelated trade or business is any trade or business that is not substantially related to the purpose that forms the basis for that entity's exemption. However, under the provisions of Section 512 of the Code, interest may be excluded from the calculation of unrelated business taxable income unless the obligation that gave rise to that interest is subject to acquisition indebtedness. Therefore, except to the extent any owner of a Series Bond incurs acquisition indebtedness with respect to that bond, interest paid or accrued with respect to that owner may be excluded by that tax-exempt owner from the calculation of unrelated business taxable income. Each potential tax-exempt holder of a Series Bond is urged to consult its own tax advisor regarding the application of these provisions.

ERISA Considerations. The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), imposes certain requirements on "employee benefit plans" (as defined in Section 3(3) of ERISA) subject to ERISA, including entities whose underlying assets are considered to include "plan assets" (within the meaning of 29 C.F.R. Section 2510.3 (as modified by Section 3(42) of ERISA)), such as collective investment funds and separate accounts whose underlying assets include the assets of those plans (collectively, "ERISA Plans," and together with arrangements that are subject to Section 4975 of the Code or similar provisions under any other federal, state, local, non-United States or other laws or regulations or similar law, as applicable, "Plans") and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirement of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the ERISA Plan. The prudence of any investment by an ERISA Plan in the Series Bonds must be determined by the responsible fiduciary of the ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment. Government and non-electing church plans are generally not subject to ERISA. However, those plans may be subject to similar or other restrictions under state or local law.

In addition, ERISA and the Code generally prohibit certain transactions between an ERISA Plan or a qualified employee benefit plan under the Code and persons who, with respect to that plan, are fiduciaries or other "parties in interest" within the meaning of ERISA or "disqualified persons" within the meaning of the Code. In the absence of an applicable statutory, class or administrative exemption, transactions between an ERISA Plan and a party in interest with respect to an ERISA Plan, including the acquisition by one from the other of the Series Bonds, could be viewed as violating those prohibitions. In addition, Section 4975 of the Code prohibits transactions between certain tax-favored vehicles such as Individual Retirement Accounts and disqualified persons. Section 503 of the Code includes similar restrictions with respect to governmental and church plans. In this regard, the Agency or any dealer of the Series Bonds might be considered or might become a "party in interest" within the meaning of ERISA or a "disqualified person" within the meaning of the Code, with respect to an ERISA Plan or a plan or arrangement subject to Sections 4975 or 503 of the Code. Prohibited transactions within the meaning of ERISA and the Code may arise if the Series Bonds are acquired by those plans or arrangements with respect to which the Agency or any dealer is a party in interest or disqualified person.

In all events, fiduciaries of ERISA Plans and plans or arrangements subject to the above sections of the Code, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in the Series Bonds. The sale of the Series Bonds to a Plan is in no respect a representation by the Agency or the Underwriter that such an investment meets the relevant legal requirements with respect to benefit plans generally or any particular Plan. Any ERISA Plan proposing to invest in the Series Bonds should consult with its counsel to confirm that that investment is permitted under the plan documents and will not result in a non-exempt prohibited transaction and will satisfy the other requirements of ERISA, the Code and other applicable law.

Neither the Agency nor any of the Underwriters is acting as a fiduciary, or undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, to any purchaser or transferee with respect to the decision to purchase or hold the Series Bonds or an interest in the Series Bonds.

The foregoing discussion is general in nature and is not intended to be all-inclusive. Due to the complexity of these rules and the penalties that may be imposed on persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering purchasing the Series Bonds on behalf of, or with the assets of, any Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any similar laws to that investment and whether an exemption would be applicable to the purchase and holding of the Series Bonds.

State Tax Matters

In the opinion of Bond Counsel, interest on the Series Bonds is includable in the taxable net income of individuals, trusts and estates for State income tax purposes, and that interest is also includable in the income of corporations and financial institutions for purposes of the State franchise tax.

Backup Withholding

An owner of a Series Bond may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid with respect to the Series Bonds if the owner fails to provide to any person required to collect that information pursuant to Section 6049 of the Code with the owner's taxpayer identification number, furnishes an incorrect taxpayer identification number, fails to report interest, dividends or other "reportable payments" (as defined in the Code) properly, or, under certain circumstances, fails to provide those persons with a certified statement, under penalty of perjury, that the owner is not subject to backup withholding.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to above or adversely affect the market value of the Series Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted, it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved or whether the Series Bonds or the market value thereof would be impacted thereby. Purchasers of the Series Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinion expressed by Bond Counsel is based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series Bonds, and Bond Counsel has not expressed any opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

PROSPECTIVE PURCHASERS OF THE SERIES BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE SERIES BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE SERIES BONDS.

LITIGATION

There is not now pending or, to the best knowledge of the officers of the Agency, overtly threatened any litigation against the Agency seeking to restrain or enjoin the sale, issuance, execution or delivery of the Series Bonds, or in any manner questioning or affecting the validity of the Series Bonds or the proceedings or authority pursuant to which they are to be issued and sold.

The Agency is a party to various litigations arising in the ordinary course of business. While the ultimate effect of those actions cannot be predicted with certainty, the Agency expects that the outcome of these matters will not result in a material adverse effect on the financial position or results of operations of the Agency.

LEGAL MATTERS

The validity of the Series Bonds is subject to the opinion of Kutak Rock LLP, Bond Counsel. The opinion of Bond Counsel will be provided in substantially the form set forth in Appendix E attached hereto. Certain legal matters will be passed upon for the Underwriter by its counsel, Dorsey & Whitney LLP.

RATINGS

The Series Bonds are rated "___" by Moody's Investors Service, Inc. ("Moody's"), and "___" by S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P"). The ratings reflect only the views of the applicable rating agency, and an explanation of the significance of that rating may be obtained only from the rating agency and its published materials. The ratings described above are not a recommendation to buy, sell or hold the Series Bonds. There can be no assurance that any rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely if, in the judgment of the rating agency, circumstances so warrant. Therefore, after the date hereof, investors should not assume that those ratings are still in effect. A downward revision or withdrawal of either rating is likely to have an adverse effect on the market price and marketability of the Series Bonds. The Agency has not assumed any responsibility either to notify the owners of the Series Bonds of any proposed change in or withdrawal of any rating subsequent to the date of this Official Statement, except in connection with the reporting of events as provided in the Continuing Disclosure Undertaking (see Appendix B to this Official Statement), or to contest any revision or withdrawal.

TRUSTEE

Computershare Trust Company, National Association (the "Trustee"), a national banking association, serves as Trustee under the Indenture. The Trustee also serves as bond trustee for other outstanding bonds of the Agency. Pursuant to the Indenture, any successor Trustee, including a successor by sale or transfer of the corporate trust business, must be a bank or trust company or national banking association having trust powers and combined capital and surplus aggregating at least $75,000,000.

FINANCIAL ADVISOR

CSG Advisors Incorporated (the "Financial Advisor") is serving as financial advisor to the Agency with respect to the planning, structuring and sale of the Series Bonds. The Financial Advisor assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring and issuance of the Series Bonds and provided other advice to the Agency. The Financial Advisor does not underwrite or trade bonds and will not engage in any underwriting activities with regard to the issuance and sale of the Series Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification, or to assume responsibility for the accuracy, completeness or fairness, of the information contained in this Official Statement and is not obligated to review or ensure compliance with continuing disclosure undertakings.

UNDERWRITING

RBC Capital Markets, LLC, (the "Underwriter") will purchase from the Agency, and the Agency will sell to the Underwriter, all of the Series Bonds for the public offering prices stated on the inside front cover of this Official Statement. The Agency will pay the Underwriter a fee of $______________ with respect to their purchase of the Series Bonds. The Underwriter may offer and sell the Series Bonds to certain dealers and certain dealer banks at prices lower than those public offering prices.

The Underwriter is a full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriter may have, from time to time, performed and may in the future perform, various investment banking services for the Agency, for which they may have received or will receive customary fees and expenses. In the ordinary course of its various business activities, the Underwriter may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in those securities and instruments. Those investment and securities activities may involve securities and instruments of Agency.

The Underwriter is a subsidiary of Royal Bank of Canada.

MISCELLANEOUS

This Official Statement is submitted in connection with the offering of the Series Bonds and may not be reproduced or used, as a whole or in part, for any other purpose. Any statements made or incorporated in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are set forth as opinion or estimates and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Agency and the purchasers or owners of any of the Series Bonds.

The execution and delivery of this Official Statement have been duly authorized by the Agency.

MINNESOTA HOUSING FINANCE AGENCY

By ___________________________________
Commissioner

Dated: __________, 2024.

APPENDIX A-1

AUDITED FINANCIAL STATEMENTS OF THE AGENCY FOR THE FISCAL YEAR ENDED JUNE 30, 2023

APPENDIX A-2

FINANCIAL STATEMENTS OF CERTAIN FUNDS OF THE AGENCY

(EXCLUDING STATE APPROPRIATED AND FEDERAL APPROPRIATED FUNDS)

AS OF SEPTEMBER 30, 2023

AND FOR THE THREE MONTHS THEN ENDED (UNAUDITED)

APPENDIX B

SUMMARY OF CONTINUING DISCLOSURE UNDERTAKING

The following statements are extracted provisions of the Continuing Disclosure Undertaking to be executed by the Agency in connection with the issuance of the Series Bonds.

Purpose

This Disclosure Undertaking is executed and delivered by the Agency for the benefit of the holders and owners (the "Bondowners" or "Owners") and the Beneficial Owners of the Series Bonds and in order to assist the Participating Underwriter in complying with the requirements of the Rule. There is no obligated person other than the Agency that is a party to the Disclosure Undertaking.

Definitions

In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Undertaking, the following capitalized terms shall have the following meanings:

"*Annual Financial Information*" means the Audited Financial Statements.

"*Annual Financial Information Disclosure*" means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as described under "Annual Financial Information Disclosure" herein.

"*Audited Financial Statements*" means the audited financial statements of the Agency, prepared pursuant to the standards and as described under the caption "Annual Financial Information Disclosure."

"*Beneficial Owners*" means (1) in respect of a Series Bond subject to a book-entry-only registration system, any person or entity that (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, that Series Bond (including persons or entities holding Series Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of the Series Bond for federal income tax purposes, and that person or entity provides to the Trustee evidence of that beneficial ownership in form and substance reasonably satisfactory to the Trustee; or (2) in respect of a Series Bond not subject to a book-entry-only registration system, the registered owner or owners thereof appearing in the bond register maintained by the Trustee, as Registrar.

"*Commission*" means the Securities and Exchange Commission.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended.

"*Financial Obligation*" means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or, (iii) guarantee of either (i) or (ii). The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB pursuant to the Rule.

"*Listed Event*" means the occurrence of any of the events with respect to the Series Bonds set forth below:

1. Principal and interest payment delinquencies;

2. Nonpayment-related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

7. Modifications to rights of security holders, if material;

8. Bond calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution or sale of property securing repayment of the securities, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Agency (within the meaning of the Rule);

13. The consummation of a merger, consolidation or acquisition involving the Agency or the sale of all or substantially all of the assets of the Agency, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

15. Incurrence of a Financial Obligation of the Agency, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Agency, any of which affect security holders, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Agency, any of which reflect financial difficulties.

"*Listed Events Disclosure*" means dissemination of a notice of a Listed Event as described under the heading "Listed Events Disclosure" in this Appendix B.

"*MSRB*" means the Municipal Securities Rulemaking Board.

"*Participating Underwriter*" means each broker, dealer or municipal securities dealer acting as an underwriter in any primary offering of the Series Bonds.

"*Prescribed Form*" means, with regard to the filing of Annual Financial Information, Audited Financial Statements and notices of Listed Events with the MSRB at www.emma.msrb.org (or another address or addresses as the MSRB may from time to time specify), the electronic format, accompanied by the identifying information, as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of that information.

"*Rule*" means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

"*Undertaking*" means the obligations of the Agency described under the headings "Annual Financial Information Disclosure" and "Listed Events Disclosure" in this Appendix B.

Annual Financial Information Disclosure

The Agency shall disseminate the Annual Financial Information and the Audited Financial Statements (in the form and by the dates set forth below) for each fiscal year of the Agency, commencing with the fiscal year ending June 30, 2024, by one of the following methods: (i) the Agency may deliver that Annual Financial Information and the Audited Financial Statements to the MSRB within 120 days of the completion of the Agency's fiscal year or (ii) delivery of an Official Statement of the Agency to the MSRB within 120 days of the completion of the Agency's fiscal year, but only to the extent that Official Statement includes that Annual Financial Information and Audited Financial Statements.

The Agency shall deliver the information in Prescribed Form and by the time so that those entities receive the information by the dates specified.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Agency shall disseminate a statement to that effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment is made to this Disclosure Undertaking, the Annual Financial Information for the year in which such amendment is made (or in any notice or supplement provided to the MSRB) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

All or a portion of the Annual Financial Information and the Audited Financial Statements may be included by reference to other documents that have been submitted to the MSRB or filed with the Commission. The Agency shall clearly identify each such item of information included by reference.

Annual Financial Information will be provided to the MSRB within 120 days after the last day of the Agency's fiscal year. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, and Audited Financial Statements will be provided to the MSRB within 10 business days after availability to the Agency.

Audited Financial Statements will be prepared in accordance with generally accepted accounting principles in the United States as in effect from time to time.

If any change is made to the Annual Financial Information as permitted by the Disclosure Undertaking, including for this purpose a change made to the fiscal year-end of the Agency, the Agency will disseminate a notice to the MSRB of that change in Prescribed Form.

Listed Events Disclosure

The Agency shall disseminate in a timely manner, not in excess of 10 business days after the occurrence of the event, Listed Events Disclosure to the MSRB in Prescribed Form. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Series Bonds or defeasance of any Series Bonds need not be given under this Disclosure Undertaking any earlier than the notice (if any) of that redemption or defeasance is given to the owners of the Series Bonds pursuant to the Indenture. In addition, notice of the mandatory sinking fund redemption of certain of the Series Bonds is not required to be given as a Listed Event.

Consequences of Failure of the Agency To Provide Information

The Agency shall give notice in a timely manner, not in excess of 10 business days after the occurrence of the event, to the MSRB in Prescribed Form of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the Agency to comply with any provision of this Disclosure Undertaking, the Bondowner or Beneficial Owner of any Series Bond may seek specific performance by court order to cause the Agency to comply with its obligations under this Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed an Event of Default under the Indenture or any other agreement, and the sole remedy under this Disclosure Undertaking in the event of any failure of the Agency to comply with this Disclosure Undertaking shall be an action to compel performance.

Amendment; Waiver

Notwithstanding any other provision of this Disclosure Undertaking, the Agency may amend this Disclosure Undertaking, and any provision of this Disclosure Undertaking may be waived, if:

(i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Agency or type of business conducted;

(ii) This Disclosure Undertaking, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(iii) The amendment or waiver does not materially impair the interests of the Bondowners of the Series Bonds, as determined either by parties unaffiliated with the Agency (such as the Trustee) or by an approving vote of the Bondowners of the Series Bonds holding a majority of the aggregate principal amount of the Series Bonds (excluding Series Bonds held by or on behalf of the Agency or its affiliates) pursuant to the terms of the Indenture at the time of the amendment; or

(iv) The amendment or waiver is otherwise permitted by the Rule.

Termination of Undertaking

This Disclosure Undertaking shall terminate when the Agency shall no longer have any legal liability for any obligation on or relating to the repayment of the Series Bonds. The Agency shall give notice to the MSRB in a timely manner and in Prescribed Form if the Undertaking is so terminated before the final stated maturity of the Series Bonds.

Additional Information

Nothing in this Disclosure Undertaking shall be deemed to prevent the Agency from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Undertaking. If the Agency chooses to include any information from any document or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Undertaking, the Agency shall not have any obligation under this Disclosure Undertaking to update that information or include it in any future disclosure or notice of the occurrence of a Listed Event.

Beneficiaries

This Disclosure Undertaking has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Disclosure Undertaking shall inure solely to the benefit of the Agency, the Bondowners and Beneficial Owners of the Series Bonds, and shall create no rights in any other person or entity.

Recordkeeping

The Agency shall maintain records of all Annual Financial Information Disclosure and Listed Events Disclosure, including the content of that disclosure, the names of the entities with whom that disclosure was filed and the date of filing that disclosure.

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The Indenture contains various definitions, covenants, security provisions, terms and conditions, certain of which are summarized below. Reference is made to the Indenture for a full and complete statement of its provisions.

Certain Defined Terms

Agency Certificate: As the case may be, a document signed by an Authorized Officer either (i) attesting to or acknowledging the circumstances, representations or other matters therein stated or set forth, (ii) setting forth matters to be determined by the Agency or an Authorized Officer pursuant to the Indenture or related Supplemental Indenture, or (iii) requesting or directing the Trustee or other party to take action pursuant to the Indenture.

Agency Resolution: A copy of a resolution certified by an Authorized Officer to have been duly adopted by the members of the Agency and to be in full force and effect on the date of such certification, and delivered to the Trustee.

Alternative Loan Fund: The fund so designated in the Bond Resolution that is maintained pursuant to Section 4.12 of the Bond Resolution.

Authorized Officer: Each of the Chair, Vice Chair, Commissioner, Deputy Commissioner, Chief Financial Officer and Finance Director of the Agency or any other person authorized by resolution of the Agency to perform an act or sign a document.

Bond Counsel: Any attorney or firm of attorneys of nationally recognized standing in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds selected by the Agency.

Bond Fund: The Bond Fund created under the Indenture within the Agency's Alternative Loan Fund.

Bondowner: A Person in whose name a Bond is registered in the Bond Register.

Bond Resolution: Resolution No. MHFA 95-82, adopted August 24, 1995 (which amended and restated in whole Resolution No. MHFA 76-32, adopted July 27, 1976, as amended), together with any amendments or supplements heretofore or hereafter adopted from time to time as permitted therein.

Business Day: Any day (a) other than a Saturday, Sunday or other day that is a legal holiday in the State, and (b) on which banks in the city in which the designated principal corporate trust office of the Trustee are located are not required or authorized by law to be closed.

Code: The Internal Revenue Code of 1986, as amended and the applicable temporary, proposed and final Treasury regulations promulgated thereunder or applicable thereto.

Costs of Issuance Fund: The Costs of Issuance Fund created under Section 3.03 of the Indenture within the Agency's Alternative Loan Fund.

Default: An Event of Default and an event or condition, the occurrence of which would, with the lapse of time or the giving of notice or both, became an Event of Default.

Government Obligations: Direct obligations of the United States of America or obligations the principal of and interest on which are guaranteed by the United States of America (including obligations issued or held in book-entry form on the books of the United States Department of the Treasury).

Housing Investment Fund: The portion of the Alternative Loan Fund, designated by the Net Asset Requirements Resolution as Pool 2 (Housing Investment Fund).

Interest Payment Date: The date on which interest is payable on any Bonds (other than upon redemption of a Bond on a date other than a regularly schedule interest payment date).

Investment Obligations: Any of the following securities and other investments, if and to the extent the same are at the time legal for the investment of the Agency's moneys:

(a) Government Obligations;

(b) Obligations (i) that are backed by the full faith and credit of any state of the United States of America, (ii) of any agency of the United States of America, or (iii) of any public corporation sponsored by the United States of America, provided that, at the time of purchase, such obligations shall not adversely affect the Rating of the Bonds;

(c) Interest bearing time or demand deposits, certificates of deposit or other similar banking arrangements with any bank, trust company, national banking association or other savings institution (including the Trustee) provided that (i) such deposits, certificates and other arrangements are fully insured by the Federal Deposit Insurance Corporation or guaranteed by the State, the proceeds of which insurance are timely available, or (ii) such depository has combined capital and surplus of at least $75,000,000 and such deposits, certificates and other arrangements are fully secured by obligations described in clause (a) or (b) of this defmition, or a combination thereof, at such levels and valuation frequency as shall not adversely affect the Rating of the Bonds or (iii) the deposit of funds with such depository will not adversely affect the Rating of the Bonds;

(d) Repurchase agreements and reverse repurchase agreements with banks that are members of the Federal Deposit Insurance Corporation, or with government bond dealers reporting to and trading with the Federal Reserve Bank of New York, which agreements are secured by obligations described in the preceding clauses (a) and (b) of this definition;

(e) Shares of (i) an investment company registered under the federal investment company act of 1940, whose shares are registered under the federal securities act of 1933, whose only investments are in securities described in clause (a), (b) or (d) above, or (ii) a common trust fund established by a national banking association or a bank or trust company organized under the laws of any state with combined capital and surplus of at least $75,000,000, under the supervision and regulation of the Comptroller of the Currency pursuant to 12 C.F.R. 9, or any successor regulation, whose only investments are in securities described in clause (a), (b) or (d) above;

(f) Any investment contract with any provider as long as such investment contract does not adversely affect the Rating of the Bonds; and

(g) Any other investment that will not adversely affect the Rating of the Outstanding Bonds.

Net Asset Requirements Resolution: Resolution No. MHFA 07-16 entitled “Resolution Amending Resolution No. MHFA 88-7 Regarding Net Asset Requirements and Investment Guidelines for General Reserve Account Assets” adopted April 26, 2007, as subsequently amended by Resolution No. MHFA 09-55 adopted September 24, 2009.

Opinion of Counsel: A written opinion of counsel selected by the Agency and acceptable to the Trustee or selected by the Trustee.

Outstanding: When used with respect to Bonds, as of the date of determination, all Bonds theretofore authenticated and delivered under the Indenture *except:*

(i) Bonds theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(ii) Bonds for whose payment or redemption money in the necessary amount has been theretofore deposited with the Trustee in trust for the Owners of such Bonds; *provided* that if such Bonds are to be redeemed, notice of such redemption has been duly given pursuant to the Indenture or provision therefor satisfactory to the Trustee has been made;

(iii) Bonds which have been defeased within the meaning of the Indenture; and

(iv) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to the Indenture;

provided, however, that in determining whether the Owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under the Indenture, Bonds owned by the Agency shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Trustee knows to be so owned shall be so disregarded.

Owner: With respect to any Bond, the Bondowner.

Person: Any individual, corporation, limited liability company, partnership, limited liability partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

Program: The use of the proceeds of Bonds to finance any purpose authorized by the Act, as may be more particularly identified in an Agency Certificate related to a Series of Bonds.

Rating: With respect to any Bonds, the rating issued by a Rating Agency in force immediately prior to the proposed action to be taken by the Agency under the Indenture, and an action that does not "impair" the Rating with respect to any Bonds shall be an action that will not cause the Rating Agency to lower, suspend or withdraw the rating it has assigned to the Bonds.

Rating Agency: Any nationally recognized entity that, upon the request of the Agency, has issued a credit rating on [any Bonds issued pursuant to the Indenture][the Agency, which rating is used for the Bonds issued pursuant to the Indenture].

Record Date: The 15th day, whether or not a Business Day, of the month immediately preceding the month in which each Interest Payment Date, or any Redemption Date, occurs.

Redemption Date: When used with respect to any Bond to be redeemed, the date fixed for such redemption by or pursuant to the Indenture.

Redemption Price: When used with respect to any Bond to be redeemed, the price at which it is to be redeemed pursuant to the Indenture.

Sinking Fund Payment Date: A date set forth in any applicable provision of the Indenture or a Supplemental Indenture for the making of a mandatory principal payment for the redemption of a Term Bond.

Special Record Date: A date fixed by the Trustee pursuant to the Indenture for the payment of any interest not paid at its Stated Maturity.

Stated Maturity: When used with respect to any Bond or any installment of interest thereon means the date specified in such Bond as the fixed date on which the principal of such Bond or such installment of interest is due and payable.

Term Bonds: Any Bond for the payment of the principal of which mandatory payments are required by a Supplemental Indenture to be made at times and in amounts sufficient to redeem all or a portion of such Bond prior to its Stated Maturity.

Trust Estate: The assets, revenues and other property pledged pursuant to the Granting Clauses of the Indenture.

Costs of Issuance Fund

The Agency by the Indenture establishes, and is required to maintain, so long as any of the Bonds are outstanding, with the Trustee, a separate account within the Agency's Alternative Loan Fund to be designated the "Costs of Issuance Fund," as a subaccount of the Housing Investment Fund, into which the Agency and Trustee shall make deposits from the proceeds of the Bonds and any other amounts available to the Agency for the purpose of paying costs associated with the issuance of the Bonds.

Bond Fund

The Agency by the Indenture establishes, and is required to maintain, so long as any of the Bonds are outstanding, with the Trustee, a separate account within the Agency's Alternative Loan Fund to be designated the "Bond Fund," as a subaccount of the Housing Investment Fund established by the Act, into which the Agency and Trustee shall make certain deposits pursuant to the Indenture, including, all amounts directed by the Agency to be deposited therein for the purpose of paying principal and interest on the Bonds, no less than 30 days prior to the date the same shall become due and payable. The moneys and investments in the Bond Fund are irrevocably pledged to and shall be used by the Trustee, from time to time, to the extent required, for the payment of principal of, premium (if any) on and interest on the Bonds, as and when such principal, premium and interest shall become due and payable. Except as otherwise provided in the Indenture (see "Compensation of Trustee" and "Application of Revenues and Other Moneys After Event of Default" hereinafter), so long as all principal, premium and interest on the Bonds have been paid when due, upon the written direction of the Agency pursuant to an Agency Certificate, the Trustee may use moneys in the Bond Fund in excess of such amount to pay fees, charges and expenses with respect to the Bonds. Upon the written direction of the Agency, the Trustee may use moneys in the Bond Fund to purchase Bonds maturing or subject to redemption on a Sinking Fund Payment Date on either of the next two Interest Payment Dates after such purchase, provided that such Bonds are delivered to the Trustee for cancellation upon such purchase.

Investment of Moneys in Costs of Issuance Fund and Bond Fund

The Trustee shall invest the moneys on deposit in the Costs of Issuance Fund or held as a part of the Bond Fund, respectively, at the written request and direction of an Authorized Officer in Investment Obligations. The type, amount and maturity of Investment Obligations shall conform to any instructions of the Authorized Officer. The Trustee may, from time to time, cause any such investments to be sold or otherwise be converted into cash, whereupon the proceeds derived from such sale or conversion shall be credited to the respective Fund. Any interest or profit derived from investments shall be credited to the respective Fund. Investments permitted under the Indenture may be purchased from the Trustee or from any of its affiliates. The Trustee shall be entitled to assume that any investment that at the time of purchase is an Investment Obligation remains an Investment Obligation thereafter, absent receipt of written notice or information to the contrary. If no investment direction is received for a Fund, the funds shall be held uninvested. The Trustee shall have no liability or responsibility for any loss or for failure to maximize earnings resulting from any investment for a Fund made in accordance with the Indenture.

Payment of Bonds

The Agency is required by the Indenture to duly and punctually pay or cause to be paid the principal or Redemption Price of and interest on the Outstanding Bonds, at the dates and places and in the manner mentioned in the Bonds, according to the true intent and meaning thereof.

Covenants Relating to Use of Bond Proceeds

The Agency covenants that the proceeds of the Bonds will be used solely to pay costs of issuance of the Bonds, to fund Programs as permitted under the Indenture and under the Bond Resolution, to refund prior Bonds of the Agency as permitted under the Indenture and under the Bond Resolution, and for other purposes authorized by the Act as amended from time to time.

Events of Default

Each of the following events is defined as, and is declared to be and to constitute, an "Event of Default" under the Indenture:

(a) If payment of the principal of, or premium, if any, on any of the Bonds, when the same shall become due and payable, whether at Stated Maturity or upon a Sinking Fund Payment Date, or otherwise, shall not be made.

(b) If payment of any interest on the Bonds when the same shall become due and payable shall not be made.

(c) If default shall be made in the performance or observance of any other of the covenants, agreement or conditions on the part of the Agency in the Indenture, or in the Bonds contained, and such failure shall continue for a period of 60 days after written notice thereof to the Agency by the Trustee or to the Agency and to the Trustee by the Bondowners of not less than 10% in principal amount of the Bonds Outstanding, provided that if (i) the Agency is proceeding with due diligence to remedy the same, (ii) the default is able to be remedied, and (iii) the Agency has commenced action during the 60-day period necessary to remedy such default, such 60-day period shall be increased to such extent, but not more than an additional 180 days, as shall be necessary to enable the Agency to cure the default through the exercise of due diligence.

(d) The Agency shall file a petition seeking a composition of indebtedness under the federal bankruptcy laws, or under any other applicable law or statute of the United States of America or of the State.

(e) The State has limited or altered the rights of the Agency pursuant to the Act, as in force on the date of adoption of the Indenture, to fulfill the terms of any agreements made with the Owners of the Bonds or in any way impaired the rights and remedies of Owners of Bonds while any Bonds are Outstanding.

Remedies

Upon the occurrence and continuation of any Event of Default, the Trustee may, and upon the written request of the Bondowners of not less than a majority in aggregate principal amount of the Bonds Outstanding, together with indemnification of the Trustee to its satisfaction therefor, shall, proceed forthwith to protect and enforce its rights and the rights of the Bondowners under the Act, the Bonds and the Indenture by such suits, actions or proceedings as the Trustee, being advised by counsel, shall deem expedient, including but not limited to:

(a) Suit upon all or any part of the Bonds;

(b) Suit to require the Agency to account as if it were the trustee of an express trust for the Bondowners;

(c) Suit to enjoin any acts or things that may be unlawful or in violation of the rights of the Bondowners; and

(d) Enforcement of any other right of the Bondowners conferred by law or by the Indenture.

Regardless of the happening of an Event of Default, the Trustee, if requested in writing by the Bondowners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, shall, upon being indemnified to its satisfaction therefor, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient (i) to prevent any impairment of the security under the Indenture by any acts that may be unlawful or in violation of the Indenture, or (ii) to preserve or protect the interests of the Bondowners, provided that such request is in accordance with law and the provisions of the Indenture.

Application of Revenues and Other Moneys After Event of Default

The Agency covenants that if an Event of Default shall happen and shall not have been remedied, the Agency, upon demand of the Trustee, shall do all things necessary to make deposits into the Bond Fund for the payment of principal and interest on the Bonds as the same becomes due. During the continuation of an Event of Default the Trustee shall apply such moneys, securities, revenues, payments and receipts and the income therefrom as follows and in the following order:

(a) To the payment of any expenses necessary in the opinion of the Trustee to protect the interest of the Owners of the Bonds and for the payment of the charges and expenses and liabilities incurred and advances made by the Trustee in the performance of duties under the Indenture;

(b) To the payment of the interest and principal or Redemption Price then due and payable on Outstanding Bonds, as follows:

> *First:* To the payment to the Persons entitled thereto of all installments of interest then due and payable in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment

thereof ratably, according to the amounts due thereon to the Persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the Persons entitled thereto of the unpaid principal or Redemption Price of any Outstanding Bonds that shall have become due and payable, whether at maturity or by call for redemption, in the order of their due dates, and if the amounts available shall not be sufficient to pay in full all Outstanding Bonds due and payable on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the Persons entitled thereto, without any discrimination or preference.

Whenever all principal amounts of and interest on all Bonds have been paid under the above provisions, and all fees, expenses and charges of the Trustee have been paid, any balance remaining under the Indenture shall be paid to the Agency.

Majority of Bondowners Control Proceedings

If an Event of Default shall have occurred and be continuing, notwithstanding anything in the Indenture to the contrary, the Bondowners of at least a majority in aggregate principal amount of Bonds then Outstanding shall have the right, at any time, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting any proceeding to be taken in connection with the enforcement of the terms and conditions of the Indenture or for the appointment of a receiver or any other proceedings under the Indenture, provided that such direction is in accordance with law and the provisions of the Indenture and provided that nothing in the Indenture shall impair the right of the Trustee in its discretion to take any other action under the Indenture that it may deem proper.

Individual Bondowner Action Restricted

No Bondowner of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Indenture or for the execution of any trust under the Indenture or for any remedy under the Indenture unless:

(1) an Event of Default has occurred (a) under section (a) or (b) of the Events of Default subheading above, (b) as to which the Trustee has actual notice, or (c) as to which the Trustee has been notified in writing, and

(2) the Bondowners of at least a majority in aggregate principal amount of Bonds Outstanding shall have made written request to the Trustee to proceed to exercise the powers granted in the Indenture or to institute such action, suit or proceeding in its own name, and

(3) such Bondowners shall have offered the Trustee indemnity, and

(4) the Trustee shall have failed or refused to exercise the powers in the Indenture granted or to institute such action, suit or proceedings in its own name for a period of 60 days after receipt by it of such request and offer of indemnity.

No one or more Bondowners shall have any right in any manner whatsoever to affect, disturb or prejudice the security of the Indenture or to enforce any right under the Indenture except in the manner in the Indenture provided and for the equal benefit of the Bondowners of all Bonds Outstanding appertaining thereto.

Nothing contained in the Indenture shall affect or impair, or be construed to affect or impair, the right of a Bondowner (i) to receive payment of the principal of or interest on such Bond, as the case may be, on or after the due date thereof or (ii) to institute suit for the enforcement of any such payment on or after such due date; provided, however, no Bondowner may institute or prosecute any such suit or enter judgment therein, if, and to the extent that, the institution or prosecution of such suit or the entry of judgment therein, under applicable law, would result in the surrender, impairment, waiver or loss of the lien of the Indenture on the moneys, accounts and properties pledged under the Indenture for the equal and ratable benefit of all Bondowners.

Waiver and Non-Waiver of Event of Default

No delay or omission of the Trustee or of any Bondowner to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein. Every power and remedy given by the Indenture with respect to remedies to the Trustee and the Bondowners, respectively, may be exercised from time to time and as often as may be deemed expedient.

The Trustee may waive any Event of Default that in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of the Indenture, or before the completion of the enforcement of any other remedy under the Indenture.

Notwithstanding anything contained in the Indenture to the contrary, the Trustee, upon the written request of the Bondowners of at least a majority of the aggregate principal amount of Bonds then Outstanding (including, if more than one series of Bonds shall at the time be Outstanding, the Bondowners of a majority in principal amount of the Bonds of each such Series), shall waive any Event of Default under the Indenture and its consequences; provided, however, that except under the circumstances set forth in the paragraph above, a default in the payment of the principal, or Redemption Price, if any, of or interest on any Bond, when the same shall become due and payable by the terms thereof or upon call for redemption, may not be waived without the written consent of the Owner of such Bond.

In case of any waiver by the Trustee of an Event of Default under the Indenture, the Agency, the Trustee and the Bondowners shall be restored to their former positions and rights under the Indenture, respectively, but no such waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereon. The Trustee shall not be responsible to anyone for waiving or refraining from waiving any Event of Default in accordance with these provisions.

Notices of Defaults

Within 10 Business Days after the receipt of notice of an Event of Default or the occurrence of an Event of Default of which the Trustee has actual notice or is deemed to have notice, the Trustee, unless such Event of Default shall have theretofore been cured, shall give written notice thereof by first class mail to each Owner of Bonds then Outstanding, provided that, except in the case of a default in the payment of principal or the Redemption Price of or interest on any of the Bonds, the Trustee may withhold such notice if, in its sole judgment, it determines that the withholding of such notice is in the best interests of the Bondowners. The Trustee shall immediately notify the Agency of any Default or Event of Default known to the Trustee.

Trustee May Rely Upon Certain Documents and Opinions

Except as otherwise specifically provided in the Indenture, the Trustee may rely and shall be protected in acting upon certain resolutions, certificates, statements, instruments, opinions, reports, notices, requests, consents, orders, bonds or other papers or documents and may consult with counsel and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under the Indenture in good faith and in accordance with the opinion of such counsel. Before being required to take any remedial action, the Trustee may require an opinion of counsel reasonably acceptable to it, which opinion of counsel shall be made available to the other parties to the Indenture upon request, or a verified certificate of any such party, or both concerning proposed actions.

Compensation of Trustee

All advances, counsel fees and other expenses reasonably made or incurred by the Trustee in and about the execution of the trust created by the Indenture and reasonable compensation to the Trustee for its services in the premises, including extraordinary fees such as default fees, if any, shall be paid by the Agency from the Trust Estate. The compensation of the Trustee shall not be limited to or by any provision of law in regard to the compensation of trustees of an express trust. The Trustee shall have a first lien, with right of payment prior to payment on account of interest or principal of any Bond issued under the Indenture, for reasonable compensation, expenses, advances and counsel fees incurred in and about the execution of the trusts created thereby and exercise and performance of the powers and duties of the Trustee thereunder and the cost and expense incurred in defending against any liability in the premises of any character whatsoever (unless such liability is adjudicated to have resulted from the negligence or willful default of the Trustee). The Trustee's right to receive compensation, reimbursement, indemnification of money due and owing under the Indenture shall survive the Trustee's resignation or removal.

Resignation or Removal of Trustee

The Trustee may resign and be discharged from the trusts created by the Indenture by giving to the Agency 30 days' notice in writing, and to the Bondowners 30 days' notice by certified mail at its or his address as set forth on the registration books of such resignation, specifying a date when such resignation shall take effect. Such resignation shall take effect on the day specified in such notice, if a successor Trustee has been appointed, or upon such later date as a successor is appointed. If no successor Trustee shall have been appointed and have accepted appointment within 90 days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee may petition a court of competent jurisdiction to appoint a successor Trustee. The court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

Any Trustee may be removed at any time by an instrument or instruments in writing, appointing a successor to the Trustee so removed, filed with the Trustee and executed by either (i) the Agency, if it is not then in Default under the Indenture; or (ii) the Owners of a majority in principal amount of the Bonds secured by the Indenture and then Outstanding.

Appointment of Successor Trustee

In case at any time the Trustee shall resign or shall be removed or otherwise shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver of the Trustee or of its property shall be appointed, or if a public supervisory office shall take charge or control of the Trustee or of its property or affairs, a vacancy shall forthwith and ipso facto be created in the office of such Trustee, and a successor may be appointed by either (i) the Agency, if it is not then in Default under the Indenture; or (ii) the Owners of a majority in principal amount of the Bonds then Outstanding, by an instrument or instruments in writing filed with the Trustee and notification thereof being given to the Agency. In the event the Trustee has been removed by action of the Bondowners, until a new Trustee shall be appointed by the Bondowners as authorized in the Indenture, the Agency may, subject to the provisions thereof, appoint a Trustee to fill such vacancy. After any such appointment by the Agency, the Trustee so appointed shall cause notice of its appointment to be mailed within 30 days of such appointment to the Owners of the Bonds, and any new Trustee so appointed by the Agency shall immediately and without further act be superseded by a Trustee appointed in the manner above provided by the Owners of a majority in principal amount of said Bonds whenever such appointment by said Bondowners shall be made.

If, in a proper case, no timely appointment of a successor Trustee shall be made pursuant to the foregoing provisions the Owner of any Bond may apply to any court of competent jurisdiction to appoint a successor trustee. The court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor trustee.

Payment and Discharge of Indenture

If the Agency, its successors or assigns, shall

(a) pay or cause to be paid the principal of and premium, if any, and interest on the Bonds at the time and in the manner stipulated therein and in the Indenture, or

(b) provide for the payment of principal and premium, if any, of the Bonds and interest thereon by depositing with the Trustee at or at any time before maturity amounts sufficient in cash and/or in Government Obligations (the principal and interest on which when due and payable or redeemable at the option of the holder thereof) and without consideration of any reinvestment thereof shall be sufficient to pay the entire amount due or to become due thereon for principal and premium, if any, and interest to maturity of all said Bonds Outstanding, or

(c) deliver to the Trustee (1) proof satisfactory to the Trustee that notice of redemption of all of the Outstanding Bonds to be called for redemption not surrendered or to be surrendered to it for cancellation has been given or waived as provided in the Indenture, or that arrangements satisfactory to the Trustee have been made ensuring that such notice will be given or waived, or (2) a written instrument executed by the Agency and expressed to be irrevocable, authorizing the Trustee to give such notice for and on behalf of the Agency, or (3) file with the Trustee a waiver of such notice of redemption signed by the Owners of all of such Outstanding Bonds, and in any such case, deposit with the Trustee before the date on which such Bonds are to be redeemed, as provided in the Indenture, the entire amount of the Redemption Price, in cash and/or Government Obligation (which do not permit the redemption thereof at the option of the issuer) in such aggregate face amount, bearing interest at such rates and maturing at such dates as shall be sufficient to provide for the payment of such Redemption Price on the date such Bonds are to be redeemed, and on such prior dates when principal of and interest on the Outstanding Bonds is due and payable, or

(d) surrender to the Trustee for cancellation all Outstanding Bonds for which payment is not so provided, and shall also pay all other sums due and payable under the Indenture by the Agency,

then and in that case, all the Trust Estate shall revert to the Agency, and the entire estate, right, title and interest of the Trustee and of the Owners of the Bonds shall thereupon cease, determine and become void; and the Trustee in such case, upon the cancellation of all Bonds for the payment of which cash or securities shall not have been deposited in accordance with the provisions of the Indenture, shall, upon receipt of a written request of the Agency, and at its cost and expense, execute to the Agency, or its order, proper instruments acknowledging satisfaction of the Indenture and surrender to the Agency all cash and deposited securities, if any (other than cash or securities for the payment of the Bonds and interest thereon), which shall then be held under the Indenture as a part of the Trust Estate.

Bonds Deemed Not Outstanding After Deposits

When there shall have been deposited at any time with the Trustee in trust for the purpose, cash or Government Obligations the principal and interest on which shall be sufficient to pay the principal of any Bonds (and premium, if any) when the same become due, either at maturity or otherwise, or at the date fixed for the redemption thereof and to pay all interest with respect thereto at the due dates for such interest or to the date fixed for redemption, then upon such deposit all such Bonds shall cease to be entitled to any lien, benefit or security of the Indenture except the right to receive the funds so deposited, and such Bonds shall be deemed not to be Outstanding thereunder; and it shall be the duty of the Trustee to hold the cash and securities so deposited for the benefit of the Owners of such Bonds.

Purposes for Which Supplemental Indentures May be Executed

The Agency, by Agency Resolution, and the Trustee from time to time and at any time, subject to the conditions and restrictions contained in the Indenture, may enter into such indentures supplemental thereto as the Agency may or shall deem necessary or desirable without notice to or consent of any Bondowner for any one or more of the following purposes:

(a) To add to the covenants and agreements of the Agency in the Indenture or any Supplemental Indenture other covenants and agreements to be observed by the Agency that are not contrary to or inconsistent with the Indenture or the applicable Supplemental Indenture as theretofore in effect;

(b) To add to the limitations and restrictions in the Indenture or any Supplemental Indenture other limitations and restrictions to be observed by the Agency that are not contrary to or inconsistent with the Indenture or the applicable Supplemental Indenture as theretofore in effect;

(c) To surrender any right, power or privilege reserved to or conferred upon the Agency by the terms of the Indenture, but only if the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Agency contained in the Indenture;

(d) To confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, the Indenture or any Supplemental Indenture, or of any other part of the Trust Estate;

(e) To cure any ambiguity or to correct or supplement any provision contained in the Indenture or in any Supplemental Indentures that may be defective or inconsistent with any other provision contained in the Indenture or in any Supplemental Indenture, or to make such other provisions in regard to matters or questions arising under the Indenture or any Supplemental Indenture as the Agency may deem necessary or desirable and which shall not be inconsistent with the provisions of the Indenture or any Supplemental Indenture and which shall not impair the security of the same;

(f) To modify, eliminate and/or add to the provisions of the Indenture to such extent as shall be necessary to effect the qualification of the Indenture under the Trust Indenture Act of 1939, as then amended, or under any similar federal statute hereafter enacted, and to add to the Indenture such other provisions as may be expressly permitted by said Trust Indenture Act of 1939, excluding, however, the provisions referred to in Section 316(a)(2) of said Trust Indenture Act of 1939;

(g) To provide for the issuance of Bonds pursuant to the Indenture;

(h) To make any other change in the Indenture as shall not be, in the opinion of the Trustee, materially adverse to the security or other interests of the Bondowners. With respect to the foregoing, the Trustee may rely upon the opinion or other written confirmation of the Rating Agency with respect to whether the Rating of the Bonds has been adversely affected as conclusively establishing whether the change is materially adverse to the security or other interests of the Bondowners.

The Trustee shall not enter into a Supplemental Indenture under these provisions unless it obtains an Opinion of Counsel stating that such Supplemental Indenture has been duly and lawfully adopted in accordance with the provisions of the Indenture and is authorized or permitted by the Indenture.

Modification of Indenture with Consent of Bondowners

Subject to the terms and provisions below, the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, to consent to and approve the execution by the Agency and the Trustee of such indenture or indentures supplemental thereto as shall be deemed necessary or desirable by the Agency for the purpose of modifying, altering, amending, adding to or deleting in any particular, any of the terms or provisions contained in the Indenture or in any Supplemental Indenture; provided, however, that, notwithstanding any other provision of the Indenture, nothing therein contained shall permit or be construed as permitting, without the consent of the Owners of all Outstanding Bonds affected thereby, (i) an extension of the maturity of any Bond issued under the Indenture, or (ii) a reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon, or (iii) the creation of a lien upon or a pledge of revenues ranking prior to or on a parity with the lien or pledge created by the Indenture, or (iv) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (v) a reduction in the aggregate principal amount of the Bonds required to consent to Supplemental Indentures, or (vi) a reduction in the aggregate principal amount of the Bonds required to waive an Event of Default.

If the Owners of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the execution of such Supplemental Indenture shall have consented to and approved the execution thereof as provided in the Indenture, no Owner of any Bond shall have any right to object to the execution of such Supplemental Indenture, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Agency from executing the same or from taking any action pursuant to the provisions thereof.

APPENDIX D

BOOK-ENTRY-ONLY SYSTEM

General

The Depository Trust Company, New York, New York ("DTC"), is to act as securities depository for the Series Bonds. The ownership of one fully registered Series Bond for each maturity in the aggregate principal amount of that maturity, will be registered in the name of Cede & Co., DTC's partnership nominee. *So long as Cede & Co. or another nominee designated by DTC is the registered owner of the Series Bonds, references herein to the Bondowners, Owners or registered owners of the Series Bonds means Cede & Co. or any other nominee and not the Beneficial Owners(as hereinafter defined) of the Series Bonds.*

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of beneficial ownership interests in the Series Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series Bonds on DTC's records. The ownership interest of each actual purchaser of each Beneficial Owner (as defined in Appendix B) is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series Bonds, except in the event that use of the Book-Entry System for the Series Bonds of the Series is discontinued as described below.

To facilitate subsequent transfers, all Series Bonds deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or any other name as may be requested by an authorized representative of DTC. The deposit of Series Bonds with DTC and their registration in the name of Cede & Co. or that other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts those Series Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers. For every transfer and exchange of beneficial ownership in the Series Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices will be sent to DTC. If less than all of the Series Bonds of a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the Series Bonds of the maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to any Series Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the bond issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payment of the principal, redemption price and purchase price of, and interest on, the Series Bonds will be made to Cede & Co., or any other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the bond issuer or trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of that Participant and not of DTC, the Trustee or the Agency, subject to any statutory and regulatory requirements as may be in effect from time to time. Payment of principal, redemption price, purchase price and interest to Cede & Co. (or any other nominee as may be requested by an authorized representative of DTC), is the responsibility of the Trustee, disbursement of those payments to Direct Participants will be the responsibility of DTC, and disbursement of those payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

Under the Indenture, payments made by or on behalf of the Agency to DTC or its nominee shall satisfy the Agency's obligations to the extent of the payments so made.

A Beneficial Owner must give notice to elect to have its Series Bonds purchased or tendered, through its Participant, to the Tender Agent and the Remarketing Agent, and must effect delivery of those Series Bonds by causing the Direct Participant to transfer the Participant's interest in the Series Bonds, on DTC's records, to the Tender Agent. The requirement for physical delivery of Series Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Series Bonds to the Tender Agent's DTC account.

The above information contained in this section "Book-Entry-Only System" is based solely on information provided by DTC. No representation is made by the Agency or the Underwriter as to the completeness or the accuracy of that information or as to the absence of material adverse changes in that information subsequent to the date hereof.

The Agency, the Underwriter and the Trustee cannot and do not give any assurances that DTC, the Direct Participants or the Indirect Participants will distribute to the Beneficial Owners of the Series Bonds (i) payments of principal of or interest and premium, if any, on the Series Bonds, (ii) certificates representing an ownership interest or other confirmation of beneficial ownership interest in Series Bonds, or (iii) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Series Bonds, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve and act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities Exchange Commission, and the current "Procedures" of DTC to be followed in dealing with Direct Participants are on file with DTC.

Neither the Agency, the Underwriter nor the Trustee will have any responsibility or obligation to any Direct Participant, Indirect Participant or any Beneficial Owner or any other person with respect to: (1) the accuracy of any records maintained by DTC or any Direct Participant or Indirect Participant; (2) the payment by DTC or any Direct Participant or Indirect Participant of any amount due to any Beneficial Owner in respect of the principal, redemption price or purchase price of, or interest on, the Series Bonds; (3) the delivery by DTC or any Direct Participant or Indirect Participant of any notice to any Beneficial Owner that is required or permitted under the terms of the Indenture to be given to Owners of Series Bonds; (4) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of Series Bonds; or (5) any consent given or other action taken by DTC as a Bondowner.

Discontinuation of Book-Entry System

DTC may discontinue its book-entry services with respect to the Series Bonds at any time by giving notice to the Agency and discharging its responsibilities with respect thereto under applicable law. Under those circumstances, the Series Bonds are required to be delivered as described in the Indenture. The Beneficial Owner, upon registration of those Series Bonds held in the Beneficial Owner's name, shall become the Bondowner.

The Agency may determine to discontinue the system of book entry transfers through DTC (or a successor securities depository) for the Series Bonds. In that event, the Series Bonds are to be delivered as described in the Indenture.

APPENDIX E

FORM OF OPINION OF BOND COUNSEL

__________ __, 2024

Minnesota Housing Finance Agency
St. Paul, Minnesota 55102

Minnesota Housing Finance Agency
General Purpose Bonds
2024 Series A (Taxable)

Ladies and Gentlemen:

We have acted as bond counsel to the Minnesota Housing Finance Agency (the "Agency") in connection with the authorization, issuance and delivery by the Agency of its General Purpose Bonds, 2024 Series A (Taxable), in the aggregate principal amount of $____________ (the "Series Bonds"). The Series Bonds are being issued in accordance with Minnesota Statutes, Chapter 462A, as amended (the "Act"), an Indenture of Trust, dated as of February 1, 2024, as hereafter amended and supplemented (the "General Indenture"), by and between the Agency and Computershare Trust Company, National Association (the "Trustee"), and a First Supplemental Indenture of Trust, dated as of February 1, 2024 (the "Supplemental Indenture"), by and between the Agency and the Trustee. The General Indenture and the Supplemental Indenture are referred to herein, collectively, as the "Indenture."

The Series Bonds are dated, mature on the dates, bear interest at the rates and are payable as provided in the Indenture. The Series Bonds are subject to redemption prior to maturity, as provided in the Indenture.

As bond counsel, we have examined certified copies of resolutions and proceedings of the Agency and other documents we considered necessary as the basis for this opinion, including the Agency's Resolution No. MHFA 24-[____], adopted January 25, 2024 (the "Bond Resolution"). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

From such examination, it is our opinion that, under existing law as of the date hereof: (1) the Agency is a public body corporate and politic, having no taxing power, duly organized and existing under Minnesota Statutes, Chapter 462A, as amended; (2) the Bond Resolution has been duly and validly adopted by the Agency; (3) the Indenture has been duly authorized and executed and is valid and binding upon the Agency in accordance with its terms, and creates the valid pledge and security interest it purports to create with respect to the moneys, securities and other Funds held and to be set aside under the Indenture; (4) the Series Bonds are duly and lawfully authorized to be issued and are valid and binding general obligations of the Agency in accordance with their terms, entitled to the benefits granted by and secured by the covenants contained in the Indenture, and are payable out of any of the Agency's generally available moneys, assets or revenues, subject only to the provisions of other resolutions or indentures now or hereafter pledging and appropriating particular moneys, assets or revenues to particular notes or bonds, or State of Minnesota (the "State") or federal laws, or restrictions that provide that particular funds must be applied for a specified purpose and moneys and securities held from time to time in the funds and accounts established and pledged thereto under the Indenture; and (5) the interest payable on the Series Bonds is includable in gross income of owners thereof for federal income tax purposes, in taxable net income of individuals, trusts and estates for State income tax purposes, and in the income of corporations and financial institutions for purposes of the State franchise tax.

We express no opinion regarding other federal, state or local tax consequences arising from the ownership or disposition of the Series Bonds. All owners of Series Bonds (including, but not limited to, insurance companies, financial institutions, Subchapter S corporations, United States branches of foreign corporations, and recipients of social security and railroad retirement benefits) should consult their tax advisors concerning other possible indirect tax consequences of owning and disposing of the Series Bonds.

The opinions expressed above are qualified only to the extent that the enforceability of the Series Bonds and the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

Respectfully yours,

RESOLUTION NO. MHFA 24-011

RESOLUTION RELATING TO GENERAL PURPOSE BONDS, 2024 SERIES A; AUTHORIZING THE ISSUANCE AND SALE THEREOF AND APPROVING THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS

BE IT RESOLVED BY THE MINNESOTA HOUSING FINANCE AGENCY (the "Agency"), as follows:

Section 1. Recitals.

1.01. General Purpose Bonds; Authority; Purpose. The Agency is authorized under Minnesota Statutes, Chapter 462A, including, without limitation, Section 462A.08 thereof, as amended (the "Act") to issue bonds and notes from time to time (the "General Purpose Bonds") to provide sufficient funds for achieving its purposes, including financing programs (the "Programs") of the Agency in accordance with the policy and purpose of the Act. Such General Purpose Bonds shall be equally and ratably secured as general obligations of the Agency, payable out of any of the Agency's generally available moneys, assets or revenues, subject only to the provisions of other resolutions or indentures now or hereafter pledging and appropriating particular moneys, assets or revenues to particular notes or bonds, or State of Minnesota (the "State") or federal laws, or restrictions that provide that particular funds must be applied for a specified purpose.

1.02. Authority; Purpose. The Agency desires to issue its General Purpose Bonds under Section 462A.08 of the Act for the purpose of providing funds to finance Programs of the Agency, and to pay certain costs of the issuance of such bonds. The bonds herein authorized shall consist of one series, to be designated as "General Purpose Bonds, 2024 Series A, (Taxable)," in the maximum aggregate principal amount not to exceed $60,000,000, to be determined pursuant to the terms of Section 2.02 of this resolution. The General Purpose Bonds issued pursuant to this resolution are the "Series Bonds." The Series Bonds will be secured solely, and equally and ratably with the Agency's General Purpose Bonds hereafter authorized.

1.03. Sale of Series Bonds. The Series Bonds may be offered for sale (i) by negotiating for the public sale of the Series Bonds to RBC Capital Markets, LLC, as underwriter (the "Underwriter") pursuant to a preliminary official statement and a bond purchase agreement, (ii) in a limited public offering to qualified institutional buyers and institutional accredited investors, pursuant to a limited offering memorandum and a bond purchase agreement, with RBC Capital Markets, LLC as Underwriter, (iii) in a direct placement with an institutional purchaser to be arranged by RBC Capital Markets, LLC, as placement agent (the "Placement Agent"), pursuant to a placement memorandum and a bond purchase agreement, or (iv) in any combination of (i), (ii) and (iii) above; any entity that buys the Series Bonds pursuant to any of the above methods of sale is a "Purchaser". Any of the Chair, the Vice Chair, the Commissioner, the Chief Financial Officer, or the Finance Director (each an "Authorized Officer") is hereby authorized to finally determine the method of sale of the Series Bonds.

1.04. Documentation. Draft forms of the following documents (collectively, the "Bond Documents") relating to the General Purpose Bonds and the Series Bonds have been prepared and submitted to the Agency and are hereby directed to be filed with the Agency:

(a) A proposed form of the Indenture of Trust (the "Master Indenture"), to be entered into between the Agency and the Trustee (as hereinafter defined), establishing certain terms of the General Purpose Bonds, the security for their repayment, the rights of the owners of the General Purpose Bonds, and the duties and responsibilities of the Trustee;

(b) A proposed form of a Supplemental Indenture of Trust (the "Supplemental Indenture"), to be entered into between the Agency and the Trustee, to establish the form and terms of the Series Bonds (the Master Indenture and the Supplemental Indenture are collectively referred to herein as the "Indenture");

(c) A proposed form of the Purchase Contract between the Agency and the Purchaser relating to the sale and purchase of the Series Bonds; and

(d) A proposed form of a Continuing Disclosure Undertaking to be entered into by the Agency in connection with any sale of the Series Bonds pursuant to Section 1.03(i) of this resolution, where such an undertaking is required.

Section 2. Authorization of the Series Bonds and Approval of the Bond Documents.

2.01. Authorization. To provide sufficient funds to be used and expended for the purposes set forth in Section 1.02, the Agency is hereby authorized to issue the Series Bonds in an aggregate principal amount not to exceed $60,000,000. The Agency is hereby authorized to sell the Series Bonds to the Purchaser to provide funds to finance Programs of the Agency and pay costs of issuance of the Series Bonds.

2.02. Terms of Series Bonds. The Series Bonds shall be initially dated the date of delivery to the Purchaser and shall be in the form prescribed by the Indenture. The final terms of the Series Bonds have not been established as of the date of adoption of this resolution. Any Authorized Officer is hereby authorized to approve the final terms of the Series Bonds, including the redemption provisions of the Series Bonds, subject to the following parameters:

(i) the principal amount of the Series Bonds; provided that the aggregate principal amount of the Series Bonds is not in excess of $60,000,000;

(ii) the maturity schedule of the Series Bonds (including mandatory sinking fund redemption schedule, if any); provided that the Series Bonds mature at any time or times in such amount or amounts not later than July 1, 2055;

(iii) the interest rates borne by the Series Bonds; provided that the net interest cost on the Series Bonds does not exceed 9.00% per annum; and

(iv) the fee or other compensation payable to the Underwriter or the Placement Agent, as the case may be, of the Series Bonds; provided that the fee or other compensation does not exceed 1.00% of the principal amount of the Series Bonds.

Such approval shall be conclusively evidenced by the execution of the applicable Purchase Contract with the Purchaser by an Authorized Officer.

2.03. Approval of Bond Documents. The forms of the Bond Documents are hereby approved, subject to such modifications as are deemed appropriate and approved by an Authorized Officer, subject to the limitations contained in Section 2.02, which approval shall be conclusively evidenced by execution of the Bond Documents by an Authorized Officer. Copies of all the documents shall be delivered or filed as provided therein. An Authorized Officer is also authorized and directed to execute such other documents and certificates as may be required to give effect to the transactions herein contemplated.

2.04. Preliminary Official Statement, Official Statement; Limited Offering Memorandum. The Agency has also received and examined a draft Preliminary Official Statement containing information relating to the Agency and the Series Bonds; any limited offering memorandum or placement memorandum prepared in connection with the Series Bonds shall contain similar information as the draft Preliminary Official Statement to the extent required. An Authorized Officer is hereby authorized to approve a final version of the Preliminary Official Statement or limited offering memorandum or placement memorandum, as the case may be, and the use thereof by the Underwriter or the Placement Agent in the offering of the Series Bonds is hereby approved. A final Official Statement, or limited offering memorandum or private placement memorandum, substantially in the form of the Preliminary Official Statement except for revisions required or approved by counsel for the Agency and an Authorized Officer and insertion of the terms of the Series Bonds as provided in the Purchase Contract, is approved and authorized to be signed by an Authorized Officer, and furnished to the Purchasers for distribution to investors.

Section 3. Appointment of Trustee. Computershare Trust Company, National Association is appointed as Trustee under the Indenture and is vested with all the property, rights, powers and duties granted, pledged and assigned to it by the Indenture, in trust for the owners of the General Purpose Bonds, including the Series Bonds and any additional bonds issued and to be issued thereunder.

Section 4. Authentication of Proceedings. The Chair, the Vice Chair, Commissioner, Chief Financial Officer, or Finance Director and other officers of the Agency are authorized and directed to furnish to the Purchaser and bond counsel certified copies of all proceedings and records of the Agency relating to the Series Bonds, and such other affidavits and certificates as may be required to show the facts relating to the legality and validity of the Series Bonds as such facts appear from the books and records in the officers' custody and control or as otherwise known to them; and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the Agency as to the truth of all statements of fact contained therein.

Section 5. General Obligations of the Agency. The Series Bonds will be general obligations of the Agency, payable out of any of the Agency's generally available moneys, assets or revenues, subject only to the provisions of other resolutions or indentures now or hereafter pledging and appropriating particular moneys, assets or revenues to particular notes or bonds, or State or federal laws, or restrictions that provide that particular funds must be applied for a specified purpose.

Section 6. Reimbursement of Agency Funds. The Agency may desire to reimburse certain Program expenditures made prior to the issuance of the Series Bonds, and proceeds of the Series Bonds may be used, to the extent desired, to reimburse the Agency funds or accounts from which such funding was made.

Section 7. Discretion of Authorized Officer. An Authorized Officer shall determine the aggregate principal amount of the Series Bonds, subject to the limitations in Section 2.02 of this resolution. Notwithstanding anything contained in the foregoing sections of this resolution, if an Authorized Officer, upon consultation with the Chair and upon the advice of Bond Counsel or counsel to the Agency, determines that it is not in the best interests of the Agency to issue and sell any of the Series Bonds authorized pursuant to this resolution (subject to any applicable provisions of any purchase contract theretofore executed), then such Series Bonds will not be issued or sold in accordance with this resolution.

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Adopted by the Minnesota Housing Financing Agency this 25th day of January, 2024.

By______________________________________
Chair

Attest: __________________________________
Commissioner

[Resolution No. MHFA 24-011]

MINNESOTA HOUSING

Action Item: J
Date: 01/25/2024
Staff Contacts: John Patterson, 651.296.0763, john.patterson@state.mn.us
Request Type: Approval, Motion

Item

Approval, 2024-2025 Affordable Housing Plan

Request Summary:

Staff are providing the 2024-2025 Affordable Housing Plan (AHP) for the board's final review and approval. The board reviewed an initial draft in November. Since then, staff have carried out a public comment period. Based on the comments, a final review of the plan and some adjustments to the funding and assistance estimates, staff have finalized the plan. The attached redline version of the plan shows the changes made to the version of the plan that the board reviewed in November.

Fiscal Impact:

The Affordable Housing Plan estimates the availability and allocation of resources across the Agency's programs, and to the extent that these estimates hold true, the plan has a direct impact on the types and amounts of funding made available. The Agency's individual programs have different impacts on the Agency's finances, and the estimates and program activity outlined in the plan serve the Agency's strategic goals, including the Agency's overall financial sustainability.

Agency Priorities:

☒ Improve the Housing System

☒ Preserve and Create Housing Opportunities

☒ Make Homeownership More Accessible

☒ Support People Needing Services

☒ Strengthen Communities

Attachments:

- 2024-2025 Affordable Housing Plan

- Full Public Comments: Draft 2024-2025 Affordable Housing Plan
- Summary of and Responses to the Public Comments

MINNESOTA HOUSING

2024-2025 Affordable Housing Plan

Table of Contents

Summary – 2024 and 2025 at a Glance

The Affordable Housing Plan (AHP) identifies key activities that Minnesota Housing will carry out over the next two years and provides an estimate of the financial resources we expect to make available. This $4.5 billion plan is our largest ever, and we expect to serve between 70~~5~~,000 and ~~90~~85,000 households in each of the two years.

These housing investments are as critical as ever. Minnesota continues to face persistent housing challenges, including a significant shortage of housing that is affordable, some of the country's worst housing disparities, and the growing problem of people facing ~~experiencing~~ homelessness and sleeping outside.

We need to **Go Big So Everyone Can Go Home**.

Table 1: Expected Investments by Activity in 2024-2025

Program Category	2024-2025 Estimate Resources Available
Homebuyer Financing and Home Refinancing	$2,498,000,000
Homebuyer/Owner Education and Counseling	$7,369,000
Home Improvement Lending	$75,544,000
Single Family Production - New Construction and Rehabilitation	$120,513,000
Manufactured Housing	$44,071,000
Other Single Family	$5,000,000
Rental Production - New Construction and Rehabilitation	$398,747,700
Rental Assistance Contract Administration	$472,000,000
Housing Stability for Vulnerable Populations	$292,910,000
Multiple Use Resources	$447,750,000
Other	$67,202,000
COVID Housing Recovery	$104,264,000
Total	**$4,533,370,700**

To achieve our strategic objectives, over the next two years, we will focus on:

- Deploying the $1.3 billion the 2023 Legislature made available for 2024 and 2025, which is a major investment above the more typical $115 million base budget from the previous biennium. These funds will supplement the other $3.2 billion we will make available from federal, Agency and bond resources.
- Creating and launching the 18 new programs that the legislature created with the new resources, adding to our 39 existing programs and hiring at least 50 new staff to conduct the expanded work.

- Creating a more inclusive, equitable and just housing system that prioritizes the people and places most impacted by housing instability. This will require us to authentically engage and partner with community, particularly people who have been historically excluded, raise their voices and vision, co-create solutions that respond to their needs, and achieve meaningful results. This work has begun at the Agency and will take additional time and resources.
- Developing green, energy-efficient, climate-resilient, sustainable housing. Housing development and rehabilitation are contributors to energy and material waste, and residential housing accounts for a sizable share of energy consumption and greenhouse gas emissions. In addition, high home energy bills disproportionately affect people with low incomes.

Allocation of Resources. Minnesota Housing is constrained in how it allocates funds across the activities listed in Table 1. In most cases, we cannot transfer funds from one program to another. First, the State Legislature and Congress appropriate funds for specific uses, and we can only use the funds as authorized. Second, the source of funding plays a role in how the funds are used. For the most part, the funds that we borrow (primarily from the bond market) can only be used to finance mortgages with monthly principal and interest payments so that we can use those payments to pay back with interest the bondholders from whom we borrowed the funds. Our home mortgage lending (an estimated $2.2 billion in 2024 and 2025) comes primarily from bond financing. These funds cannot be used for programs that provide grants or zero-interest, deferred loans because they do not involve monthly principal and interest payments. Appendix B of the Affordable Housing Plan outlines the sources of funds and how those funds are allocated by program. Third, our mortgage lending (homeownership and rental) is demand driven. The funding estimates in the Affordable Housing Plan for mortgage lending are based on expected demand, not on a fixed budget. If there is a demand for these mortgages, we find a way to finance it, assuming the borrower can meet the financing terms.

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Chapter 1 – Going Big Equitably

The 2024-2025 Affordable Housing Plan (AHP) is Minnesota Housing's business plan for implementing the first two years of our 2024-2027 Strategic Plan. The AHP covers October 1, 2023 through September 30, 2024 and provides information on the policy, program and operational initiatives we plan to carry out over the next two years. It also provides estimates of the financial resources we expect to make available through each of our programs.

Housing Needs for the Next Two Years

For more than a decade, Minnesota has confronted several persistent housing challenges.

- In Minnesota, 640,000 households are cost burdened, meaning they pay more than 30% of their gross income on housing.[1] In particular, over 258,000 households make less than $50,000 a year and pay over 50% of their income on housing.[2] These households are likely one financial setback, even relatively minor, from missing a housing payment.
- The supply of housing that is affordable is very limited throughout the state.
  - In Minneapolis and St. Paul, the vacancy rate for rental units affordable to households with incomes at or below 30% of the area median income (AMI) is effectively 0%, whereas a healthy vacancy rate is about 5%.[3]
  - In the 16 counties in and around the Twin Cities metro area, the months-supply of homes selling for $300,000 or less is only one month, whereas a healthy supply is about five months.[4]
  - Employers in cities across Greater Minnesota are adding jobs, but there is not enough housing, and programs that finance market-rate housing are not sufficiently large enough to address the need.
- Newly constructed housing is not affordable for typical renters or homeowners.
  - Only 32% of newly constructed rental units in the last five years are affordable to renters with incomes at or below 80% of AMI when 70% of renters have incomes at or below 80% of AMI.
  - Without rental assistance, only 1% of new rental units are affordable to households with incomes at or below 30% of AMI, while 28% of renters have incomes at or below 30% AMI.[5]
  - Most homeowners cannot afford a modest, newly constructed home. In today's market, a new 1,600 square-foot starter home can cost $400,000 or more while a household with the median homeowner income can only afford a $300,000 home.
- Minnesota has the fourth largest homeownership-rate disparity between non-Latino white households and Indigenous, Black and households of color. While 77% of non-

Latino white households in Minnesota own their homes, only 49% of Indigenous, Black and households of color do. The homeownership rate for Black households is egregiously low at 29%.[6] That rate is significantly lower than the 46% rate realized by Black households in 1950.[7]
- In 2023, about 8,393 people in Minnesota experienced homelessness on a given night, which is a 9% increase since 2017. The increase has been very large for people living outside and unsheltered, with a 51% increase in that period.[8] In addition, a Native American in Minnesota is over 28 times more likely to experience homelessness than non-Latino whites.
- Between 2023 and 2038, the number of Minnesotans who are age 65 or older is expected to grow by 21%, while Minnesota's overall population is only expected to grow by 8%.[9] As older Minnesotans from the Baby Boom generation (born between 1946 and 1964) become less independent over time, the need will rise for home modifications and housing with service connections.

In addition to the challenges faced by renters and homeowners throughout the state, high interest rates, volatile construction costs and other market factors are creating challenges for our partners, requiring persistence and dedication to develop the housing and deliver the housing assistance.

To address these challenges for the last four years, Minnesota Housing has been following the guiding phrase **Going Big So Everyone Can Go Home**, and we indeed went bigger between 2018 and 2022.

- 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%.
- Our financing of new rental housing increased by 12% from 758 units to 851.
- We created new emergency housing programs that supported people facing COVID-related hardships and distributed hundreds of millions of dollars.

Even with these increases, the persistence of the housing challenges demonstrates we have much more to do. New challenges have arisen since 2018 as well, including rising interest rates, higher construction costs and other market factors, which means the Agency will need more resources to achieve the type of results we reached during the previous period.

Going Big

Fortunately, we received a historic one-time investment from the Legislature, and the Agency can go even bigger, providing more resources to partners and helping more people. For program years 2024 and 2025 combined, we expect to make available $4.5 billion from a combination of federal, state, Agency and bond resources to finance our 57 current programs, which is our largest Affordable Housing Plan ever. This includes the 2023 Minnesota Legislature's $1.3 billion in housing investments, far more than our typical base budget of $115 million for the biennium. The funding tables, household/unit forecasts and graphs in Chapter 3 outline how these funds will be used and the impact they will have by activity area and program. The following bullets summarize the increase by activity area:

- Home Mortgage Lending: $215 million
  - Primarily downpayment assistance for first generation homebuyers
- Homebuyer Education: $2 million
- Manufactured Housing & Communities: $35 million
  - Funds for: (a) community ownership, and (b) infrastructure repair, and (c) home purchase, renovation, repair and/or removal
- Housing Development and Rehabilitation: $640 million
  - Development of new owner-occupied and rental housing
  - Preservation, rehabilitation and/or remediation of existing affordable housing, including naturally occurring affordable housing (without previous government subsidies and income/rent restrictions)
- Rental Assistance and Homelessness Supports: $225 million
  - State-funded rental assistance and homelessness prevention resources
- Other: $58 million
  - Multiple uses, but most of the assistance going to nonprofit developers for organizational support

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Deploying the $1.3 billion is a major undertaking. Coming into 2024, Minnesota Housing had 39 programs. The 2023 Legislature added 18 new programs. Table 2 in Chapter 3 lists all 57 programs and their expected funding levels. Each of the new programs will need:

- Staff to implement them,
- Program procedures and documents developed, including program guides, requests for proposals, selection criteria and procedures, and contracts/grant agreements, and
- Compliance, monitoring and reporting procedures created.

While creating these new systems is significant, we expect to have nearly all the new programs operational by the end of calendar year 2024, which will entail hiring over 50 new staff in a challenging hiring market. The work has already begun, which includes committing nearly $50 million through the new Stable Housing Organizational Relief Program in October 2023. This program provides financial support to nonprofits that own or control housing units that are experiencing significant detrimental financial impacts due to recent economic and social conditions.

Recognizing the state's significant housing needs, we are taking steps to get these funds into community and focusing on deploying the resources as effectively and equitably as possible. As our 2024-2027 Strategic Plan outlines, we are prioritizing the people and places most impacted by housing instability. Effectively engaging and serving these communities takes a little more time, which is one of the key lessons learned during our operation of RentHelpMN and HomeHelpMN, our two primary COVID emergency housing recovery programs.

With program infrastructure already in place, we will be able to award the increased funding for existing programs faster than the new programs. For example, we ~~expect to~~ awarded over half of the Economic Development and Housing Challenge funds and Housing Infrastructure resources (two of our primary housing development programs with a combined biennial appropriation of $325 million) in December 2023.

The extensive effort of gearing up to deploy these additional resources, along with our base funding, will be one of our two primary tasks. The other primary task will be deploying those resources effectively and equitably.

Deploying Resources Effectively and Equitably

A core part of our 2024-2027 Strategic Plan is creating a more inclusive, equitable and just housing system that prioritizes the people and places most impacted by housing instability. This requires the Agency to be very deliberate in how we engage with community~~,~~ and deliver our work and with whom the Agency partners to deliver the resources. The Strategic Plan calls for the Agency to:

- 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

Effectively carrying out each of these tasks across all our programs will take time and resources. While we have been moving in this direction organizationally, we are still developing the capacity and skills to do it well and comprehensively. For example, authentically engaging communities, building trust and co-creating solutions takes time, dedication and practice. The goal is to continue developing these skills and ways of doing business over the next four years.

A critical part of this work is better serving the communities most impacted by housing instability. To define this work, we hired 12 consultants with lived expertise in navigating housing instability and barriers to co-create our 2024-2027 Strategic Plan. The consultants had diverse experiences and perspectives, ranging from people who had experienced homelessness to first-time homebuyers. They provided key insights and strategies for improving the housing system. 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 and maintaining housing stability. The consultants told us that when people face a housing crisis they do not know where to turn for assistance or what their options are; however, if they are able to identify and find assistance, the process of getting the assistance can be full of barriers and feel overwhelming. We need to create housing programs and a system that are ~~is~~ designed to effectively meet the needs and assist people in housing crisis.

A critical first step will be training staff throughout the Agency in human-centered design, which 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. Our goal is to have all our programs go through a human-centered design/redesign process over the next four years as staff carry out their regular and ongoing reviews and assessments of the Agency's programs, processes and systems. After that, staff will 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 and more equitable outcomes.

Pursuing Energy Efficiency and Climate Resiliency

A key strategic objective in our 2024-2027 Strategic Plan is to develop green, energy-efficient, climate-resilient, sustainable housing. Housing development and rehabilitation is a significant contributor to energy and material waste, and housing creation and maintenance is a driver of hazardous material use. 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. To develop green, energy-efficient, climate-resilient, sustainable housing, we will:

- Provide owners, developers and property managers equitable access to information and technical assistance;
- Provide owners and developers equitable access to financial support to make energy-efficient and climate-resilient improvements; and
- Align and leverage resources and programs, including raising awareness about and leveraging the clean-energy funds made available through the federal Inflation Reduction Act and other sources.

This will include:

- Actively participating in the following initiatives of the Walz/Flanagan Administration:
  - The One Minnesota Plan and its climate resiliency goals,
  - The Climate Subcabinet and Climate Action Framework, and
  - The Minnesota Climate Innovation Finance Board of Directors;
- Developing an internal climate action plan that will be the roadmap for decarbonizing affordable housing subsidized housing in Minnesota;
- Updating our building and sustainability standards, including the selection criteria and incentives incorporated into our process for selecting housing developments for funding;
- Exploring ways to provide technical assistance and funding through our Publicly Owned Housing Program (POHP) to increase the energy efficiency, renewable energy, electrification and climate resiliency of public housing;
- Pursuing sustainability funding in partnership with the Minnesota Department of Commerce from sources such as:
  - The Energy Efficiency Community Block Grant to support an interest rate reduction for energy improvements funded by our home improvement program,
  - The federal Solar for All funds, and
  - The U.S. Department of Energy's High Efficiency Electrification Home Rebates and Home Energy Performance-Based Whole House Rebates;
- Supporting the Minnesota Pollution Control Agency's application for the EPA's Climate Pollution Reduction Grants, which will likely include affordable housing decarbonization resources; and

- Pursuing other federal climate opportunities.

Finishing COVID Housing Recovery

Our RentHelpMN and HomeHelpMN programs played a large role in the Agency's overall operations over the last two and half years. The initial phase of ~~the~~ RentHelpMN distributed about $430 million to renters who were behind on their rental payments because of a COVID-related hardship; and HomeHelpMN distributed about $110 million to homeowners who were behind on their mortgage or other housing payments. The initial phase of RentHelpMN stopped taking new applications in January 2022, and HomeHelpMN stopped taking new applications in July 2023. While HomeHelpMN has disbursed its last funds, RentHelpMN still has over $75~~80~~ million of assistance to disburse, largely from reallocations from the federal government that we received for effectively deploying the initial allocations. We expect about half of the remaining funds will go out as renter assistance to targeted populations, and about half will be allocated to the development or rehabilitation of rental housing that is affordable.

Under the American Rescue Plan (ARP), Minnesota Housing is also receiving an allocation of approximately $31 million in HOME Investment Partnerships funding (HOME-ARP) to assist individuals or households who are experiencing or are at risk of homelessness, along with other vulnerable populations. Ten percent of those funds will be used for administrative costs, with the remaining funds ($28 million) dedicated to assistance. We anticipate using these funds as housing development resources for individuals and families experiencing homelessness and sleeping outside. This funding allocation is separate from our regular annual HOME appropriation.

Chapter 2 – Resources for Our Work

For 2024 and 2025, we are currently estimating we will make available $4.5 billion for program investments, our largest allocation ever. We expect to serve between 70~~5~~,000 and ~~90~~85,000 households in each of the two years. Because we will likely award more of the increased resources the first year, we will serve closer to ~~90~~85,000 households in the first year and closer to 70~~5~~,000 in the second year.

These resources include state, federal, Agency and bond funds and encompass funds that are: (1) newly available, (2) made available in previous AHPs but went unused, and (3) repayments of loans.

Overview of Our Program Investment Plan

Through our programs, we provide a wide continuum of tools for financing affordable housing and related services, ranging from grants for homelessness prevention and rental assistance to mortgages for home purchases and improvements. As shown in Table 2, nine of our 57 programs account for nearly 80% of the estimated investment plan.

- **Home Mortgage Loans** (line 1) will involve an estimated $2.2 billion in lending over the two-year period, supporting about 4,500 homebuyers in each of the two years.
- **Downpayment Assistance for First Generation Homebuyers** (lines 4 and 5) will provide over the two years $150 million to assist first-time homebuyers whose parents were not homeowners or had experienced foreclosure. Minnesota Housing will administer $50 million, and Midwest Minnesota Community Development Corporation (MMCDC) will administer the other $100 million. The two programs combined will serve roughly 4,670 homebuyers over the next two years.
- **Multifamily First Mortgages – Low- and Moderate-Income Rental (LMIR)** (line 20) will provide over the two years an estimated $160 million for rental housing development, rehabilitation and refinancing, which will help finance 700 to 1,100 rental units in each of the two years. This will be a mix of permanent financing and bridge/construction loans. This financing is driven by demand and can vary from year to year.
- **Low-Income Housing Tax Credits** (line 22) is one of our primary programs for developing and rehabilitating affordable rental housing. The nearly $24 million of 9% credits from the federal government over the two years should generate approximately $200 million in private equity for the construction or rehabilitation of roughly 380 units of affordable rental housing in each of the next two years.
- **Section 8 Rental Assistance Contract Administration** (line 31) will provide an estimated $472 million of federal project-based rental assistance over the two years and annually support nearly 30,000 of the state's lowest-income households. With this assistance, households generally spend no more than 30% of their income on rent and utilities.
- **Bring It Home Rental Assistance** (line 35) will provide over the two years an estimated $124 million for rental assistance, which will be administered by local Public Housing Authorities (PHAs) and Housing and Redevelopment Authorities (HRAs) and modeled after the federal Housing Choice Vouchers. However, Bring It Home will allow the maximum subsidized rents to be 20% higher than allowed for

Housing Choice Vouchers. We estimate that the program will annually assist about 4,700 when fully operational.

- **Family Homeless Prevention and Assistance Program (FHPAP)** (line 37) will provide over the two years $92.5 million (which is significantly higher than the two-year base budget of $20.5 million) to families and individuals who are homeless or about to become homeless. We expect these resources to assist about 15,900 ~~18,500~~ households in 2024 and 10,600 ~~12,300~~ in 2025. Demand for this program exceeds even these additional resources, and partners plan to assist more households earlier in the biennium. In a typical year, FHPAP serves about 4,500 households.
- **Economic Development and Housing Challenge (EDHC)** (line 40) will provide nearly $125 million over the two years and support the development, rehabilitation and gap financing of roughly ~~1,000~~830 owner-occupied and rental housing units in 2024 and ~~2~~450 in 2025. This is an existing program with expanded funding, and we expect to award most of the funds in the first year.
- **Housing Infrastructure** (Line 41) will provide $214 million of resources over the two years and support the development and rehabilitation of roughly ~~2,1~~1,900 owner-occupied and rental housing units in 2024 and about ~~53~~470 in 2025. This is also an existing program with expanded funding, and we expect to award over half of the funds in the first year. The Legislature can provide Housing Infrastructure funds through bonding or appropriated cash. In addition, the 2023 Legislature appropriated $200 million for Housing Infrastructure activities, and these appropriated funds provide additional flexibility in how we finance the housing developments compared with bond resource. We also have about $14 million of unused bonding authority from previous bonding bills.

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

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

In Table 2, we have identified the 18 new programs with asterisk (*) next to the program.

Table 2: Overview of 2024-2025 Program Investment Plan

		2024-2025 Resources to be Made Available	2021-2022 Actual Disbursement / Deployment of Resources	Activity	Median Income Served (2022)	Share BIPOC (2022)
	Homebuyer Financing and Home Refinancing	**$2,498,000,000**	**$2,578,161,207**			
1	Home Mortgage Loans	$2,200,000,000	$2,448,673,609	First Mortgage	$66,906	39.9%
2	Deferred Payment Loans	$92,000,000	$75,998,154	Downpayment and Closing Cost Loans	$57,645	40.6%
3	Monthly Payment Loans	$46,000,000	$53,489,444	Downpayment and Closing Cost Loans	$89,162	39.5%
4	First Generation Homebuyer Assistance Program - Minnesota Housing *	$50,000,000	N/A	Downpayment Assistance	N/A	N/A
5	Community-Based First-Generation Homebuyers Assistance *	$100,000,000	N/A	Downpayment Assistance	N/A	N/A
6	NeighborWorks Fee-Based Home Purchasing *	$10,000,000	N/A	Downpayment Assistance	N/A	N/A
	Homebuyer/Owner Education and Counseling	**$7,369,000**	**$4,813,237**			
7	Homebuyer Education, Counseling & Training (HECAT)	$4,369,000	$2,637,729	Education & Counseling	$43,000	52.1%
8	Homeownership Capacity	$3,000,000	$2,175,508	Education & Counseling	$40,800	89.7%
	Home Improvement Lending	**$75,544,000**	**$72,403,719**			
9	Home Improvement Loan Program	$60,000,000	$63,292,604	Home Improvement Loan	$83,498	15.3%
10	Rehabilitation Loan Program (RLP)	$15,544,000	$9,111,115	Home Improvement Loan	$16,186	13.3%
	Single Family Production - New Construction and Rehabilitation	**$120,513,000**	**$2,000,889**			
11	Single Family Interim Lending	$20,000,000	$1,601,965	Construction Loans	$48,004	65.0%
12	Workforce & Affordable Homeownership Development Program	$60,513,000	$398,924	Loans and Grants	N/A	N/A
13	Homeownership Investment Grants *	$40,000,000	N/A	Grants for Affordable Housing Lending	N/A	N/A
	Manufactured Housing and Communities	**$44,071,000**	**$4,893,504**			
14	Manufactured Home Community Financing	$7,000,000	$2,775,000	Amortizing and Deferred Loans	N/A	N/A

		2024-2025 Resources to be Made Available	2021-2022 Actual Disbursement / Deployment of Resources	Activity	Median Income Served (2022)	Share BIPOC (2022)
15	Manufactured Home Community Redevelopment Grants	$17,071,000	$2,055,554	Grants	N/A	N/A
16	Manufactured Home Park Cooperative Acquisition *	$10,000,000	N/A	Grant for Revolving Loan Fund	N/A	N/A
17	Manufactured Home Lending Grants *	$10,000,000	N/A	Grants for Lending Services	N/A	N/A
18	Manufactured Home Relocation Trust Fund	$0	$62,950	Relocation Assistance	N/A	N/A
	Other Single Family	**$5,000,000**	**$0**			
19	BuildWealth 9,000 Equities *	$5,000,000	N/A	Grant for a Targeted Loan Pool	N/A	N/A
	Rental Production - New Construction and Rehabilitation	**$398,747,700**	**$241,983,971**			
20	Multifamily First Mortgages - Low- and Moderate-Income Rental (LMIR)	$160,000,000	$138,765,149	Amortizing Loans	$27,469	48.7%
21	Flexible Financing for Capital Costs (FFCC)	$0	$8,182,671	Primarily Deferred Loans	N/A	N/A
22	Low Income Housing Tax Credits (LIHTC) - 9%	$23,633,700	$23,926,536	Investment Tax Credits	$23,370	49.7%
23	National Housing Trust Fund	$11,583,000	$800,000	Deferred Loans and Operating Grants	N/A	N/A
24	HOME	$30,560,000	$16,799,000	Deferred Loans	$13,291	51.5%
25	Preservation - Affordable Rental Investment Fund (PARIF)	$24,362,000	$33,735,123	Deferred Loans	$13,692	50.7%
26	Asset Management	$0	$2,917,000	Loans	N/A	N/A
27	Rental Rehabilitation Deferred Loan Pilot (RRDL)	$10,617,000	$1,410,000	Deferred Loans	$19,200	14.9%
28	Publicly Owned Housing Program (POHP) - GO Bonds	$88,794,000	$11,372,391	Deferred Loans	$12,347	32.4%
29	Workforce Housing Development Program	$39,198,000	$4,076,101	Deferred Loans and Grants	N/A	N/A
30	High-Rise Sprinkler Grants *	$10,000,000	N/A	Grants	N/A	N/A
	Rental Assistance Contract Administration	**$472,000,000**	**$436,701,012**			
31	Section 8 - Project-Based Rental Assistance	$472,000,000	$436,701,012	Rental Assistance	$13,164	38.9%
	Housing Stability for Populations Needing Extra Support	**$292,910,000**	**$55,949,377**			

		2024-2025 Resources to be Made Available	2021-2022 Actual Disbursement / Deployment of Resources	Activity	Median Income Served (2022)	Share BIPOC (2022)
32	Housing Trust Fund (HTF)	$31,183,000	$22,693,231	Rental Assistance and Operating Support	$9,000	62.5%
33	Homework Starts with Home	$5,500,000	$4,363,803	Rental Assistance and Other Supports	$16,800	77.8%
34	Bridges	$10,676,000	$7,268,295	Rental Assistance	$10,800	32.2%
35	Bring It Home Rental Assistance *	$124,000,000	N/A	Rental Assistance	N/A	N/A
36	Section 811 Supportive Housing Program	$2,930,000	$2,085,547	Rental Assistance	$11,063	50.6%
37	Family Homeless Prevention and Assistance Program (FHPAP)	$92,538,000	$19,065,861	Grants	$12,948	56.2%
38	Housing Opportunities for Persons with AIDS (HOPWA)	$1,083,000	$472,640	Grants	$23,184	52.0%
39	Strengthen the Supportive Housing System *	$25,000,000	N/A	Grants	N/A	N/A
	Multiple Use Resources	**$447,750,000**	**$175,458,195**			
40	Economic Development and Housing Challenge (EDHC)	$124,850,000	$27,385,133	Loans and Grants	MF: N/A SF: $47,639	MF: N/A SF: 62.8%
41	Housing Infrastructure Resources	$214,100,000	$146,186,729	Primarily Deferred Loans	MF: $8,526 SF: $47,310	MF: 53.5% SF: 76.0%
42	State Housing Tax Credit Program	TBD	N/A	Deferred Loans	N/A	N/A
43	Community Stabilization *	$90,000,000	N/A	Grants or Loans	N/A	N/A
44	Greater Minnesota Housing Infrastructure *	$8,000,000	N/A	Grants	N/A	N/A
45	Lead-Safe Homes *	$4,000,000	N/A	Grants	N/A	N/A
46	Local Housing Trust Fund Grants *	$6,800,000	N/A	Grants	N/A	N/A
47	Strategic Investments / Loans	$0	$1,886,333	Loans	N/A	N/A
	Other	**$67,202,000**	**$3,057,525**			
48	Technical Assistance and Operating Support	$8,702,000	$3,057,525	Grants	N/A	N/A
49	Disaster Recovery and Relief Contingency Fund	$0	$0	Grants	N/A	N/A
50	Stable Housing Organizational Relief Program *	$50,000,000	N/A	Grants	N/A	N/A

		2024-2025 Resources to be Made Available	2021-2022 Actual Disbursement / Deployment of Resources	Activity	Median Income Served (2022)	Share BIPOC (2022)
51	Housing Mediation Grant Programs *	$3,000,000	N/A	Grants	N/A	N/A
52	Local Housing Aid Grants (Grants to Tier 2 cities) *	$4,500,000	N/A	Grants	N/A	N/A
53	Grant to City of Minneapolis *	$1,000,000	N/A	Grant	N/A	N/A
	COVID Housing Recovery	**$104,264,000**	**$522,185,444**			
54	COVID-19 Housing Assistance Program (CHAP)	$0	$62,727,252	Renter and Homeowner Assistance	N/A	N/A
55	Emergency Rental Assistance (ERA) - Regular RentHelpMN	$0	$448,217,605	Renter Assistance	$15,418	66.1%
56	Emergency Rental Assistance (ERA) - Targeted Assistance	$37,140,000	$0	Renter Assistance	N/A	N/A
57	Emergency Rental Assistance (ERA) - Capital Funding	$39,100,000	$0	Primarily Deferred Loans	N/A	N/A
58	Homeowner Assistance Fund (HAF) - HomeHelpMN	$0	$11,240,587	Homeowner Assistance	$50,219	45.3%
59	HOME - ARP (American Rescue Plan)	$28,024,000	$0	Loans and Grants	N/A	N/A
	Total	**$4,533,370,700**	**$4,097,608,080**			

To provide context, Table 2 describes the type of funding provided under each program, with more detailed descriptions of each program provided in Appendix B. Table 2 also provides the funding that we disbursed in 2021 and 2022, which are our two most recently completed program years with fully reported data. The 2024-2025 AHP numbers reflect the amounts that we anticipate making available for new awards over the next two years, while the 2021-2022 numbers reflect actual funds disbursed in two recent years. Some programs move quickly from awards to disbursement, while others, particularly housing development, can take around two years.

Table 2 also shows, by program, the median incomes of the low- and moderate-income households that we served in 2022 (the most recent year for which complete data is available), which ranged from $8,526 to $83,498. According to HUD, the statewide median family income in 2022 was $104,000.

Sample of Programs	Median Income(s)
• Rental assistance programs (lines 31-36)	$9,000 to $16,800
• Rehabilitation Loan Program (line 10)	$16,186
• Low-Income Housing Tax Credits (line 22)	$23,370

- Single-Family Economic Development and Housing Challenge (line 40) $47,639
- Home Mortgage Loans (line 1) $66,906
- Home Improvement Loan Program (line 9) $83,498

Annual Household and Unit Projections

As shown in Table 3, we expect the resources in this AHP will assist between 70~~5~~,000 and ~~90~~85,000 households or housing units in each of the next two years. Our household and housing unit estimates assume that all the resources shown in this AHP will be deployed. In the end, we will probably fall short for some programs but may also exceed the resource estimates for other programs. Our Home Mortgage Loans, Multifamily First Mortgages and Home Improvement Loans are demand-driven and financed with resources that are less limited.

The household and housing unit estimates for the 18 new programs are quite uncertain. Particularly for new programs where there is a wide range of uses and costs, such as Local Housing Trust Fund Grants, it is unclear how much funding will be provided to support each household or housing unit. It is also not always clear the extent to which these funds will be paired with and leverage other funding sources. If combined with other resources, the funds included in the AHP will be able to assist more households and housing units. Finally, the timing of when these new programs will be launched and fully operational is clear. Thus, the following figures for new programs should be viewed as order of magnitude estimates. The new programs are identified with an asterisk (*).

Table 3: 2022-2023 Forecast of Households or Housing Units Annually Assisted, by Program

Program		2024 Households or Units	2025 Households or Units
Homebuyer Financing and Home Refinancing		**7,200**	**4,500**
1	Home Mortgage Loans	4,500	4,500
2	Deferred Payment Loans	Included in First Mortgage Count	Included in First Mortgage Count
3	Monthly Payment Loans		
4	First Generation Downpayment Assistance - Minnesota Housing *		
5	First Generation Downpayment Assistance - Community Based (Excluding Assistance Paired with MN Housing Mortgage) *	2,600	0
6	NeighborWorks Fee-Based Home Purchasing *	100	0
Homebuyer/Owner Education & Counseling		**8,300**	**8,300**
7	Homebuyer Education, Counseling & Training (HECAT)	7,300	7,300
8	Homeownership Capacity	1,000	1,000
Home Improvement Lending		**1,260**	**1,260**
9	Home Improvement Loan Program	1,000	1,000
10	Rehabilitation Loan Program (RLP)	260	260
Single Family Production - New Construction and Rehabilitation		**1,710**	**980**
11	Impact Fund - EDHC and Housing Infrastructure Resources	1,200	470
12	Single Family Interim Lending	Included with Impact Fund	Included with Impact Fund
13	Workforce & Affordable Homeownership Development Program	380	380
14	Homeownership Investment Grants *	130	130
Manufactured Housing and Communities		**2,090**	**410**

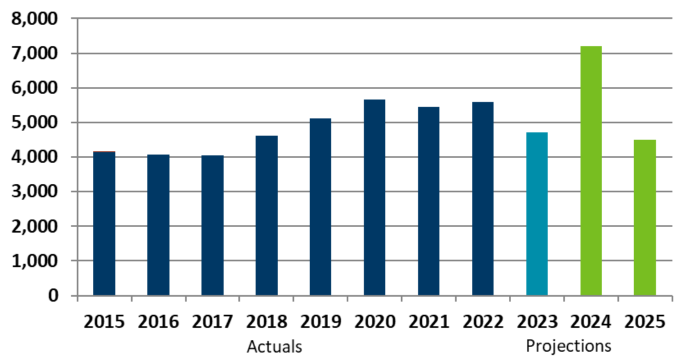
Program		2024 Households or Units	2025 Households or Units
15	Manufactured Home Community Financing	100	100
16	Manufactured Home Community Redevelopment Grants	1,700	260
17	Manufactured Home Park Cooperative Acquisition *	240	0
18	Manufactured Home Lending Grants *	50	50
19	Manufactured Home Relocation Trust Fund	TBD	TBD
Other Single Family		**20**	**0**
20	BuildWealth 9,000 Equities *	20	0
Rental Production - New Construction and Rehabilitation		**6,990**	**5,840**
21	Multifamily RFP/LIHTC/Pipeline Production	1,600	900
22	Multifamily First Mortgage - Low-and Moderate-Income Rental (LMIR)	Part of RFP/ LIHTC/ Pipeline Total	Part of RFP/ LIHTC/ Pipeline Total
23	Flexible Financing for Capital Costs (FFCC)		
24	Low-Income Housing Tax Credits (LIHTC) - 9%		
25	National Housing Trust Fund		
26	Housing Infrastructure Bonds (HIB) - Multifamily RFP		
27	Economic Development and Housing Challenge (EDHC)		
28	HOME		
29	Preservation - Affordable Rental Investment Fund (PARIF)		
30	Emergency Rental Assistance (ERA) RentHelpMN Capital		
31	HOME - ARP (American Rescue Plan)	90	90
32	Asset Management	0	0
33	Rental Rehabilitation Deferred Loan (RRDL)	40	270
34	Publicly Owned Housing Program (POHP)	3,700	3,700
35	Workforce Housing Development Program	560	560
36	High-Rise Sprinkler Grants *	1,000	320
Rental Assistance Contract Administration		**29,500**	**29,500**
37	Section 8 - Project-Based Rent Assistance	29,500	29,500
Housing Stability for Populations Needing Extra Support		**20,240**	**19,080**
38	Housing Trust Fund (HTF)	2,300	2,300
39	Homework Starts with Home	350	350
40	Bridges	610	610
41	Bring It Home Rental Assistance *	470	4,700
42	Section 811 Supportive Housing Program	170	210
43	Family Homeless Prevention and Assistance Program (FHPAP)	15,900	10,600
44	Housing Opportunities for Persons with AIDS (HOPWA)	440	310
45	Strengthen the Supportive Housing System *	TBD	TBD
Multiple Use Resources		**810**	**1,380**
46	Community Stabilization *	110	680
47	Greater Minnesota Housing Infrastructure *	260	260
48	Lead-Safe Homes *	360	360
49	Local Housing Trust Fund Grants *	80	80
50	Strategic Investments / Loans	TBD	TBD
Other		**240**	**40**
51	Local Housing Aid Grants (Tier 2 Cities) *	40	40
52	Grant to City of Minneapolis *	200	0
COVID Housing Recovery		**5,300**	**0**
53	Emergency Rental Assistance (ERA) - Targeted Assistance	5,300	0
Total		**83,660**	**71,290**

The following graphs show the number of households that we served in 2015 through 2022 (dark blue bars), and the households that we are projecting to serve in 2023 through 2025. The 2023 figures (light blue bars) are based on current projected awards, and the 2024 and 2025 figures (green bars) are based on the funds that we estimate will be available under this AHP. Particularly for the housing development programs, projects can take two years for funds to be used after being selected for funding. Thus, some of these funds will not assist households until after 2025, but we show them in 2024~~2~~ and 2025~~3~~ to reflect the number of households that will eventually be assisted with funds awarded in those years.

Homebuyer Financing and Home Refinancing

Figure 1 shows our historical home mortgage lending, which served around 4,000 households annually in 2015 through 2017. Production increased in 2018 through 2020, reaching nearly 5,700 households 2020 and leveled off through 2022. For 2023, we expected to serve about 4,700 households, recognizing the rise in interest rates and very limited inventory of affordable homes have dampened lending activity. With the additional funds provided during the 2023 legislative session for first-generation homebuyers, we expect the home lending that we support to increase significantly in program year 2024. This is not only the home mortgages that we finance but also the home mortgages that will be supported by the Community-Based First-Generation Homebuyers Assistance that will be administered by the Midwest Minnesota Community Development Corporation.

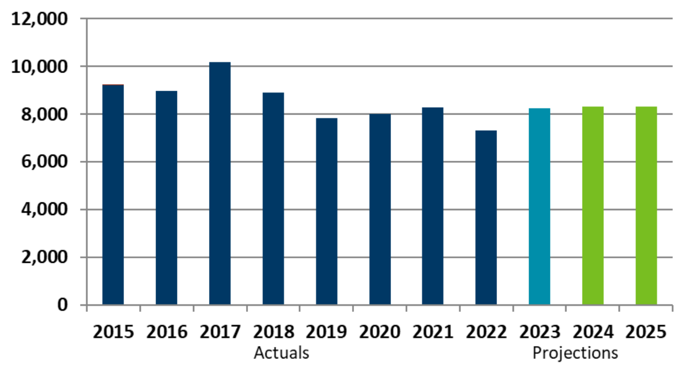
Figure 1: Households/Homes Assisted – Homebuyer Financing and Home Refinancing



Homebuyer/Owner Education, Counseling and Coaching

As shown in Figure 2, education and counseling that we directly fund has been relatively steady over the past few years. (Figure 2 includes Homebuyer Education, Counseling and Training (HECAT) and the Homeownership Capacity.)

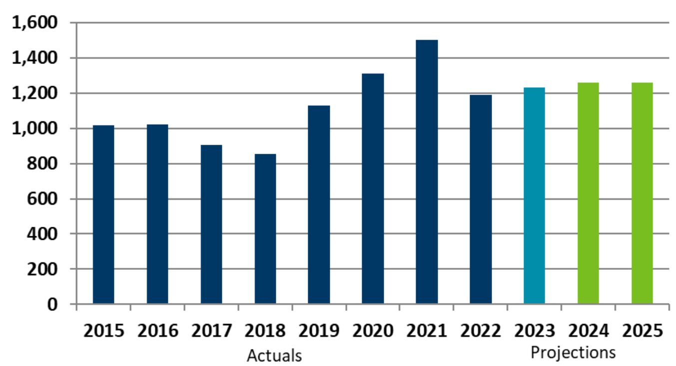
Figure 2: Households Assisted – Homebuyer/Owner Education, Counseling and Coaching



Home Improvement Lending

For several years, demand for our home improvement programs (installment loans) was reduced with the availability of home equity lines of credit and cash from mortgage refinancing that was driven by low interest rates. With program changes a few years ago that made our program more desirable for borrowers and easier to administer, our lending volume increased. Lending was particularly high in 2021 but then dropped off a bit. There may have been some COVID-related home improvement activity in 2020 and 2021 with people spending more time at home. In addition, construction costs, interest rates and supply/contractor issues created headwinds for the past couple of years. (Figure 3 includes both the Home Improvement Loan Program and the Rehabilitation Loan Program.)

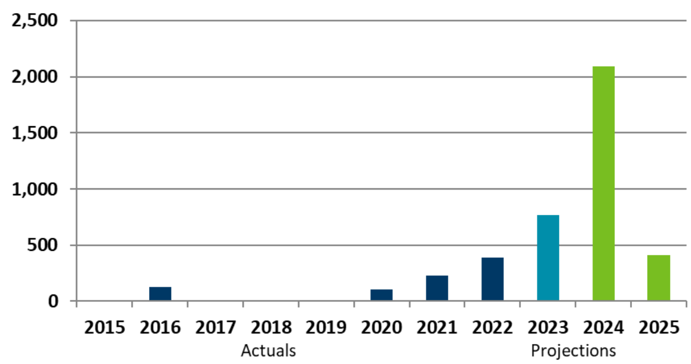
Figure 3: Households/Homes Assisted – Home Improvement Programs



Manufactured Housing and Communities

Over the past few years, Minnesota Housing has been expanding its manufactured housing activities, as reflected in Figure 4. With the funds made available during the 2023 legislative session, we will see a large increase in activity in 2024. Activity may then drop back down closer to 2023 levels, depending on funding availability. (Figure 4 includes Community-Owned Manufactured Home Parks, Manufactured Home Park Redevelopment Grants, Manufactured Home Park Acquisition and Manufactured Home Lending Grants.)

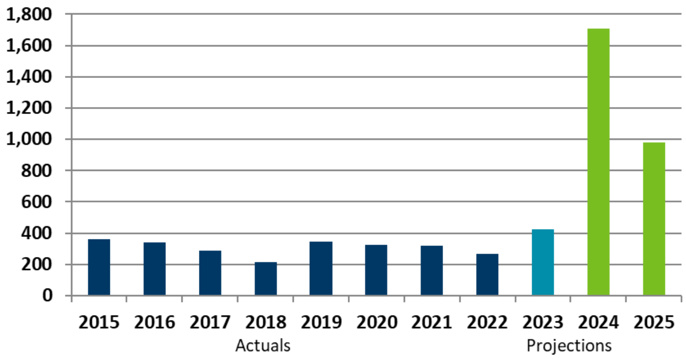
Figure 4: Households/Homes Assisted – Manufactured Housing and Communities



Single Family New Construction, Rehabilitation and Gap Financing Assistance

Typically, we see about 350 single-family homes financed each year. The Go Big investment will dramatically increase production. (Figure 5 includes the single-family portion of the Economic Development and Housing Challenge program and Housing Infrastructure Bond proceeds along with Single-Family Interim Lending, Workforce and Affordable Homeownership Development and Homeownership Investment Grants.)

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

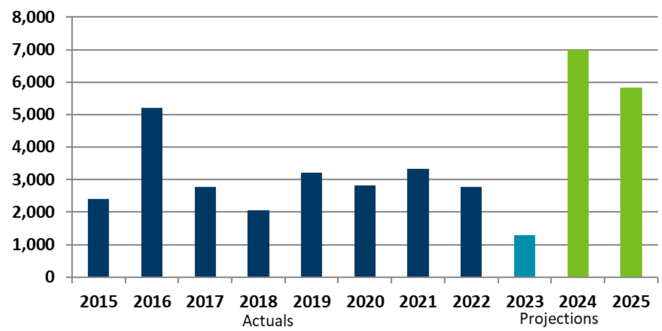


Rental New Construction and Rehabilitation

In a typical year, the rental new construction and rehabilitation that we finance varies between 2,000 and 3,000 units. Production is particularly high in years that have a large amount of state general obligation (GO) bond resources to finance the rehabilitation of public housing through our Publicly Owned Housing Program (POHP). Because the funding per unit is quite low for this program (often around $10,000 per unit), we can rehabilitate a large number of units.

In the past couple of years, the cost of construction, rising market interest rates and volatile pricing for low-income housing tax credits have limited the number of new development and rehabilitation units we can finance. The 2023 Legislature increased funding for the Economic Development and Housing Challenge program, Housing Infrastructure resources and the Publicly Owned Housing Program. Additional capital funding is also available from COVID Housing Recovery Funds (Emergency Rental Assistance – Capital Funding and HOME American Rescue Program funds). (Figure 6 captures all of the programs in the rental production area, the multifamily portion of the Economic Development and Housing Challenge program and Housing Infrastructure resources, and capital funding from COVID Housing Recovery Funds.)

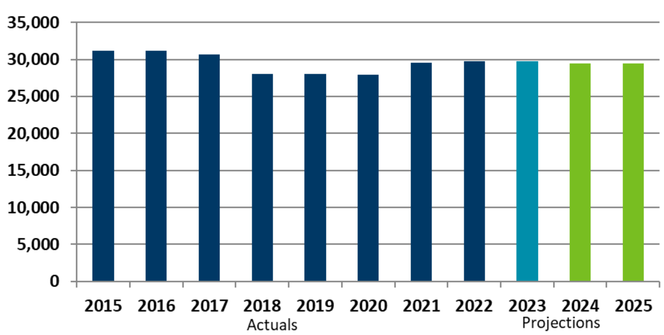
Figure 6: Units Assisted - Rental New Construction and Rehabilitation



Rental Assistance Contract Administration

Activity in Section 8 contract administration has been very steady (Figure 7) for years. These are ongoing project-based Section 8 contracts that we administer on behalf of HUD, and the number of households served does not vary significantly from year to year. The number dropped slightly several years ago and then came back up. Due to federal budget uncertainties, HUD decided to take over the administration of 24 Section 8 properties, but we have since regained administration of those contracts. The households in these 24 properties continued to receive Section 8 assistance, but we did not administer it for a period.

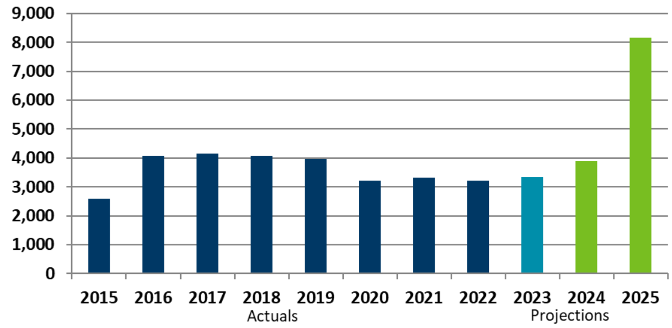
Figure 7: Households Assisted – Rental Assistance Contract Administration



Housing Stability for Populations Needing Extra Supports

As shown in Figure 8, overall activity in rental assistance and operating subsidies declined after 2019 when the Minnesota Department of Human Services took over the administration of some operating subsidies in supportive housing developments that we had previously administered for them. With the creation of the Bring It Home Rental Assistance Program, we will see an additional 4,700 households assisted by 2025. The program will first become operational in 2024 and ramp up to be fully operational during 2025. (Figure 8 includes our five rental assistance programs and Housing Trust Fund operating subsidies.)

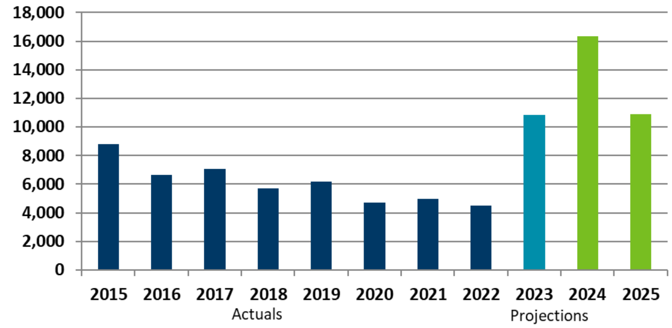
Figure 8: Households/Units Assisted – Agency Rental and Operating Assistance



The number of households assisted by the Family Homeless Prevention and Assistance Program (FHPAP) and Housing Opportunities for Persons with AIDS (HOPWA) (Figure 9) has declined in recent years because FHPAP has targeted clients needing more support, which requires more funding per household. However, the 2023 Legislature made available $115.5 million for FHPAP, which is $95 million more than the base appropriation for a two-year biennium. About $23 million of this was made available and disbursed in program year 2023, leaving $92.5 million for 2024 and 2025. Demand for FHPAP exceeds even these expanded resources, and we will work with our program grantees to get these funds to families and individuals as quickly as possible, serving the most households in 2024.

~~In addition, the 2023 Legislature made available $25 million to strengthen the supportive housing system.~~

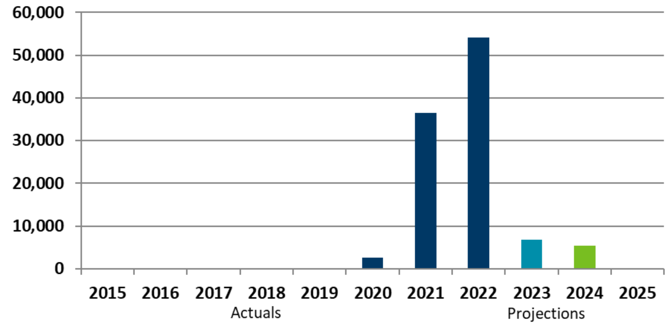
Figure 9: Households Assisted – Targeted Assistance – FHPAP and~~,~~ HOPWA ~~and Strengthening the Supportive Housing System~~



COVID Housing Recovery

Our COVID Housing Recovery efforts started in the summer of 2020 and reached peak activity in 2022, when we served more than 50,000 households who were behind on their rent or mortgage payments because of a COVID-related hardship. We will be administering the last of the COVID funds in 2024 and 2025, largely from reallocations that we received from the U.S. Department of Treasury for effectively deploying our original rental assistance. Some of the COVID recovery funds (Emergency Rental Assistance – Capital Funding and HOME-ARP) will finance the development or rehabilitation of rental housing and are reflected in the rental production graph (Figure 6). The 2024 program activity in Figure 10 reflects the remaining emergency rental assistance being provided through our targeted program.

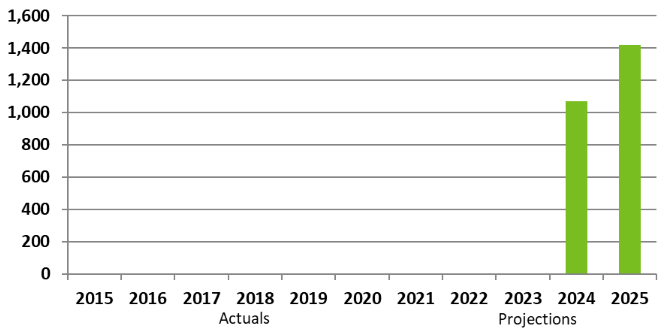
Figure 10: Households Assisted – COVID Housing Recovery (Renter and Homeowner Payment Assistance)



Other Programs

Finally, several of our new programs serve targeted needs or are for broad general use and do not fit neatly into one of the previous activity areas. These are the programs listed under the Multiple Use Resources or Other category of Table 3.

Figure 11: Households or Housing Units Assisted – Other



Endnotes

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[1] Minnesota Housing analysis of data from the U.S. Census Bureau's American Community Survey (2022, 1-year sample).
[2] Minnesota Housing analysis of microdata from the U.S. Census Bureau's American Community Survey (2022, 1-year sample).
[3] HousingLink, Minneapolis and St. Paul Rental Housing Briefs (September 2023).
[4] Minneapolis Area Association of Realtors data for July 2023.
[5] Minnesota Housing analysis of 2016 to 2021 data from the Metropolitan Council, https://stats.metc.state.mn.us/data_download/DD_start.aspx and HUD's Comprehensive Housing Affordability Strategy (CHAS) data (2015-2019).
[6] Minnesota Housing analysis of data from the U.S. Census Bureau's American Community Survey (2022, 1-year sample).
[7] Horowitz, Eng Ky, Starling and Tchourumoff, *Systemic Racism Haunts Homeownership Rates in Minnesota* (Minneapolis Federal Reserve Bank, February 25, 2021); https://www.minneapolisfed.org/article/2021/systemic-racism-haunts-homeownership-rates-in-minnesota#:~:text=Minnesota's%20homeownership%20gap%20is%20among%20the%20largest%20in%20the%20nation&text=In%201950%2C%20the%20gap%20in,now%2050%20percentage%20points%20wide.
[8] U.S. Department of Housing and Urban Development, Point-in-Time count.
[9] Minnesota Housing analysis of data from the Minnesota State Demographic Center; Long-Term Populations Projects for Minnesota (released October 2020).

MINNESOTA HOUSING

Appendix A-1: Overview of Funding Sources

Our strong balance sheet and financial resources are a key strength. This Appendix describes each of our funding sources and outlines how we will use them in 2024 and 2025. Table A-1 shows estimates of our planned program investments by funding source. Table A-2 is a crosswalk that shows how we currently plan to allocate resources from each source to each program.

Table A-1: 2024-2025 Estimated Program Investments by Funding Source

Program Category	2024-2025 Estimated Resources Available
Federal Resources	$646,053,700
State Appropriated Resources	$1,286,619,000
Mortgage Capital from Bond or Agency Resources	$2,551,968,000
Housing Affordability Fund (Pool 3)	$48,730,000
Total	**$4,533,370,700**

Funding Source Descriptions

Federal Resources: There are various types of federal resources, including appropriations to the U.S. Department of Housing and Urban Development (HUD) that are made available to Minnesota Housing and Low Income Housing Tax Credits from the Internal Revenue Service (IRS). For planning purposes, we generally assume that 2024 and 2025 HUD appropriations will remain at 2023 levels, which is subject to change. The amount of federal housing tax credits is based on a per capita formula. This Affordable Housing Plan (AHP) also includes the remaining COVID Housing Recovery funds.

State Appropriated Resources: The amount of funding is based on the 2024-2025 general fund budget adopted by the 2023 Minnesota Legislature. Any unused funds from previous year appropriations and repayments of loans are included.

Mortgage Capital from Bond or Agency Resources

State Capital Investments: These resources come from the state capital budget (bonding bill) and have traditionally funded the Publicly Owned Housing Program (POHP) with state General Obligation (GO) Bond proceeds and Housing Infrastructure resources with Housing Infrastructure Bond (HIB) debt authorization, for which the State pays the debt service. However, in 2023 the legislature funded all of the Housing Infrastructure resources ($200 million) and part of POHP ($45 million) with state appropriations and the rest with GO ($42 million). The 2023 legislature provided $3 million in GO for the Greater Minnesota Housing Infrastructure program, which is a new program, as well as $5 million in cash appropriations.

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

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

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

Appendix A-2: 2024-2025 Estimated Program Resources by Source

		2024-2025 Estimated Total	Federal Resources	State Appropriations	Mortgage Capital from Bonds or Agency Resources	Housing Affordability Fund (Pool 3)
	Homebuyer Financing and Home Refinancing	**$2,498,000,000**	**$0**	**$215,770,000**	**$2,246,000,000**	**$36,230,000**
1	Home Mortgage Loans	$2,200,000,000	$0	$0	$2,200,000,000	$0
2	Deferred Payment Loans	$92,000,000	$0	$55,770,000	$0	$36,230,000
3	Monthly Payment Loans	$46,000,000	$0	$0	$46,000,000	$0
4	First Generation Homebuyer Assistance Program	$50,000,000	$0	$50,000,000	$0	$0
5	Community-Based First-Generation Homebuyers Assistance	$100,000,000	$0	$100,000,000	$0	$0
6	NeighborWorks Fee-Based Home Purchasing	$10,000,000	$0	$10,000,000	$0	$0
	Homebuyer/Owner Education & Counseling	**$7,369,000**	**$0**	**$5,369,000**	**$0**	**$2,000,000**
7	Homebuyer Education, Counseling & Training (HECAT)	$4,369,000	$0	$4,369,000	$0	$0
8	Enhanced Homeownership Capacity Initiative	$3,000,000	$0	$1,000,000	$0	$2,000,000
	Home Improvement Lending	**$75,544,000**	**$0**	**$7,544,000**	**$60,000,000**	**$8,000,000**
9	Home Improvement Loan Program	$60,000,000	$0	$0	$60,000,000	$0
10	Rehabilitation Loan Program (RLP)	$15,544,000	$0	$7,544,000	$0	$8,000,000
	Single Family Production - New Construction and Rehabilitation	**$120,513,000**	**$0**	**$100,513,000**	**$20,000,000**	**$0**
11	Single Family Interim Lending	$20,000,000	$0	$0	$20,000,000	$0
12	Workforce & Affordable Homeownership Development Program	$60,513,000	$0	$60,513,000	$0	$0
13	Homeownership Investment Grants	$40,000,000	$0	$40,000,000	$0	$0
	Manufactured Housing and Communities	**$44,071,000**	**$0**	**$37,071,000**	**$7,000,000**	**$0**
14	Manufactured Home Community Financing	$7,000,000	$0	$0	$7,000,000	$0
15	Manufactured Home Community Redevelopment Grants	$17,071,000	$0	$17,071,000	$0	$0
16	Manufactured Home Park Cooperative Acquisition	$10,000,000	$0	$10,000,000	$0	$0
17	Manufactured Home Lending Grants	$10,000,000	$0	$10,000,000	$0	$0
18	Manufactured Home Relocation Trust Fund	$0	$0	$0	$0	$0
	Other Single Family	**$5,000,000**	**$0**	**$5,000,000**	**$0**	**$0**

Appendix A-2: 2024-2025 Estimated Program Resources by Source

		2024-2025 Estimated Total	Federal Resources	State Appropriations	Mortgage Capital from Bonds or Agency Resources	Housing Affordability Fund (Pool 3)
19	BuildWealth 9,000 Equities	$5,000,000	$0	$5,000,000	$0	$0
	Rental Production - New Construction and Rehabilitation	**$398,747,700**	**$65,776,700**	**$131,103,000**	**$201,868,000**	**$0**
20	Multifamily First Mortgage - Low- and Moderate-Income Rental	$160,000,000	$0	$0	$160,000,000	$0
21	Flexible Financing for Capital Costs (FFCC)	$0	$0	$0	$0	$0
22	Low Income Housing Tax Credits (LIHTC) - 9%	$23,633,700	$23,633,700	$0	$0	$0
23	National Housing Trust Fund	$11,583,000	$11,583,000	$0	$0	$0
24	HOME	$30,560,000	$30,560,000	$0	$0	$0
25	Preservation Affordable Rental Investment Fund (PARIF)	$24,362,000	$0	$24,362,000	$0	$0
26	Asset Management	$0	$0	$0	$0	$0
27	Rental Rehabilitation Deferred Loan (RRDL)	$10,617,000	$0	$10,617,000	$0	$0
28	Publicly Owned Housing Program (POHP)	$88,794,000	$0	$46,926,000	$41,868,000	$0
29	Workforce Housing Development Program	$39,198,000	$0	$39,198,000	$0	$0
30	High-Rise Sprinkler Grants	$10,000,000	$0	$10,000,000	$0	$0
	Rental Assistance Contract Administration	**$472,000,000**	**$472,000,000**	**$0**	**$0**	**$0**
31	Section 8 - Project-Based Rental Assistance	$472,000,000	$472,000,000	$0	$0	$0
	Housing Stability for Populations Needing Extra Support	**$292,910,000**	**$4,013,000**	**$288,897,000**	**$0**	**$0**
32	Housing Trust Fund (HTF)	$31,183,000	$0	$31,183,000	$0	$0
33	Homework Starts with Home	$5,500,000	$0	$5,500,000	$0	$0
34	Bridges	$10,676,000	$0	$10,676,000	$0	$0
35	Bring It Home Rental Assistance	$124,000,000	$0	$124,000,000	$0	$0
36	Section 811 Supportive Housing Program	$2,930,000	$2,930,000	$0	$0	$0
37	Family Homeless Prevention and Assistance Program (FHPAP)	$92,538,000	$0	$92,538,000	$0	$0
38	Housing Opportunities for Persons with AIDS (HOPWA)	$1,083,000	$1,083,000	$0	$0	$0
39	Strengthen the Supportive Housing System	$25,000,000	$0	$25,000,000	$0	$0
	Multiple Use Resources	**$447,750,000**	**$0**	**$430,650,000**	**$17,100,000**	**$0**

Appendix A-2: 2024-2025 Estimated Program Resources by Source

		2024-2025 Estimated Total	Federal Resources	State Appropriations	Mortgage Capital from Bonds or Agency Resources	Housing Affordability Fund (Pool 3)
40	Economic Development and Housing/Challenge (EDHC)	$124,850,000	$0	$124,850,000	$0	$0
41	Housing Infrastructure Resources	$214,100,000	$0	$200,000,000	$14,100,000	$0
42	State Housing Tax Credit Program	TBD	$0	TBD	$0	$0
43	Community Stabilization	$90,000,000	$0	$90,000,000	$0	$0
44	Greater Minnesota Housing Infrastructure	$8,000,000	$0	$5,000,000	$3,000,000	$0
45	Lead Safe Homes	$4,000,000	$0	$4,000,000	$0	$0
46	Local Housing Trust Fund Grants	$6,800,000	$0	$6,800,000	$0	$0
47	Strategic Investments / Loans	$0	$0	$0	$0	$0
	Other	**$67,202,000**	**$0**	**$64,702,000**	**$0**	**$2,500,000**
48	Technical Assistance and Operating Support	$8,702,000	$0	$6,202,000	$0	$2,500,000
49	Disaster Recovery and Relief Contingency Fund	$0	$0	$0	$0	$0
50	Stable Housing Organizational Relief Program	$50,000,000	$0	$50,000,000	$0	$0
51	Housing Mediation Grant Programs	$3,000,000	$0	$3,000,000	$0	$0
52	Local Housing Aid Grants (Tier 2 Cities)	$4,500,000	$0	$4,500,000	$0	$0
53	Grant to City of Minneapolis	$1,000,000	$0	$1,000,000	$0	$0
	COVID Housing Recovery	**$104,264,000**	**$104,264,000**	**$0**	**$0**	**$0**
54	Emergency Rental Assistance (ERA)- Targeted Assistance	$37,140,000	$37,140,000	$0	$0	$0
55	Emergency Rental Assistance (ERA) - Capital Funding	$39,100,000	$39,100,000	$0	$0	$0
56	Homeowner Assistance Fund (HAF) - HomeHelpMN	$0	$0	$0	$0	$0
57	HOME - ARP (American Rescue Plan)	$28,024,000	$28,024,000	$0	$0	$0
	AHP Total	**4,533,370,700**	**$646,053,700**	**$1,286,619,000**	**$2,551,968,000**	**$48,730,000**

MINNESOTA HOUSING

Appendix B: Program Descriptions

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Notes on reading the program descriptions:

- “Housing Investment Fund” and “Pool 2” refer to the same resource, which is described in Appendix A.
- “Housing Affordability Fund” and “Pool 3” refer to the same resource, which is described in Appendix A.
- The sum of the projections for the number of housing units or households assisted by individual programs during the plan period exceed the total number of households projected to be served across all programs. This occurs because some households or housing units will receive assistance from multiple programs to achieve needed affordability levels.
- The projections for the number of households or units assisted generally are based on the average assistance per household or unit for the last five years, by program, adjusted for inflation and program trends and changes.
- The funding levels described in the narratives are estimates of the amounts we expect to deploy with partners in 2024-2025. The number of households the Agency expects to serve with each funding source is an estimate, and the final numbers will depend on actual expenditures and will be reported in the annual Program Assessment Report.
- “Program” is used broadly throughout the Affordable Housing Plan to refer to Minnesota Housing programs, initiatives and activities.

HOMEBUYER FINANCING AND HOME REFINANCING

Home Mortgage Loans

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

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

We remain committed through our programs to serve Indigenous, Black and households of color, and households with incomes below 80% of area median income.

Current household income limits for Start Up:

Property Location	Maximum Household Income	
	1-2 person	3 or more
Minneapolis/Saint Paul Metro Area (11-county)	$124,200	$142,800
Dodge and Olmsted Counties	$118,000	$136,700
All Other Counties	$111,700	$128,400

Current income limits for Step Up:

Property Location	Maximum
Minneapolis/Saint Paul Metro Area (11-county)	$185,700
Dodge and Olmsted Counties	$185,700
All Other Counties	$167,000

Purchase price limits for Start Up:

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

Program Performance and Trends

For the Program Assessment period of October 1, 2021 – September 30, 2022, we reported:

- 5,595 loans
- $1,278,524,156 total loan amount
- $228,512 average loan
- A median household income of $66,906 or 64% of the statewide median family income
- 40% of households were Indigenous, Black or households of color overall, and 40% of first-time Start Up borrowers were Black, Indigenous or households of color

Our home mortgage programs are experiencing high production, which is heavily supported by downpayment and closing-cost loans. Ninety-seven percent of home mortgage borrowers use some type of downpayment and closing-cost loan, which is comparable with other top-producing housing finance agencies nationally.

Expected Activity for 2024-2025

The estimated 2024-2025 resources are $2.2 billion. Industry changes or changes in market conditions could affect production.

Based on resources available for new activity, we expect to finance mortgages for about 4,500 households each of the two years. Reducing the homeownership disparity for Indigenous, Black and households of color will continue to be a priority.

Deferred Payment Loans

We offer two ongoing downpayment and closing-cost loans—Deferred Payment Loans (DPLs) and Monthly Payment Loans (MPLs)—that support homeowners receiving Start Up and Step Up first lien mortgages. For the past two years, approximately 97% of our borrowers have received one of these downpayment and closing-cost loans.

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

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

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

Property Location	Maximum
Minneapolis/Saint Paul Metro Area (11-county)	$89,000
Dodge and Olmsted Counties	$89,000
All Other Counties	$80,000

Current purchase price limits are:

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

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

Program Performance and Trends

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

For the Program Assessment period of October 1, 2021 – September 30, 2022, we reported:

- 3,403 loans
- $40,129,477 total loan amount
- $11,792 average loan
- A median household income of $57,645 or 55% of the statewide median income
- 41% of households were Indigenous, Black or households of color

Expected Activity for 2024-2024

The estimated 2024-2025 resources are $92,000,000.

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

Based on resources available for new activity, we expect to support about 2,840 households each of the two years.

Monthly Payment Loans

Monthly Payment Loans (MPLs) are interest-bearing, amortizing loans that provide downpayment and closing-cost funds. MPLs support our Start Up and Step Up home mortgage loan programs. Borrowers who qualify for MPLs receive up to $18,000. MPLs use Pool 2 resources and have a 10-year term with an interest rate equal to that of the first mortgage.

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

Current household income limits for Start Up:

Property Location	Maximum Household Income	
	1-2 person	3 or more
Minneapolis/Saint Paul Metro Area (11-county)	$124,200	$142,800
Dodge and Olmsted Counties	$118,000	$135,700
All Other Counties	$111,700	$128,400

Current income limits for Step Up:

Property Location	Maximum
Minneapolis/Saint Paul Metro Area (11-county)	$185,700
Dodge and Olmsted Counties	$185,700
All Other Counties	$167,000

Purchase price limits:

Property Location	Maximum
Minneapolis/Saint Paul Metro Area (11-county)	$515,200

All Other Counties	$472,030

Program Performance and Trends

For the Program Assessment period of October 1, 2021 – September 30, 2022, we reported:

- 2,089 loans
- $29,419,658 total loan amount
- $14,083 average loan
- A median household income of $89,162 or 86% of the statewide median income
- 40% of households were Indigenous, Black or households of color

Expected Activity for 2024-2025

The estimated 2024-2024 resources are $46,000,000.

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

Based on resources available for new activity, we expect to fund loans for 1,530 households each of the two years.

First Generation Homebuyer Loan Program – Minnesota Housing

The First Generation Homebuyer Loan Program is a new program and will provide targeted assistance to eligible first-generation homebuyers throughout the state. The Agency is partnering with local lenders to deliver the assistance.

The program will serve eligible first-generation homebuyers, which are households:

- Whose household income is at or below 115 percent of the statewide or area median income, whichever is greater, at the time of purchase; and
- Who is a first-time homebuyer as defined by the Agency.

Eligible households must also meet the following criteria:

- Have either never owned a home or owned a home but lost it due to foreclosure;

- Have a parent or prior legal guardian who: (1) does not currently own a home, and (2) has never previously owned a home or has previously owned a home but lost it due to foreclosure; and
- Have completed an approved homebuyer education course.

Eligible homebuyers are required to purchase the home within the maximum loan amount established by the Federal Housing Administration for the county in which the home is located. They must contribute a minimum of $1,000 toward downpayment or closing costs and occupy the home as a primary residence.

- Assistance to households may be provided as a forgivable loan, a deferred loan, or a combination of both, and may be used for:
- Closing costs
- Downpayment
- Mortgage insurance
- Interest rate buydown
- Principal reduction

Homebuyers may use the funds to purchase a one- to four-unit home, including manufactured homes. The assistance is limited to the greater of ten percent of the purchase price of a home or $35,000 per eligible first-generation homebuyer household. The Agency has discretion to adjust amount of assistance based on market conditions. The funds can be combined with other homebuyer assistance but must be used in conjunction with a conforming first mortgage loan that is fully amortizing, with or without interest, and meets the standard of a qualified mortgage or as otherwise determined by the Agency.

Loans would become repayable if the property:

- Converts to nonowner occupancy,
- Is sold within the loan period,
- Is subjected to an ineligible refinance,
- Is subjected to an unauthorized transfer of title, or
- Meets other criteria specified in the loan documents.

Recapture can be waived in the event of financial or personal hardship at the discretion of the Agency.

Program Performance and Trends

This will be a new program in 2024.

Expected Activity for 2024-2025

The estimated 2024-2025 resources are $50,000,000.

Based on resources available for new activity, we expect to fund loans for 1,560 households over of the two years with more of the households supported in the first year.

Community-Based First-Generation Homebuyers Assistance

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

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

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

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

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

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

Program Performance and Trends

This will be a new program in 2024.

Expected Activity for 2024-2025

The estimated 2024-2025 resources are $100,000,000. We expect to grant these funds to MMCDC in program year 2024 with funds being available for use by MMCDC for a three-year period commencing with the issuance of the grant.

Based on resources available for new activity, we expect to fund loans for 3,100 households over of the two years with about 470 of them paired with a Minnesota Housing home mortgage and roughly 2,640 paired with other home mortgages.

NeighborWorks Fee-Based Home Purchasing

The first-time homebuyer, fee-based home purchasing financing program is a new statewide pilot program run by NeighborWorks Home Partners. The appropriated funds will provide forgivable grants of downpayment assistance not to exceed 30 percent of the price of the eligible property that an eligible homebuyer seeks to purchase. Eligible properties include condominiums, townhouses, single-family homes, manufactured homes titled as real property, and buildings containing up to four dwelling units. This includes property subject to a ground lease with a community land trust, property on Indian Trust Land, or property participating in a shared equity homeownership program.

NeighborWorks Home Partners will provide grants to eligible homebuyers using no-interest, fee-based loans to finance the purchase of eligible properties and will determine the circumstances, terms, and conditions. An eligible homebuyer may use the funds in conjunction with any other funding programs.

To be eligible for this program, a household must:

- Have income at or below 130 percent of area median income;
- Reside in a census tract where at least 60 percent of occupied housing units are renter-occupied, based on the most recent estimates or experimental estimates provided by the American Community Survey of the United States Census Bureau;
- Finance the purchase of an eligible property with an interest-free, fee-based mortgage; and

- Be a first-time homebuyer as defined by Code of Federal Regulations, title 24, section 92.2.

In addition, an eligible household must:

- Complete an approved homebuyer education course prior to signing a purchase agreement,
- Complete an approved landlord education course prior to signing a purchase agreement if the property being purchased contains more than one dwelling unit,
- Contribute a minimum of $1,000 to downpayment or closing costs, and
- Occupy the purchased property as the homebuyer's primary residence.

Program Performance and Trends

This will be a new program in 2024.

Expected Activity for 2024-2025

The estimated 2024-2025 resources are $10,000,000. We expect to award these funds to NeighbhorWorks Home Partners in program year 2024.

Based on resources available for new activity, we expect these funds to assistance roughly 100 households.

HOMEBUYER/OWNER EDUCATION AND COUNSLEING

Homeownership Education, Counseling and Training (HECAT) Fund

The Homeownership Education, Counseling and Training (HECAT) Fund supports comprehensive pre-purchase services, including: (1) in-person homeownership education (Home Stretch and Realizing the American Dream), (2) homeownership services (financial wellness and homebuyer counseling), (3) home equity conversion (reverse mortgage) counseling, and (4) foreclosure prevention counseling. Besides the state appropriation, Family Housing Fund, Greater Minnesota Housing Fund and the Minnesota Homeownership Center have annually contributed up just over $500,000 to the program. We award the funds through a competitive Request for Proposals (RFP) process. The online homeownership education course, Framework, is an alternate option to HECAT-funded homeownership education. While Framework is part of the overall homebuyer educations system that we support, HECAT does not fund Framework.

Program Performance and Trends

For the Program Assessment period of October 1, 2021 – September 30, 2022, we reported:

- 6,494 households served through HECAT program
- $1,213,134 total funding
- $163 average Minnesota Housing assistance per household
- A median household income of $43,000 or 41% of the statewide median income
- 52% of households were Indigenous, Black or households of color

Expected Activity for 2024-2025

The estimated 2024-2025 resources are $4,369~~84~~,000 a portion of which is contingent on funds being made available by partner organizations.

Based on the resources available for new activity, we anticipate that roughly 7,300 households will receive homebuyer/owner education and counseling each of the two years through HECAT.

Homeownership Capacity

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

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

This initiative supports new and expanded homeowner training efforts through existing organizations, which leverage funds from several sources. In the most recent round of funding, 19 organizations will provide services – twelve in the Twin Cities metro, four in Greater Minnesota, two in both areas, and one statewide.

Program Performance and Trends

For the Program Assessment period of October 1, 2021 – September 30, 2022, we reported:

- 808 households served
- $1,063,300 total grant amount

- $1,316 average Minnesota Housing funding per household
- A median household income of $40,800 or 39% of the statewide median income
- 90% of households were Indigenous, Black or households of color

Expected Activity for 2024-2025

The estimated 2024-2025 resources are $3,000,000.

Based on the resources available for new activity, we anticipate serving approximately 1,000 households each of the two years.

HOME IMPROVEMENT LENDING

Home Improvement Loan Program

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

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

Income limit:

Property Location	Income Limit
Minneapolis/Saint Paul Metro Area (11-county)	$185,700
Dodge and Olmsted Counties	$185,700
All Other Counties	$167,000

(No Income limit for unsecured energy incentive and secured energy or accessibility loans.)

Maximum loan amount:

- $75,000 for secured loans

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

Program Performance and Trends

For the Program Assessment period of October 1, 2021 – September 30, 2022, we reported:

- 1,022 loans
- $28,043,068 total loan amount
- $27,439 average loan
- A median household income of $83,498 or 80% of the statewide median income
- 15% of households were Indigenous, Black or households of color

Expected Activity for 2024-2025

The estimated 2024-2025 resources are $60,000,000.

Based on current loan production trends and the resources available for new activity, we anticipate serving approximately 1,000 households each of the two years.

Rehabilitation Loan Program (RLP)

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

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

Current income limits are adjusted by household size, from $26,100 for a single person household to $37,300 for a four-person household. Other borrower assets cannot exceed $25,000.

Program Performance and Trends

For the Program Assessment period of October 1, 2021 – September 30, 2022, we reported:

- 166 loans
- $4,627,839 total loan amount
- $27,879 average loan
- A median household income of $16,186 or 16% of statewide median income
- 13% of households were Indigenous, Black or households of color

Expected Activity for 2024-2025

The estimated 2024-2025 resources are $15,544,000.

Based on resources available for new activity, we expect to fund rehabilitation loans for approximately 260 households each of the two years.

SINGLE FAMILY PRODUCTION – NEW CONSTRUCTION, REHABILITATION AND SUPPORTS

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

Single-Family Interim Lending

Single-Family Interim Lending provides loans, most often to smaller nonprofit organizations, to acquire, rehabilitate, demolish or construct owner-occupied housing under the Community Homeownership Impact Fund (“Impact Fund”). The homes are then sold to households with incomes at or below 115% of the area median income (AMI). Interim loans are financed with Agency resources and have a term of 26 months. Funds are awarded annually through the Request for Proposals process for the Impact Fund program and in accordance with our mission and priorities.

Program Performance and Trends

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

Expected Activity for 2024-2025

The estimated 2024-2025 resources are $20,000,000.

Based on resources available for new activity, we expect to support the construction of about 160 homes in 2025 and 50 homes in 2025.

Workforce and Affordable Homeownership Development Program

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

Program Performance and Trends

For the Program Assessment period of October 1, 2021 – September 30, 2022, we reported:

- 109 units
- $3,095,971 of funds disbursed
- $28,403 average assistance per household

Expected Activity for 2024-2025

The estimated 2024-2025 resources are $60,513,000.

Based on resources available for new activity, we expect to support about 380 homes each of the two years.

Homeownership Investment Grants

The Homeownership Investment Grants is a new program and will provide funding to nonprofit Community Development Financial Institutions (CDFIs) that provide affordable housing lending or financing programs. The program is intended to support projects that encourage affordable homeownership. This can include:

- Increasing the supply of affordable owner-occupied homes,

- Financing programs for affordable owner-occupied new home construction,
- Acquisition, rehabilitation, and resale of affordable owner-occupied homes or homes to be converted to owner-occupied homes, or
- Establishing revolving loan accounts at community development financial institutions.

Program Performance and Trends

This will be a new program in 2024.

Expected Activity for 2024-2025

The estimated 2024-2025 resources are $40,000,000.

Based on resources available for new activity, we expect to support about 13~~8~~0 homes each of the two years.

MANUFACTURED HOUSING AND COMMUNITIES

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

Manufactured Home Community Financing

Minnesota Housing makes available on a year-round basis Agency resources (Pool 2, possibly in conjunction with some Pool 3 funds) for the acquisition, improvement and/or permanent financing of manufactured home communities throughout the state. These funds may be used independently or in connection with other resources, including our Manufactured Home Community Redevelopment Program and Manufactured Home Park Cooperative Purchase Program.

Program Performance and Trends

For the Program Assessment period of October 1, 2021 – September 30, 2022, we reported:

- One loan for a community with 61 homes
- $2,775,000 total loan amount
- $45,492 average assistance per home

Expected Activity for 2024-2025

The estimated 2024-2025 resources are $7,000,000.

Based on resources available for new activity, we expect to support about 100 home lots each of the two years.

Manufactured Home Community Redevelopment Program

This program was created in statute in 2001, it was funded for the first time for the 2020-2021 biennium. Program funds are awarded as grants to eligible applicants for infrastructure improvements, such as storm shelters, street improvements and water and sewer system upgrades, or acquisition of manufactured home parks, as described in statute. The activities under statute are also an eligible use for Housing Infrastructure Resources.

Program Performance and Trends

For the Program Assessment period of October 1, 2021 – September 30, 2022, we reported:

- 386 manufactured home lots
- $3,950,702 total grant amount
- $3,046 average assistance per lot

Expected Activity for 2024-2025

The estimated 2024-2025 resources are $17,071,000.

Based on these funds, we expect to support about 1,180 manufactured home lots in 2024 and about 130 lots in 2025. We expect most of the funding to be awarded in the first year. In addition, Housing Infrastructure Resources (which are described in the Multiple Use Resource section of this appendix) can also be used for manufactured home community redevelopment. With those additional resources, we will also be able to support roughly ~~70~~520 lots in 2024 and another 1~~8~~30 in 2025.

Manufactured Home Park Cooperative Purchase Program

This $10 million grant to Northcountry Cooperative Foundation will establish a revolving loan fund to convert manufactured home parks to cooperative ownership. The program is intended to create and preserve housing affordable to households with incomes at or below 80% of AMI. All properties purchased must carry a 30-year affordability term.

This program is separate from, but can be used in conjunction with, the Manufactured Home Community Financing program, where Minnesota Housing provides amortizing lending with its own resources.

Program Performance and Trends

This will be a new program in 2024.

Expected Activity for 2024-2025

The estimated 2024-2025 resources are $10,000,000. We expect to award these funds to Northcountry Cooperative Foundation in program year 2024, which should support roughly 240 manufactured home lots.

Manufactured Home Lending Grants

Under this new program, Minnesota Housing will award grants to eligible organizations to create manufactured home lending services for: (1) the purchase of new homes, (2) downpayment assistance, and/or (3) home repair, renovation, removal, and site preparation. Eligible organizations must be tax-exempt nonprofits that are qualified lenders or certified Community Development Financial Institutions (CDFIs) with primary operations in Minnesota and that serve low-income populations in manufactured home communities owned by residents, cooperatives, nonprofits or municipalities. Interest earned and repayments of principal from loans issued under this program must be used for purposes specified under the program.

Program Performance and Trends

This will be a new program in 2024.

Expected Activity for 2024-2025

The estimated 2024-2025 resources are $10,000,000.

Based on resources available for new activity, we expect to support about ~~6~~50 households in each of the two years.

Manufactured Home Relocation Trust Fund

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

The statute sets out a process for determining the amount of money for which a homeowner is eligible for either moving or selling their home. Minnesota Management and Budget collects the assessment, and we make payments to homeowners for eligible costs, with claims overseen by an appointed neutral third party. Starting in 2024, Minnesota Housing will be collecting the assessment.

Program Performance and Trends

For the Program Assessment period of October 1, 2021 – September 30, 2022, we reported no Manufactured Home Relocation Trust Fund activity.

Expected Activity for 2024-2025

As of ~~June~~ September 30, 2023, the fund had a $2.1 million uncommitted balance, which is above the $2 million threshold.

Disbursements from the fund vary significantly from year to year, depending on the level of park closures. We are not making an estimate of the assistance needs at this time.

OTHER SINGLE FAMILY

BuildWealth 9,000 Equities

This is a one-time grant of $5 million to BuildWealth Minnesota for the 9,000 Equities Fund, a targeted loan pool that provides affordable first mortgages or equivalent financing opportunities to households struggling to access mortgages in historically underserved communities of color. This initiative intends to finance 9,000 new homeowners in the next five to seven years. Up to $1 million of this amount may be used for a grant to the Stairstep Foundation to support completion of the Family Stabilization Plan program developed by BuildWealth Minnesota, which would provide financial literacy education, budget and debt counseling, and program outreach.

Program Performance and Trends

This will be a new program in 2024.

Expected Activity for 2024-2025

The estimated 2024-2025 resources are $5,000,000. We expect to award these funds to BuildWealth in program year 2024, which should support about 20 homebuyers.

RENTAL PRODUCTION – NEW CONSTRUCTION AND REHABILITATION

In addition to the programs listed below, this activity area includes a few other programs, including:

- The multifamily part of the Economic Development and Housing Challenge program and Housing Infrastructure Resources, which are described in the Multiple Use Resources section of this appendix. Those resources can be used for either single-family or multifamily development.
- Two programs described in the COVID Housing Recovery category: (1) Emergency Rental Assistance (ERA) – Capital Funding and (2) HOME – ARP.

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

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

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

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

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

Program Performance and Trends

For the Program Assessment period of October 1, 2021 – September 30, 2022, we reported:

- 16 loans for developments with 786 units
- $51,018,488 total loan amount
- $64,909 average LMIR funding per unit
- A median household income of $27,469 or 26% of the statewide median income
- 49% of households were Indigenous, Black or households of color

Expected Activity for 2024-2025

The estimated 2024-2025 resources are $160,000,000 for both permanent first mortgages and construction loans.

Based on resources we expect to be available for new permanent first mortgages (excluding construction/bridge loans), we expect to finance roughly 820 rental units in 2024 and 550 in 2025.

Flexible Financing for Capital Costs (FFCC)

We provide Flexible Financing for Capital Costs (FFCC) deferred loans at low or no interest, using Pool 3 resources. FFCC is generally available only in conjunction with Agency-originated first mortgage loans for the refinance, acquisition, rehabilitation, new construction or

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

conversion of rental developments that house low- and moderate-income Minnesotans. FFCC loans may also be used in tandem with Housing Infrastructure Bond (HIB) loans to fund costs not otherwise eligible from HIB proceeds. Loans include both rent and income restrictions.

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

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

Program Performance and Trends

For the Program Assessment period of October 1, 2021 – September 30, 2022, we reported:

- 1 FFCC loan for developments with 40 units
- $1,680,000 total loan amount
- $42,000 average FFCC assistance per unit

Expected Activity for 2024-2025

At this point, we are not expecting to use any FFCC funding for 2024 and 2025.

Low Income Housing Tax Credits (LIHTC) – 9%

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

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

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

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

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

Program Performance and Trends

For the Program Assessment period of October 1, 2021 – September 30, 2022, we reported:

- 791 LIHTC units receiving 9% tax credits
- $102,899,993 in syndication proceeds (investor equity from the sale of credits)
- $130,088 average syndication amount per unit
- A median household income of $23,370 or 23% of the statewide median income
- 50% of households were Indigenous, Black or households of color

Expected Activity for 2024-2024

We estimate that that Minnesota Housing will allocate $23,633,700 in 9% tax credits in 2024-2024, which should generate about $200 million in syndication proceeds for the two years combined.

Based on the resources available for new activity, we expect to allocate tax credits to support 380 rental units in each of the two years.

National Housing Trust Fund (NHTF)

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

The program provides financing for:

- New construction,
- Acquisition with rehabilitation,
- Rehabilitation without acquisition, or
- Operating subsidies for one of the above developments that produces new units meeting the permanent supportive housing strategic priority (up to 33% of the grant)

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

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

Program Performance and Trends

For the Program Assessment period of October 1, 2021 – September 30, 2022, we reported:

- No National Housing Trust Fund projects completed the financing process in FFY 2022.

Expected Activity for 2024-2025

The estimated 2024-2025 resources are $11,583~~8,824~~,000.

Based on the resources available for new activity, we could support roughly 6~~5~~0 units in each of the two years.

HOME

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

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

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

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

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

Program Performance and Trends

For the Program Assessment period of October 1, 2021 – September 30, 2022, we reported:

- 1 loan for development with 32 units
- $6,478,877 total loan amount
- $202,465 average HOME assistance per unit
- A median household income of $13,291 or 13% of the statewide median income
- 52% of households were Indigenous, Black or households of color

Expected Activity for 2024-2025

The estimated 2023-2024 resources are $~~25,296~~30,560,000.

Based on resources available for new activity, we expect to fund about 1~~3~~60 rental units in each of the two years.

Preservation - Affordable Rental Investment Fund (PARIF)

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

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

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

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

Maximum assistance amount: None

Program Performance and Trends

For the Program Assessment period of October 1, 2021 – September 30, 2022, we reported:

- 8 loans for developments with 326 units
- $20,489,649 total loan amount
- $62,852 average HOME assistance per unit
- A median household income of $13,692 or 13% of the statewide median income
- 51% of households were Indigenous, Black or households of color

Expected Activity for 2024-2025

The estimated 2024-2025 resources are $2~~0,8~~4,362,000.

Based on resources available for new activity, we expect to fund ~~17~~200 rental units in each of the two years.

Asset Management

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

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

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

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

Program Performance and Trends

For the Program Assessment period of October 1, 2021 – September 30, 2022, we provided $2,270,000 in asset management assistance for 101 units in four developments.

Expected Activity for 2024-2025

At this point, we are not expecting to use any Asset Management funding for 2024 and 2025.

Rental Rehabilitation Deferred Loan Pilot (RRDL) Program

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

RRDL funds are available through a targeted Request for Proposals. Owners can apply directly to Minnesota Housing for RRDL funds. Loan terms range from 15 to 30 years depending on the loan amount. Properties containing eight or more units may apply for loans where 10% of the loan amount is forgiven after the loan term has been met.

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

Program Performance and Trends

For the Program Assessment period of October 1, 2021 – September 30, 2022, we reported:

- 1 loan for development with 14 units
- $700,000 total loan amount
- $50,000 average RRDL assistance per unit
- A median household income of $19,200 or 19% of the statewide median income
- 15% of households were Indigenous, Black or households of color

Expected Activity for 2024-2025

The estimated 2024-2025 resources are $1~~4,1~~0,617,000.

Based on resources available for new activity, we expect to fund about ~~40~~310 rental units over the two years.

Publicly Owned Housing Program (POHP)

Through the Publicly Owned Housing Program (POHP), we provide deferred, forgivable loans at no interest to eligible public housing authorities or housing and redevelopment authorities to preserve/rehabilitate properties that they own and operate under HUD's Public Housing program. The program is traditionally funded with state General Obligation (GO) bond proceeds, which can be used only for eligible capital costs of a non-recurring nature that add value or life to the buildings, but for the 2024-2025 biennium, it includes some direct appropriations.

POHP funds are available through a Request for Proposals process with owners applying directly to the Agency. Loans are structured with a 20-year term and a 35-year compliance period. The loan amount is forgiven after the loan term has been met.

Program Performance and Trends

For the Program Assessment period of October 1, 2021 – September 30, 2022, we reported:

- 8 loans for developments with 1,005 units
- $4,448,400 total loan amount
- $4,426 average POHP assistance per unit
- A median household income of $12,347 or 12% of the statewide median
- 32% of households were Indigenous, Black or households of color

Expected Activity for 2024-2025

The estimated 2024-2025 resources are $88,794,000.

Of this amount, $5,000,000 is a grant to the Minneapolis Public Housing Authority.

Based on resources currently available for new activity, we expect to support roughly 3,700 rental units in each of the next two years.

Workforce Housing Development Program

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

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

Program Performance and Trends

For the Program Assessment period of October 1, 2021 – September 30, 2022, we reported:

- 4 loans for developments with 109 units
- $3,095,971 total loan amount

Expected Activity for 2022-2023

The estimated 2022-2023 resources are $39,198,000.

Based on resources available for new activity, we expect to fund about 560 rental units in each of the two years.

High-Rise Sprinkler Grants

High-Rise Sprinkler System Grants are a new, one-time program and will make grants up to $2 million to owners of eligible buildings for installation of sprinkler systems and, if necessary, for relocation of residents during the installation of sprinkler systems. Nonprofit applicants will be prioritized and require a 25% match, while for-profit applicants require a 50% match.

To be eligible, existing residential buildings must have: (1) at least one story used for human occupancy that is 75 feet or more above the lowest level of fire department vehicle access, and (2) at least two-thirds of its units being affordable to households with an annual income at or below 50 percent of the area median income.

Up to $4 million of the available amount is set aside for a grant to CommonBond Communities for installation of sprinkler systems at Seward Tower East and West.

Program Performance and Trends

This will be a new program in 2024.

Expected Activity for 2024-2025

The estimated 2024-2025 resources are $10,000,000, which includes a $4 million set aside for CommonBond Communities.

Based on resources available for new activity, we could fund about 1,000 units in 2024 and 320 in 2025.

RENTAL ASSISTANCE CONTRACT ADMINISTRATION

Section 8 – Project-Based Rental Assistance

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

We provided permanent mortgage financing for more than 235 Section 8 Traditional Contract Administration (TCA) properties developed from 1975 to the mid-1980s. We currently manage one remaining TCA contract. Most have been converted to Performance-Based Contract Administration (PBCA) contracts.

Through a contract with HUD under the Performance Based Contract Administration (PBCA) authority, the Agency, as a Public Housing Authority (PHA), administers existing project-based Section 8 contracts for another 526 properties, which is expected to increase to 527 as the last contract converts to PBCA.

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

Program Performance and Trends

For the Program Assessment period of October 1, 2021 – September 30, 2022, for PBCA properties we reported:

- 29,763 households assisted
- $223,308,128 in Housing Assistance Payments (HAP)

- $7,503 average (HAP) assistance per household
- A median household income of $13,164 or 13% of the statewide median
- 39% of households were Indigenous, Black or households of color

Expected Activity for 2024-2025

Our current PBCA agreement with HUD has been extended several times. The Agency continues to work with HUD regarding extensions to that agreement and the possibility of a federal RFP regarding PBCA services in the future. We currently manage 526 PBCA contracts under this agreement. PBCA revenue earned through administration of the contracts pays 100% of the cost of administering the program.

The estimated 2024-2025 resources are $472,000,000.

Based on resources available for new activity, we expect to support about 29,500 rental units each of the two years.

HOUSING STABILITY FOR POPULATIONS NEEDING EXTRA SUPPORT

Housing Trust Fund (HTF)

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

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

Program Performance and Trends

For the Program Assessment period of October 1, 2021 – September 30, 2022, we reported:

- 1,251 households assisted
- $9,005,123 in total disbursements
- $9,670 average HTF assistance per household
- A median household income of $9,000 or 9% of the statewide median income

- 63% of households were Indigenous, Black or households of color

Expected Activity for 2024-2025

Minnesota Housing provides HTF rental assistance and operating subsidies under two-year contracts with local administrators. For rent assistance, we entered into new two-year contracts in October 2023. For operating subsidies, we will issue a Request for Proposals in 2024.

The estimated 2024-2025 resources are $31~~29~~,183~~633~~,000 for all HTF activities.

Based on resources available for new activity, we expect to support about 2,150 renter households each of the two years, about 1,~~51~~460 through rental assistance and ~~640~~790 through operating subsidies.

Homework Starts with Home

Homework Starts with Home is a state-funded program that provides rent assistance and other supports to families with children experiencing housing instability. We administer it in partnership with the Department of Education (MDE) and others. The program was created in response to the increasing number of students experiencing homelessness and is built upon the successful Housing Trust Fund Rental Assistance Pilot for Homeless and Highly Mobile Families. The program serves students and their families who are homeless or at imminent risk of homelessness, including: (1) families with children eligible for a pre-Kindergarten through grade 12 academic program, and (2) youth (with or without children of their own) who are eligible for an academic program and facing housing instability without their parent or guardian. The goals of the program are to create housing stability as well as improve academic achievement.

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

Program Performance and Trends

For the Program Assessment period of October 1, 2021 – September 30, 2022, we reported:

- 378 households assisted
- $2,381,332 in total disbursements
- $6,300 average Homework Starts with Home assistance per unit
- A median household income of $16,800 or 16% of the statewide median
- 78% of households were Indigenous, Black or households of color

Expected Activity for 2024-2025

The estimated 2024-2025 resources are $5,500,000.

Based on resources available for new activity, we expect to support about 350 renter households each of the two years.

Bridges

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

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

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

- Persons residing in an institution, segregated setting, or under correctional supervision who will be homeless upon exit,
- Persons experiencing homelessness who are assessed as High Priority Homeless (HPH) through the Coordinated Entry (CE) system, and
- People experiencing or at imminent risk of homelessness.

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

Program Performance and Trends

For the Program Assessment period of October 1, 2021 – September 30, 2022, we reported:

- 650 households assisted
- $3,682,195 in total disbursements
- $7,590 average Bridges assistance per household
- A median household income of $10,800 or 10% of the statewide median income
- 32% of households were Indigenous, Black or households of color

Expected Activity for 2024-2025

Bridges funds rent assistance under two-year contracts with local administrators. Minnesota Housing entered into the most recent contracts in July 2023.

The estimated 2024-2025 resources are $10,676,000.

Based on resources available for new activity, we expect to support about ~~74~~610 renter households each of the two years.

Bring It Home Rental Assistance

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

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

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

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

Program Performance and Trends

This will be a new program in 2024.

Expected Activity for 2024-2025

The estimated 2024-2025 resources are $124,000,000.

We are currently estimating that the program will be operational later in 2024, assisting 470 household in program year 2024. By 2025, the program should be fully operational, serving about 4,700 households annually.

Section 811 Supportive Housing Program

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

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

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

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

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

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

Program Performance and Trends

For the Program Assessment period of October 1, 2021 – September 30, 2022, we reported:

- 158 households assisted
- $1,055,264 in total disbursements
- $6,679 average Section 811 assistance per household
- A median household income of $11,063 or 11% of the statewide median income
- 51% of households were Indigenous, Black or households of color

HUD initially awarded Minnesota $3 million for up to 85 units of project-based rental assistance. We awarded all this funding for 84 project-based rental assistance subsidies (one unit less than the original goal of 85 units). In 2015, we received a second round of funding for an additional 75 units, which were awarded to existing or new properties through the Multifamily Consolidated RFP process in 2015 through 2017. In 2019, we received a third award from HUD for another 160 units, and 60 of those units are in the process of coming online in the next two years.

Expected Activity for 2024-2025

The estimated 2024-2025 resources are $2,930~~623~~,000.

Based on resources available for new activity, we expect to support about 200 renter households in each of the two years.

Family Homeless Prevention and Assistance Program (FHPAP)

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

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

Grant funds are awarded through a competitive Request for Proposals (RFP) process. In the seven-county Twin Cities metro area, only counties had been eligible to apply for funding, but the Legislature recently expanded the eligibility. In Greater Minnesota, eligible applicants include counties, groups of contiguous counties acting together, community-based nonprofit organizations or Tribal Nations.

Program Performance and Trends

For the Program Assessment period of October 1, 2021 – September 30, 2022, we reported:

- 4,341 households assisted
- $9,221,441 in total disbursements
- $2,124 average FHPAP assistance per household
- A median household income of $12,948 or 13% of the statewide median income
- 62% of households were Indigenous, Black or households of color

The total number of households served has declined over the past few years because the program has targeted assistance to households with higher needs and utilized rapid rehousing as a strategy. Rapid rehousing provides short term rental assistance, housing case management and housing navigation services.

Expected Activity for 2024-2025

FHPAP also operates under two-year contracts with local administrators. Minnesota Housing will enter into new contracts in calendar year 2023.

The estimated 2024-2025 resources are $92,538~~00~~,000. Of this amount:

- $10,000,000 is allocated to federally recognized American Indian Tribes; and
- $2,400,000 is for a grant to Neighborhood House to provide administrative costs for families facing eviction, rental assistance, delinquent utility fees, mortgage assistance and damage deposit assistance.

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Based on resources available for new activity, we expect to support about ~~18,5~~15,900 households in 2024 and ~~12,3~~10,600 in 2025.

Housing Opportunities for Persons with AIDS (HOPWA)

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

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

Through September 30, 2023, Minnesota Housing had a contract with Rainbow Health to provide services to eligible households in greater Minnesota. In the fall of 2023, we are issuing a request for proposal so that eligible households in Greater Minnesota may continue to receive services.

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

Program Performance and Trends

For the Program Assessment period of October 1, 2021 – September 30, 2022, we reported:

- 165 households assisted in 48 counties
- $241,566 of assistance disbursed
- $1,464 average HOPWA assistance per household
- A median household income of $23,184 or 22% of the statewide median income
- 52% of households were Indigenous, Black or households of color

Expected Activity for 2024-2025

The estimated 2024-2025 resource availability is $~~896~~1,083,000.

Based on resources available for new activity, we expect to support ~~about~~ 3~~1~~00 to 400 households each of the two years.

Strengthen the Supportive Housing System

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

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

Program Performance and Trends

This will be a new program in 2024.

Expected Activity for 2024-2025

The estimated 2024-2025 resources are $25,000,000.

At this early state, it is quite uncertain how these funds will be used, and we are unable at this point to estimate how many households will be supported by these resources.~~Based on resources available for new activity, we could potentially support roughly 2,300 households in each of the two years.~~

MULTIPLE USE RESOURCES

Economic Development and Housing Challenge (EDHC)

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

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

We make EDHC loans and grants to local governments, private developers, tribal and urban Indian housing authorities or nonprofit organizations for both multifamily (minimum of four units) and single-family projects. EDHC requires that 50% of the funds be used for projects that have leveraged funds from non-state resources. Preference is given to proposals with the greatest portion of costs covered by non-state resources.

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

Maximum loan amount: None beyond funding availability.

Program Performance and Trends

For the Program Assessment period of October 1, 2021 – September 30, 2022, we reported:

Multifamily EDHC

- No Multifamily EDHC projects completed the financing process in FFY 2022. Because we award funds each year, having no closed loans in 2022 is a timing anomaly.

Single-Family EDHC – Impact Fund

- 250 units
- $6,131,839 total loan/grant amount
- $24,527 average EDHC assistance per home
- A median household income of $47,988 or 46% of statewide median income
- 65% of households were Indigenous, Black or households of color

Expected Activity for 2024-2025

The estimated 2024-2025 resources are $124,850,000. Of this amount:

- $6,425,000 each year is available for housing projects for American Indians;
- $5,000,000 is a grant to Urban Homeworks to acquire, rehabilitate, and construct deeply affordable homes for ownership in Minneapolis neighborhoods with a concentration of lower-income households that identify as Indigenous, Black or households of color; and
- $2,000.000 is a grant for to Rondo Community Land Trust.

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We will allocate the remaining funds through our Single-Family and Multifamily RFPs, with any remaining funds made available on a year-round basis in multifamily and through an incentive fund in Single Family.

Based on resources available for new activity, we expect to support roughly ~~1,00~~830 owner-occupied and rental housing units in 2024 and ~~2~~450 in 2025.

Housing Infrastructure Resources

Traditionally, Housing Infrastructure Bonds (HIBs) have funded this program with the bonds being issued by Minnesota Housing, as authorized by the Minnesota Legislature. HIBs can be issued as governmental, 501(c)(3) or private activity bonds. If the bonds are issued as private activity bonds, applicants for rental funding also may access 4% housing tax credits. At times, direct appropriations can fund the program, which applies to the $200 million provided for the 2024-2025 biennium.

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

- The acquisition, construction or rehabilitation of affordable permanent supportive housing for individuals and families without a permanent residence and people with behavioral health needs;
- The acquisition, rehabilitation, adaptive reuse or new construction of senior housing;
- The preservation of existing federally subsidized rental housing by funding acquisition, rehabilitation and refinancing;
- The acquisition of land by community land trusts and used for affordable single-family homeownership opportunities;
- The costs of acquisition, rehabilitation, adaptive reuse or new construction of single-family housing;
- The cost of acquisition and infrastructure needs for manufactured home communities; and
- The construction new rental housing affordable at or below 50% of AMI (new in 2023).

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

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

Program Performance and Trends

For the Program Assessment period of October 1, 2021 – September 30, 2022, we reported five new rental developments:

- 271 units
- $40,476,000 total loan amount
- $149,358 average HIB assistance per unit
- A median household income of $9,528 or 9% of the statewide median income
- 47% of households were Indigenous, Black or households of color

We financed four rental rehabilitation projects:

- 183 units
- $ 20,072,293 total loan amount
- $109,685 average HIB assistance per unit
- A median household income of $2,436 or 2% of the statewide median income
- 77% of households were Indigenous, Black or households of color

We financed land acquisition by community land trusts:

- 23 homes
- $958,900 total loan amount in bond proceeds
- $39,954 average HIB assistance per unit
- A median household income of $45,685 or 44% of the statewide median income
- 76% of households were Indigenous, Black or households of color

Expected Activity for 2024-2025

The estimated 2024-2025 resource availability is $214,100,000. We expect to award most of these funds in 2024.

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

- Multifamily units:
  - ~~51~~650 in 2024
  - ~~13~~160 in 2025

- Single Family units:
    - ~~93~~700 in 2024
    - ~~23~~180 in 2025
- Manufactured home community lots:
    - ~~70~~530 in 2024
    - 13~~7~~0 in 2025

    These manufactured housing lots are also referenced in the earlier~~y~~ section about manufactured housing and communities.

State Housing Tax Credit Program and Contribution Fund

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

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

Program Performance and Trends

There has been no program activity.

Expected Activity for 2024-2025

The level of funding that the tax credit contribution fund will receive is very uncertain. At this time, we are unable to forecast a level of activity.

Community Stabilization

Community Stabilization is a new program and will provide grants or loans to preserve naturally occurring affordable housing (NOAH) through acquisition or rehabilitation. Eligible uses of these funds include acquisition, rehabilitation, interest rate reduction or gap financing of housing to support the preservation of naturally occurring affordable housing. Housing that serves lower-income households and maintains longer periods of affordability will be prioritized.

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

- Multiunit rental housing that:
  - Is at least 20 years old;
  - Has rents in a majority of units that are affordable to households at or below 60 percent of the greater of state or area median income; and
  - Does not currently have federal or state financing or tax credits that require income or rent restrictions, except for public housing.
- Owner-occupied housing located in communities where market pressures or significant deferred rehabilitation needs, as determined by the Agency, create opportunities for displacement or the loss of owner-occupied housing affordable to households at or below 115 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development.

Housing that receives financing under this program is subject to affordability terms. Owner-occupied housing must be affordable to households with incomes at or below 115 percent of the greater of state or area median income. Multifamily housing must remain affordable to low-income or moderate-income households as defined by the Agency and must accept rental subsidies.

Grants and loans may be made to several eligible recipients:

- A local unit of government,
- A federally recognized American Indian Tribe located in Minnesota or its Tribally Designated Housing Entity,
- A private developer,
- A limited equity cooperative or a cooperative created under Minnesota Statutes chapter 308A or 308B,
- A community land trust created for the purposes outlined in Minnesota Statutes 462A.31, subdivision 1, or
- A nonprofit organization.

The Agency has the discretion to make a grant to a statewide intermediary to facilitate the acquisition and associated rehabilitation of existing multiunit rental housing and may use an intermediary or intermediaries for the acquisition and associated rehabilitation of owner-occupied housing.

Program Performance and Trends

This will be a new program in 2024.

Expected Activity for 2024-2025

The estimated 2024-2025 resources are $90,000,000, which includes a $10 million set aside for Aeon for Huntington Place.

Based on resources available for new activity, we expect to support about ~~65~~110 housing units in 2024 and 680~~440~~ in 2025.

Great Minnesota Housing Infrastructure

Greater Minnesota Housing Infrastructure is a new program and will provide grants to cities located outside of the Twin Cities metro area of up to 50 percent of the capital costs of public infrastructure necessary for an eligible workforce housing development project. Grants are limited to $30,000 per lot for single-family, duplex, triplex or fourplex housing developed, and $180,000 per lot for multifamily housing with more than four units per building. Cities are limited to $500,000 over a two-year period. A nonstate match is required and may be cash, other committed grant funds or in kind.

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

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

The Agency will evaluate projects based on whether:

- The project is necessary to increase sites available for housing development that will provide adequate housing stock for the current or future workforce; and
- The increase in workforce housing will result in substantial public and private capital investment in the city in which the project would be located.

Program Performance and Trends

This will be a new program in 2024.

Expected Activity for 2024-2025

The estimated 2024-2025 resources are $8,000,000.

Based on resources available for new activity, we expect infrastructure investments to support about ~~30~~260 housing units in each of the two years.

Lead-Safe Homes

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

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

Program Performance and Trends

This will be a new program in 2024.

Expected Activity for 2024-2025

The estimated 2024-2025 resources are $4,000,000.

Based on resources available for new activity, we expect to support about 360 housing units in each of the two years.

Local Housing Trust Fund Grants

In 2021, the Minnesota Legislature allocated money to create Minnesota Housing's Local Housing Trust Fund Grants program. This program will use $1 million from legislative appropriations in 2021 and $4.8 million from legislative appropriations in 2023. This program will provide grants to local housing trust funds established under Minnesota Statutes 462C.16 to incentivize increases in local funding dedicated to affordable housing.

Grantees are eligible to receive a grant amount equal to:

- 100 percent of the new public revenue committed to the local housing trust fund from any source other than the state or federal government, up to $150,000; and
- Depending on funding availability, an amount equal to 50 percent of the new public revenue committed to the local housing trust fund from any source other than the state or federal government that is more than $150,000 but not more than $300,000.

The Agency will consult with interested stakeholders when developing the guidelines, applications and procedures for the program.

A grantee must use grant funds within five years of receipt to (1) pay for administrative expenses, but not more than 10% of the balance of the fund may be spent on administration; (2) make grants, loans and loan guarantees for the development, rehabilitation or financing of housing; (3) match other funds from federal, state or private resources for housing projects; or (4) provide downpayment assistance, rental assistance and home buyer counseling services. The funds must households with incomes at or below 115% of the state median income.

In addition to the $5.8 million in local grants, the 2023 legislature made available $1.0 million for the Northland Foundation to assist local governments to establish local or regional housing trust funds. They may also award grants and loans to other entities for authorized uses.

Program Performance and Trends

So far, there has been no funding disbursed under this program.

Expected Activity for 2024-2025

The estimated 2024-2025 resource availability is $6,800,000.

Based on resources available for new activity, we expect to support about 80 housing units in each of the two years.

Strategic Investments / Loans

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

Program Performance and Trends

For the Program Assessment period of October 1, 2021 – September 30, 2022, we disbursed no funding under this activity.

Expected Activity for 2024-2025

At this time, no investments opportunities have been identified.

OTHER

Technical Assistance and Operating Support

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

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

Program Performance and Trends

For the Program Assessment period of October 1, 2021 – September 30, 2022, we funded $1,430,392 of activity under this program.

Expected Activity for 2022-2023

The estimated 2022-2023 resource availability is $8,702,000.

Disaster Recovery

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

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

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

Program Performance and Trends

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

Expected Activity for 2024-2025

At the start of the 2024-2025 AHP, no funds have been appropriated. Typically, the Minnesota Legislature appropriates funds for this program following the declaration of a disaster. If the Minnesota Legislature does not appropriate funds following a federal disaster declaration, the Agency may fund activities through the Disaster Relief Contingency Fund.

Disaster Relief Contingency Fund

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

The terms and conditions under which the funds are made available are at the sole discretion of Minnesota Housing. Eligible uses of funds have included writing down the interest rate on Home Improvement Loans and activating the Disaster Recovery program.

Program Performance and Trends

For the Program Assessment period of October 1, 2021 – September 30, 2022, there was no reported program activity.

Expected Activity for 2022-2023

Disbursements from the fund vary significantly from year to year. We are not making an estimate of a funding level at this time. As of ~~June~~September 30, 2023, the fund had an uncommitted balance of nearly $2.3 million.

Stable Housing Organizational Relief Program

The Stable Housing Organization Relief Program will support nonprofits that are experiencing significant detrimental financial impacts due to recent economic and social conditions. Grants are limited to $4,000 per unit, with the per-unit amount calculated based on the total number of units each eligible organization owns or controls in the state.

Eligible organizations must:

- Be a nonprofit organization that is tax exempt under section 501(c)(3) of the Internal Revenue Code that has been doing business in the state for at least ten years as demonstrated by registration or filing of organizational documents with the secretary of state or be a Tribe or tribal designated housing authority;
- Have its primary operations located in the state;
- Be experiencing significant detrimental financial impact due to recent economic and social conditions, including but not limited to decreased operating revenue due to loss of rental income or increased operating expenses due to inflation in utility expenses, insurance, or other expenses;

- Have supportive services options available for the individuals and families residing in the rental housing it provides to low-income populations; and
- Provide housing units in the state that it owns or controls consisting of any of the following:
  - At least 1,000 units of naturally occurring affordable housing;
  - Rental housing units, not including naturally occurring affordable housing, of which 50% of the total number of units are rented to individuals or families whose annual incomes, according to the most recent income certification are at or below 30 percent of the area median income; or
  - At least 250 units of permanent supportive housing.

Grantees must use grant funds to maintain or improve the housing stability of tenants by expending funds on:

- Property maintenance, improvements, and security;
- Providing services, including services and programs that promote economic and social mobility;
- Efforts to attract and retain employees that will assist in providing services and support to tenants; or
- Forgiveness of all or a portion of rent balances owed by former or current tenants.

Program Performance and Trends

This will be a new program in 2024.

Expected Activity for 2024-2025

The estimated 2024-2025 resource availability is $50,000,000.

Housing Mediation Grant Programs

A one-time grant to Community Mediation Minnesota to administer a statewide housing mediation program to provide support to renters and residential rental property owners.

The funds will be used to:

- Provide housing dispute resolution services,
- Increase awareness of and access to housing dispute resolution services statewide,
- Provide alternative dispute resolution services, including but not limited to eviction prevention, mediation, and navigation services,

- Partner with culturally specific dispute resolution programs to provide training and assistance with virtual and in-person mediation services,
- Increase mediation services for seniors and renters with disabilities and illnesses that face housing instability,
- Increase the diversity and cultural competency of the housing mediator roster,
- Integrate housing mediation services with navigation and resource connection services, legal assistance, and court services programs,
- Develop and administer evaluation tools to design, modify, and replicate effective program outcomes, and
- Provide for necessary administrative expenses.

Program Performance and Trends

This will be a new program in 2024.

Expected Activity for 2024-2025

The estimated 2024-2025 resource availability is $3,000,000.

Local Housing Aid Grants (Tier 2 Cities)

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

For cities with a population over 10,000 and counties, funds will go directly from the Department of Revenue to the grantees based on a distribution factor. While Minnesota Housing will collect reports on the use of these funds starting on 2025, the distribution of the funds will not involve Minnesota Housing. For cities with a population under 10,000, the funds will come to Minnesota Housing for a grant program that will prioritize cities with a higher share of cost-burdened households. Housing projects for households with incomes at or below 80% of AMI for rental and 115% of AMI for homeownership are eligible for these funds, but households at or below 50% of AMI for rental and 80% for homeownership are prioritized. Priority will also be given to projects that:

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

Qualifying projects include:

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

Program Performance and Trends

This will be a new program in 2024.

Expected Activity for 2024-2025

The estimated 2024-2025 resource availability is $4,500,000.

Based on resources available for new activity, we expect to support about 40 housing units in each of the two years.

Grant to City of Minneapolis

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

Program Performance and Trends

This will be a new program in 2024.

Expected Activity for 2024-2025

The estimated 2024-2025 resource availability is $1,000,000.

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

COVID HOUSING RECOVERY

Emergency Rental Assistance (ERA) – Targeted Assistance

In 2021 and 2022, Minnesota Housing operated RentHelpMN and successfully distributed $428 million to nearly 60,000 renter households, which came from two rounds of ERA funding (ERA 1 and ERA 2). By December 2022, only seven states disbursed a higher share of their ERA allocation. As result of this effective disbursement of funds, the Agency has received four rounds of additional funds through the U.S. Department of Treasury's reallocation process. In terms of reallocated funds per capita, Minnesota Housing ranked fifth highest among states and the District of Columbia.

Largely because of these reallocations, the Agency had roughly $85 million of ERA 2 resources available for use through September 2025. The ERA 2 funding allows for expanded activities of direct assistance to renters, housing stability services, administration and up to 25% of the total ERA 2 grant for "other affordable housing" activities. Treasury has defined "other affordable housing" to mean flexible capital dollars to build, preserve and operate rental housing affordable to very low-income households.

Based on program and operational assessment and a stakeholder survey, the Agency decided in February 2023 to evenly split the remaining $85 million between a targeted rental assistance program and capital projects. The even split was the pretty clear consensus option in the stakeholder survey.

The Agency launched a targeted rent assistance program in the summer of 2023 and relies on partnerships with community organizations to identify households who would benefit from assistance, provide services to households and connect renters with emergency rental assistance for rent arrears and prospective rent.

Eligible Activities:

- Direct assistance to households for rent and certain utilities (both arrears and prospective).
- Housing stability services for navigation and eviction prevention for all eligible renter households, not just those receiving direct assistance.
- Administrative expenses for providing direct assistance and housing stability services as defined by Treasury.

Eligible Recipients:

- Renter households with incomes no more than 80% of AMI with a priority for those with incomes no more than 50% of AMI and where an individual in the household has been unemployed for 90 days.
- Renter households who experienced financial hardship during the COVID-19 pandemic and are at risk of experiencing homelessness or housing instability.

Program Performance and Trends

This is a new program that launched in the summer of 2023.

Expected Activity for 2024-2025

The estimated 2024-2025 resource availability is $~~41,50~~37,140,000.

Based on resources available for new activity, we expect to support about 5,~~9~~300 households.

Emergency Rental Assistance (ERA) – Capital Funding

We expect that about half of the remaining ERA 2 funds will go to capital projects. The funds will be used to directly fund construction and preservation and fill gaps on projects that receive other Agency resources.

The ERA 2 funding is well-suited for supportive housing developments that serve very low-income households and do not support amortizing debt. It is also suited for developments that receive sources, such as Housing Infrastructure Bonds, that exclude some necessary costs from program eligibility.

Eligible Activities:

- Construction, rehabilitation or preservation of affordable rental housing projects serving very low-income households.
- Operation of affordable housing projects serving very low-income families that were constructed, rehabilitated or preserved using ERA 2 funds.

Assistance Types:

- Loans or grants to affordable rental housing projects for eligible activities including up-front development costs and, potentially, reserves for program operations.
- Assisted units will be subject to a land use restriction agreement of at least 20 years, similar to other federal programs like the federal Low-Income Housing Tax Credit.
- In mixed-income developments, funds can be used only for the portion of the capital and operating costs directly attributable to the very low-income units.

Program Performance and Trends

This will be a new program in 2024.

Expected Activity for 2024-2025

The estimated 2024-2025 resource availability is $~~42,5~~39,100,000.

Based on resources available for new activity, we expect to support about 2~~7~~40 housing units.

HOME-ARP (American Rescue Plan)

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

Minnesota Housing's approved allocation plan provides for a request for proposal (RFP) process for and tailored to eligible HOME-ARP activities. Specifically, Minnesota Housing plans to spend approximately $27 million (89% of the grant) on the development of affordable rental housing, $310,000 (1% out of an allowable 5% of the grant) on non-profit capacity building, and approximately $3 million (10% out of an allowable 15% of the grant) on administration and planning.

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

Program Performance and Trends

This will be a new program in 2024-2025.

Expected Activity for 2024-2026

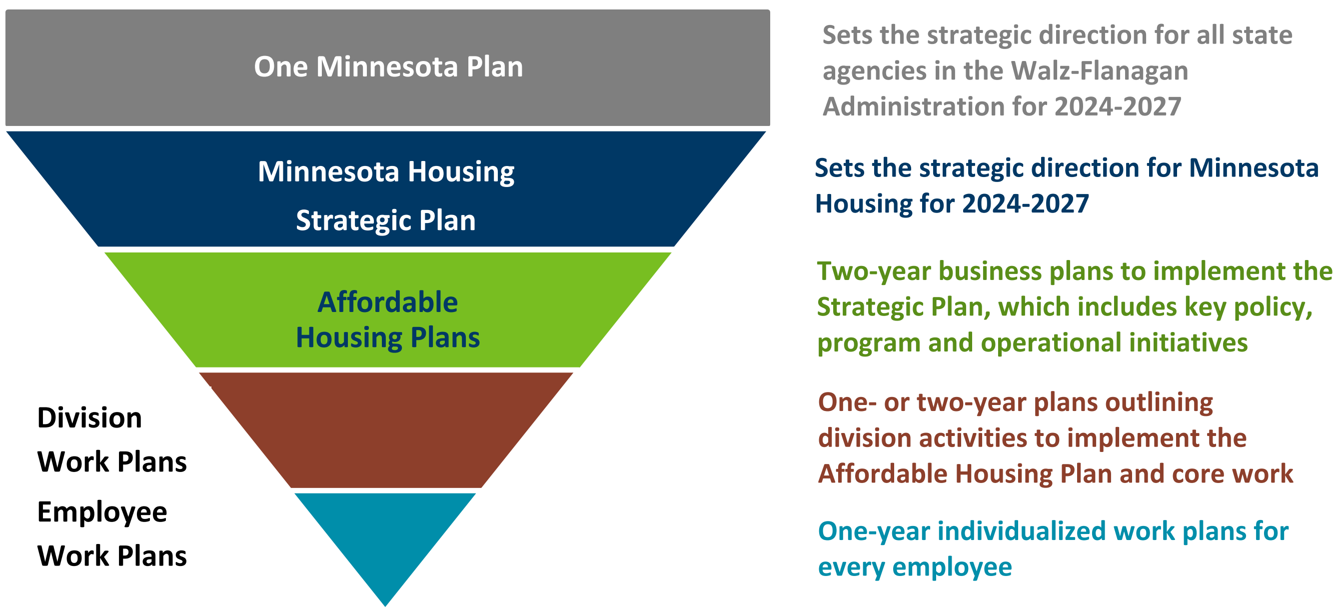
The estimated 2024-2025 resource availability is $28,024,000.

Based on resources available for new activity, we expect to support about 180 housing units in total.

MINNESOTA HOUSING

Appendix C: Strategic Management Structure and Reporting

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



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

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

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

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

Draft 2024-2025 Affordable Housing Plan
Full Public Comments

Julee Jackson

1. Approximately 2.5 billion for home financing, but only 120 million for new construction/renovation for single family homes (approximately 559 million total for all new housing), does not make much sense. There are just not enough single-family homes in the state on top of not enough multifamily units. In our area, we have people with the financial means to get into places but there are just not enough housing/units. We need more units being built, both single family homes and multifamily units.

2. On page 5: the bullet point that states "The supply of housing that is affordable is very limited throughout the state." Still overlooking greater Minnesota. Yes, it is mentioned once saying that they are adding jobs but not housing. Keep that. There are still two bullets about the metro area that state statistics. Please do better in finding statistics on rural Minnesota and having at least equal number of bullets compared to metro area. Homelessness is often overlooked in rural areas.

Stephanie Hawkinson

Good morning,

Thank you for accepting my comments. The first and largest concern pertains to the disconnect between your tag line "Go Big so everyone can go home" and your allocation of funds. Two of the three major challenged mentioned are:

1. Significant shortage of housing that is affordable; and
2. Growing problem of people experiencing homelessness.

YET a VAST majority of the funding is allocated toward single family ownership. Extremely low-income people, and people with disabilities will not benefit from all the single family programs.

Ownership Related		
Homebuyer Financing and Home Refinancing	$2,498,000,000	
Homebuyer/Owner Education and Counseling	$7,384,000	
Home Improvement Lending	$75,544,000	
Single Family Production – New Construction and Rehabilitation	$120,513,000	
Manufactured Housing $44,071,000	$44,071,000	
Other Single Family	$5,000,000	
	$2,750,512,000	
Multi Family Rental Related		
Rental Production – New Construction and Rehabilitation	$390,724,700	
Rental Assistance Contract Administration	$472,000,000	
Housing Stability for Vulnerable Populations	$291,135,000	
	$1,153,859,700	42%

Less than half the resource are directed towards programs that better serve the lowest income Minnesotans. Furthermore, multifamily rental is a far more efficient method to house greater numbers.

Single family program definitely need to be financed – in particular to address housing disparities. But $2,498,000,000 for homebuyer financing (including Bonds which could leverage tax credits and therefore private equity for rental) vs. $390,724,700 for MF rental seems grossly misaligned with your stated mission.

The most vulnerable MN, those who experience the greatest housing shortage may not be able to afford a home even if it were priced below $300,000. We cannot sacrifice the health, safety and well-being of those people. To address housing disparities take more than financing DPA. It requires a look at zoning laws, housing size and design requirements , even purchase agreements that required buyers to disclose the type of financing they are using, among many other barriers.

Another concern I have is the timing of your information session on December 13. It overlaps with the annual summit on affordable housing that is well attended by many housing professionals.

Thank you for your time.

Amber Lightfeather

Dear MN Housing:

I just perused the draft that you have released, and I think it looks very promising. However, I do feel that a few elements are missing.

I see that there is money for an increase in section 8 vouchers and not sure if those are the same as the home choice vouchers. If those are the same program, our local landlords often will not accept these vouchers, and many people have not been able to utilize them even after a several years wait period.

One of the elements that I feel is missing is a landlord fund that would incentivize acceptance of these vouchers. For example, one of my co-workers accepts section 8 for her rental. She told me that some people who rent on section 8 have destroyed her apartment, and she had to do costly repairs and replacements. I would think a fund set aside to fund those repairs might change some hearts on taking a risk. I know they can take former tenants to courts, but pretty sure low-income tenants would not likely be able to pay.

Perhaps a landlord fund to get properties in compliance with section 8 requirements as well. I have heard so many landlords say that it just isn't worth the risk. There needs to be a way to mitigate that risk, especially when the area, like Duluth, is high tourism and STR's can make way more money, with less damage occurring.

Thank you for the opportunity to comment. I am a renter in Duluth. I cannot afford to buy a home despite a medium income. The rental situation is dire in this town. I would love to own a home and hopefully, one of these programs might help me one day.

Nancy Negrette

1. Ethics housing committee for property management companies not MHA.

2. Stop charging for parking spaces, St. Paul has parking issues already. Parking should not have leases.

3. Stop letting management companies refuse accepting rent from tenants, due to utilities are unpaid. That leads to more eviction filing on rental history

4. Filing eviction on late rent is unethical and harmful to future applicants looking for affordable housing.

5. Management companies should not be able to accept water payments from tenants unless they are a water company

6. If income in the neighborhood doesn't pay wages to affordable rent then that property rent fee is too expensive for the people in that community

Judy Scripture

TO WHOM IT MAY CONCERN:

My comments to your question I would like to see the following:

1) Daycare on-site – when you build buildings, have daycare on-site. If residents are qualified to do the daycare, pay them. That income then could be used to figure rent rate.
2) When residents fall behind on rent, make it <u>mandatory</u> that they attend classes explaining why it is important to pay their rent on time to maintain their housing. This would avoid

evictions. Many don't know how to budget items into their daily life. In the past, Rochester Project Hope (John Edmonds was the program manager who is retiring but would be a good contact to get ideas - john.edmonds@olmstedcounty.gov) – he would come to the properties and had a huge success with helping young mothers transform with finances for example.

Thank you for letting us voice our concerns.

Linda Soderstrom

My first comment is that ITS getting really TIRING MAKING some of all the public comment that Minnesota asks for. They don't appear to be tracking on it so that I myself can never see my comments put to good use.

Also advertising it as if this is my last chance to talk to anybody until 2028 is kind of ridiculous context.

Just taking them all in and then publishing them back out doesn't mean they're being applied like a real science.

Plus which keeping the programs straight and the dates fully and DULY informed is in a strange language of acronyms that MHFA

Act as if is plain English.

Even their change of their name to Minnesota housing or MH is a misnomer. And being the bank of the housing of the state that you have to apply to (and go through it's portals) they should keep calling themselves Minnesota Housing finance agency.

The people of Minnesota are Minnesota Housing. The people of Minnesota know what we lack in the way of housing and by appropriating those words for themselves it's just plain uppity.

For them to take such a big umbrella is as if they were in service to all minnesotans and they're not.

Nextly they don't do a very good job of letting us know about these commenting opportunities in a public way and at a rudimentary literacy level.

~ CHILDREN ALWAYS KNOW

In my way I d say that the access to commenting needs a re vamp. Because I can think of a lot of fifth graders and up who would have good strong opinions about where they live and how they live and what their parents are going through. Because kids feel everything & they are psychic sponges kiddos can tell when their parents are hurting or hungry or tired or overworked or underpaid. That is a stressor on children and families. To have housing and child care eat up almost the entirety of a family's budget is unconscionable and that's where we're at and have been for quite some time.

~ A GRATEFUL NATION

Minnesota as a leader in the nation has the capacity to provide universal income based and State written HOUSING RELIEF vouchers and to fund those. ITS CALLED FILLING THE GAP, THRU FUNDAMENTAL TRUSTS AND FOUNDATIONS,

~ LOW WAGE EMPLOYERS

Plus which the industries that benefit from workers of low wage are getting away with a sneak attack on our entire society right now by not providing Child Care at the job site and that relates to housing and that housing enclaves could also have child care provided by the job site.

I realize there was rank unfairness and fraud in The company store of the 1900s but if the employer is making billions and paying a pittance that is immoral.

To create a more fair system in which everyone has a home with mean that we should have more 24x7x365 indoor 12 season factories for prefabricated HOMES rather than trucking those at massive expense. We then could create envisions of and and set up cul-de-sacs of 10 to 20 starter homes to be owned by low wage workers. That's not a dream. That would be a laboratory. I would be happy to manage one with 100 new manufactured homes in a community with a 24-hour library and a 24-hour kitchen serving and a 24-hour child care and 24-hour transportation from say around St Charles Minnesota to Lacrosse Wisconsin and Red Wing and transporting as well to Decorah Iowa and over to Rochester. After 12 to 24 or maybe 36 months families could have saved enough if they lived rent-free in a laboratory village called Loves Park or Freedom Institute to possibly buy their own home and get on the Good foot. There would need to be teachers and mentors and guides and rabbis who spent long hours there together with people in helping them to recover to what we treat as a norm.

Poverty prevents normal life

If you're in poverty you have no norms. You have survival. But you try to behave as normally as possible. Minnesota should be a leader in that way too and try something that's never been tried before. All the hoops that Minnesota makes people hop through are exclusionary. And yet when you bring up that subject at MHFA, people shrug their shoulders and say no we're doing everything. What they mean is they're doing everything they've always done but have no vision and ARE NOT PLANNING ON going forward in New creative ways. Why not tho?

Learned sluggishness

Honestly working 30 hours a week for 30 years is what some of the state employees appear to me to be doing and parking their duffs in the same chair for as many decades as they can and then getting out quick and dirty. They can pay a house mortgage. They can pay their college loans off. They can make a car note. They have plenty of groceries. They can pay for childcare. They get to take their grandkids out for ice cream. Homeless people don't. And homeless people even if it's a brief rare and non-recurring period of homelessness are so traumatized that they don't even hope for the real basic budgetary things listed above.

Reparations for ENSLAVEMENT

Minnesota should be looking into reparation for descendants of slavery and many other descendants of other disparity. including all new Americans always in all ways. It would be great if Minnesota actually started talking about the losses and the insult to the poor and how to enrich that is to reverse that.

If we don't do that at this time then we have certainly failed to follow up on the successes of last session.

WE GOT TO B - PLUS IN APPROPRIATIONS BUT ARE GETTING A D - MINUS IN IMPLEMENTATION

Going forward this should not fall apart due to opposition. OR DEPARTMENTAL RED TAPE. Once we finally got the billions in place lots of complainants and whiners and cranky people on the other side(s) of the (many) aisle(s) all of a sudden

appear to have had a change of mindset & thought "well it's not so bad after all" (to house Minnesotans).

And I appreciate all the arguments they brought up in questioning as over and against the cost of permits or the cost of Windows sealants or the cost of Labor and lumber and why the Dakotas and Wisconsin can build things more cheaply etc etc etc. It's not that they don't have really good points in the industry but what they don't understand is how race runs through this entire restriction. Cultural restrictions as exhibited by state employees in housing are my personal confirmation that anti-racism has not reached Minnesota's administration in government.

CONTINUING EDUCATION CREDITS AND ANTI-RACIST COMPETENCY AND MULTICULTURAL DIVERSITY GENDER FAIR DISABILITY AWARENESS

To be an anti-racist you have to have studied it, you have to have experienced it and you have to have humility about it. Ibrahim Kendi and Carol Anderson, both authorities in anti-racist changes explain white rage very carefully and Minnesota being white dominant needs to look at its rage at the core.

Minnesota HOUSING staff are resistant even to the words or the questions, defensive about whether they've taken any CEUs in anti-racism and they exhibit cultural supremacy in meetings that I've attended to do with their banking and they're even being exclusionary ~ not INCLUSIVE ~ in their very language with their state housing bankers. And exhibit denial of these facts .

&

That's just one example.

NEW HIRING PHiLOSOPHY MOST DEFINITELY SHALL NO LONGER REQUIRE COLLEGE DEGREES!!!!

To put it bluntly Minnesota needs to hire people of diversity both culturally and racially and of ethnic origin if we continue to need to CREATE OR EVEN ENVISION programs for people of diversity. By that I mean diversity in income and race and ethnicity and these are always operated by white staff people and white Commissioners and white representation who are the only ones who get to go and testify at the UNITED STATES Congress etc etc

Then even though a grateful nation is studying Minnesota and how to operate better in housing right this minute; Minnesota is still a racist state. Both currently and historically

The mood you encounter when you're the recipient of benefits is a savior complex. Every time someone is offered some kind of emergency assistance we know that many others are excluded and there seems to be some kind of a pride in the workers as to how many they can disqualify.

On the other side of the aisle they say that nothing should be special to do with race and that everybody should help everybody. Kind of a blase' attitude that black people call *everything is everything*..... OR SAME OLE SAME OLD

Well that's white people's way of not wanting to face what slavery has done to generations who followed and other forced labor. This nation is built on the backs of free labor but no one wants to face the true history or to make any reparation.

Minnesota housing could be the bank of reparation by making sure that anyone who wants to - no matter how poor - has a home built for them and a home that they can find move-in ready within a year of preparation.

Not talk about IT for 5 years and then put a shovel in the ground and talk about 3 years hence we might have the frame up. DO IT THE AMISH WAY. HAVE HUNDREDS SHOW UP. GIVE THEM LUNCH. AND HAVE THEM ERECT THE WHOLE BARN IN ONE DAY AND WALK AWAY.

Yes people should try their best to repair their credit and take some classes in simple home repairs or how to paint a room. But there should be wrap around services for homeowners just the same way there are for permanent Supportive Housing apartments. IN REALITY IT'S CHEAPER TO OWN RIGHT NOW THAN TO RENT AND PROBABLY ALWAYS WILL BE HENCEFORTH.

Right now Minnesota's children are lowering their IQ in toto and this debacle decided by next decades because they're so highly mobile that they can't settle. Traditionally in our nation many families stayed put from kindergarten through 12th grade and that had a positive value. Right now the cost and the escalation of the cost of housing is so beyond the pale that most people are living in jeopardy and feeling threatened at all times about how they might lose their housing next month or the month after or the year to follow.

Rich people are getting richer ever quicker and do not appear to care about the common good in a PUBLIC TRUST within a social contract enabling growth, development and betterment.

That's just financial and we look at financial disparity

But that's ignoring racial and ethnic neglect to full inclusion. Minnesota is not inclusive of those in the greatest need for the longest time. AND MINNESOTA'S WHITENESS IS DOMINANT AND IT'S OPPRESSIVE. There are no plans for people under 30% area median income and those at 20% and 10% of area median income. NONE.

I REPEAT.

NO PLANS.

Nextly just to provide these public comments they don't come to us but we have to come to them and we have to come to them with a working cell phone at the very least. If they really wanted public comment they would have public comment pop-up clinics where they brought interviewers and instruments like computer notebooks and computer cell phones and would put those into the hands of the people who know the most about the worst housing and that is those who are homeless. PEOPLE EXPERIENCING HOMELESSNESS ARE PEOPLE TOO AND ARE PEOPLE who have lost the worst housing or are offered the worst housing to get out of homelessness. By worst I don't mean it's a bad thing that we have a homeless industrial complex but people are only offered little one-bedroom efficiencies as a trial basis to see if they are sober enough or sane enough or behaviorally compliant enough to BE AWARDED AND JUSTLY Deserve rescue or deserve a bridge to the future or deserve stepping Stones to a better life.

These are all cliches and mainly words and not how we're really operating. WE ARE OPERATING THAT IF YOU DON'T HAVE FAMILIAL WEALTH FROM GENERATION TO GENERATION AND YOU DON'T HAVE KNOWLEDGE OF HOW TO GO TO A BANK AND GET A LOAN AND YOU DON'T HAVE A CREDIT RATING THEN YOU ARE OUT OF THE RUNNING AND MINNESOTA HOUSING IS PLANNING ON KEEPING THOSE RULES UP AND OPERANT AND THAT'S EXCLUSIONARY. MINNESOTA HOUSING DOESN'T EVEN HIRE BROWN AND BLACK PEOPLE OR NATIVE PEOPLE. INDIGENEITY IS NOT A STRONG PRESENCE IN MINNESOTA HOUSING AND IT SHOULD BE.

To hire First Nations and black Americans and people from the Latinx community as well as the Asian and Hawaiian tribal and ethnic people's should be a first priority and when you're talking about onboarding them it should be the reverse of what onboarding usually means.

We live in a global village now. And Minnesota is very isolated and self-inflicting of these harms. Right now on boarding means that you would take minority employees and teach them how to do math at the states Housing Bank or Minnesota Housing finance agency. What I'm talking about is where people from various minority communities would do the training when they arrive to save the day. And the white people stop talking. And the white people start listening.

That would just be the optics in the department. To make it work would require A touch of humane magic compared to how straight-laced people are being right now with their use of **so called Consultants**. I've never heard so many people in upper positions rave about how they've had a life-changing experience talking to a youth or a person of gender diversity or a person in poverty for a few months or weeks and sent them a few dollars to help pay for their cabs home from the days donated. The kinds of consultancies that we've been having in 2022-2023 are wonderful culturally and to brag about but most of those funds are spent on

A SAME DAY BASIS for necessities encountered in volunteering to consult!!!

Parents require protein for the children to give a better dinner that night after the parent exerts themselves and misses a day of work or is taking a Lyft cab or an Uber home because most don't own cars and would have to get on a bus and a train to get back to their kids on time having dedicated their only truly free time to the state of Minnesota.

I've been invited last session by a recently retired executive of Minnesota Housing finance agency to receive $150 to talk for 2 minutes in the Senate and on Zoom just last year and spent two days writing what I was going to say and one day preparing to hop on at precisely the right moment and say something helpful and useful and was told that the meeting was running short and there was a crowd of speakers and actually a PhD that I'd helped in a suburb to write a fully inclusive housing ordinance spoke instead but no one ever even said sorry or got back to me with a cancellation fee. Nada. Zip. Zilch. And that same person had even put me on a full ride to an American Indian housing conference at treasure Island the year before but when government gets rolling it will steamroll the little people.

People with lived experience are expendable and disposable. Volunteers are used up and when we disappear more volunteers are recruited. Do we ask where the consultants and the volunteers go or how we can check with them after they leave? What are their protections? What are their involvement after they have given everything they have to give?

BACK TO BACK HOMES, ACROSS EVERY CONTINUUM.

HOUSING. NEEDS. CHOICE.

We need a triage approach to those who been waiting for help in housing and are in greatest need for the longest time without safe decent accessible affordable at their income and in the time and place of their own choosing. That's not how the industry of Housing Development looks at it. They look at how many hundreds of units they can build and offer maybe 10 of them to poor(er) folks. And we don't want to go to GHETTO-IZATION of poor folks by giving them all 100 units but

Rather

mixed use // mixed income housing has been proven to work because it's like the real world where people of all levels of income and all cultural backgrounds and all needs and bases get to know each other and get along very well.

Minnesota.s lack of triage

I find myself repeating myself so I know that I'm not being heard. When I'm being heard then I know that things I've been saying for at least two to three years have reached the federal level. In the state of Minnesota things I've been saying for 10 if not 30 years are not changing. THAT'S HOW I CAN TELL THAT WE ARE IN A STUCK PLACE AND DON'T WANT TO BE TOLD THAT WE ARE STUCK.

We used to have a state posse caucus which represented people of race and ethnicity who cared about housing and other services in the Minnesota legislature. Some of those were somewhat radical and the posse caucus had a good ring to it and people knew they were speaking truth. Right now we need that again

AND THOUGH MANY ELECTEDS ARE NOW PEOPLE OF COLOR AND WHO ARE YOUNGER AND WHO HAVE EXPERIENCED POVERTY AND HOMELESSNESS DIRECTLY it doesn't quite have the same name and of course things change. We do need a federal policy POSSE caucus in Minnesota.

And also a cabinet for diversity delivery at the state levels.

Saying let the market take care of itself or let the chips fall where they may have not worked up until now. And there's not just one market there are many markets. No one's going to make developers do anything they don't want to do but we have to have incentives and enticement and reward for those who can change their mindset and possibly emphasize this to youngbloods who can see there's buku

Money to be made but not in so much the sense of a profiteering.

Slow and steady wins this race.

THE WHITE RACISM THAT CAME IN WITH GERMANS AND SWEDES THOUGH I'M NOT AN ETHNICIST IS BY PROPORTION QUITE HIGH AND QUITE HIDDEN. SECRET WHITE IGNORANCE OF OTHER RACES AND CULTURAL ORIGINS IS A HUGE PROBLEM IN RURAL MINNESOTA AND CAN ONLY BE SOLVED IN THE NEXT 50 TO 100 YEARS WHEN PEOPLE MOVE HERE FROM ALL KINDS OF INNER CITIES LIKE

OUR OWN TWIN CITIES AND DETROIT AND CHICAGO CLEVELAND AND KANSAS CITY. I THINK MINNESOTA WILL CHANGE BUT NOT IN MY LIFETIME. RIGHT NOW IT'S A LOT OF LIP SERVICE.

Sorry Sue

I wish I knew more about financial matters and the very many layers that go into building new units. "The most affordable housing has already been built". That quote comes from SHEILA KISKADEN, RAMSEY COUNTY COMMISSIONER at Governor Dayton's housing task force so that might be applicable. There's no one erecting things quickly. There's no one erecting things with hempcrete instead of concrete. There's no one bringing in prefabricated homes or inventing prefabricated apartment complexes and getting them available en masse.

Minnesota Housing finance agency if anything slows things down whenever they have an influx of new good money. They don't accompany it with new good ideas and that's because they want to keep doing things the way they always have and call it safe and careful. They say that fast is hectic and fast is dangerous. That's slow is better because slow is careful and careful is fast. That's their actual motto and they're not listening to the people who need the housing.

They're listening to each other and leaving us outside the circle.

Sorry so wordy

Happiest of Holy Days

to you n yours,

Barbara Isham-Schopf

Hello, I am writing in support of the Golden Vallery team's request for additional mention and clarification of availability of funding for development of housing for seniors.

Ruth Paradise, Chair of the Golden Valley Affordable Housing Coalition submitted their comments and recommendations.

As a senior myself, active in affordable housing efforts through ISAIAH and a member of the St. Louis Park Community Housing Team: Eviction Prevention Outreach

I believe that every effort should be made to build affordable housing to meet the great need in our communities. Spending wisely for all, seniors, the handicapped and low income families is imperative.

Thank You

Joe Nathan

Please consider the following priorities:

1. Emphasize and prioritize creation of permanent, deeply affordable housing that is owner-occupied.

2. When supporting creation of rental housing, please use mechanisms to make it difficult/impossible for rental housing for low income people to be created that after a few years can be sold to somewhat who jacks up the rents (

3. Use some of the availale dollars to encourage creation programs such as those by GAP School in St Paul and Good Will/Easter Seals Minnesota, in which young people are building homes for low income people and people experiencing homelessness.

4. Please read and learn from the research from Khalique Rogers and Dr. Tom Kottke, as published by MinnPost

Gary Kwong

I am Gary Kwong, Board President of MICAH

There should be a specific mention in the summary Page 4 of “refugee” visa status people because they are low income but have been not necessarily, historically excluded or considered to be “people of color”. Although they may initially have sponsors or sponsoring organizations their language skills and housing system understanding is limited. People who understand the needs of refugee cultural groups should be represented at decision-making tables.

Pages 7 and 8 Implementation- There is needs to be mention of cross-cultural and non-English language competence in hiring of consultants or preferably staff in terms of effective communication of programs that are needed and could be developed or available but need more effective publicizing to social service organizations serving specific cultural groups.

Page 9. The staff and consultant training should include holding listening and informing sessions at specific cultural social service offices (such as, United Cambodian Association of Minnesota or NAACP), culturally specific religious churches (such as, Karen Baptist or Hmong Alliance churches), mosques, etc working with those organizations for recruiting attendees the range of concerns and understandings cannot just depend on a small number of people to represent thousands.

BIPOC – Black, Indigenous, People of Color – is sometimes taken to mean “African American” but not including African immigrant or refugees from “black Africa” such a Somali and a ranking of racism effect ignoring the Chinese Exclusion Act and Japanese internment and prohibition against being able to attain naturalized citizenship or to own land or property or to buy housing after 1943 when the Exclusion Act ended. It seems that “diverse” people is a more inclusive term.

With the “loan” programs there is no mention of developing programs that provide an investor or institutional income that is an acceptable Muslim religious practice. There are probably close to 100,000 Muslims in Minnesota.

Minnesota Realtors®
11100 Bren Road West | Minnetonka, MN 55343 952.935.8313 | 800.862.6097 www.mnrealtor.com

November 29, 2023

Minnesota Housing
400 Wabasha St. N, Suite 400
St. Paul, MN 55102

Re: Public Comment—2024-2025 Affordable Housing Plan Draft

Minnesota Housing:

Thank you for the opportunity to comment on the 2024-2025 Affordable Housing Plan Draft.

Minnesota Realtors® (MNR) was founded in 1919 and is a statewide business trade association with a membership of over 22,000 real estate professionals working with buyers and sellers of all types of property.

With a significant increase in funding for housing, particularly homeownership, during the 2023 Legislative Session, MNR encourages Minnesota Housing to prioritize the programs, within its purview and contained in the 2024-2025 Affordable Housing Plan, which will help more Minnesotans become homeowners over the next two years.

MNR looks forward to the implementation of programs directed at helping first-generation homebuyers, especially the "Community-Based First-Generation Homebuyers Assistance Program," which will be administered by Midwest Minnesota Community Development Corporation (MMCCD), in collaboration with Community Development Financial Institutions (CDFIs), Tribal entities, and nonprofit organizations around the state. This program represents an innovative approach for delivering down payment assistance by attempting to remove a key barrier facing first-generation homebuyers with limited savings, which is lack of capital for a down payment. It will also result in a meaningful reduction in Minnesota's racial homeownership gap.

In addition to down-payment assistance, MNR appreciates other programs in the draft plan that are aimed at advancing and supporting homeownership, including: the Homebuyer Education, Counseling, and Training Program, the Workforce and Affordable Homeownership Development Program, the Greater Minnesota Housing Infrastructure Program, and the Homeownership Investment Grants Program.

Thank you again for the opportunity to comment on the 2024-2025 Affordable Housing Plan Draft.

Sincerely,

Paul Eger

Paul Eger
Senior Vice President, Governmental Affairs
Minnesota Realtors®

Summary of and Reponses to Public Comments about Minnesota Housing's Draft 2024-2026 Affordable Housing Plan

Minnesota Housing received 10 comments about the draft Affordable Housing Plan. We received one comment from an organization and nine comments from individual community members. This is fewer comments than we typically get. This may have occurred because Minnesota Housing recently asked for comments about its Strategic Plan a few months ago, and people may have felt they had already provided us feedback on the direction the Agency is taking.

The following is a summary of the comments that we received and our responses to those comments.

Allocating $2.5 billion for home financing but only $120 million for the new construction and renovation of single-family homes and about $559 million for all types of housing does not make sense. The is not enough housing in the state.

The vast majority of funding is expected to go to single-family homeownership ($2.75 billion) while a much smaller share is going to rental housing ($1.15 billion). Less than half of the resources are directed to programs that better serve the lowest income Minnesotans.

> Response: Even with the largest Affordable Housing Plan ever, we know there are not enough resources to meet all the housing needs. The Agency strives to meet as many of the needs as we can, but the source of funding plays a significant role in how the funding can be used. More context is needed.
>
> First, home mortgage lending is critical to the Agency and its mission because it supports thousands of low- and moderate-income homebuyers each year. Minnesota also has the fourth largest homeownership disparity between non-Latino white households and Indigenous, Black and households of color. Our home mortgage lending plays an important role in closing the gap because we lend to Indigenous, Black and households of color at nearly twice the rate as the overall mortgage industry. Robust home mortgage lending is also critical to the Agency's sustainable business model, generating earnings to finance our operations and other housing investments into the future.
>
> Second, a large share of our funding is not interchangeable. The source of funding limits the Agency's ability to allocate resources across programs and housing needs.
>
> - Funds that we borrow (primarily from the bond market) for the most part can only be used to finance mortgages with monthly principal and interest payments so that we can use those payments to pay back the funds we borrowed with interest. Financing for our home mortgage loans ($2.2 billion) comes primarily from bond financing, and this program accounts for nearly half the Affordable Housing Plan and is the primary driver of the funding differences that the commenters noted. These funds cannot be used for

grants or zero-interest, deferred loans, which are the resources that most effectively serve the lowest-income households, including renters, because they do not require monthly principal and interest payments. To serve the lowest-income households, we have consistently asked for more state and federal appropriations to finance grants and zero-interest, deferred loans. The $1.3 billion made available by the State Legislature for 2024-2025 is a great first step, but more is needed.

- Our mortgage lending (homeownership and rental) is demand driven. The funding estimates in the Affordable Housing Plan for the mortgage programs are based on expected demand, not on a fixed budget. If there is a demand for these mortgages, we find a way to finance it, assuming the borrower can meet the financing terms.

- Finally, the State Legislature and Congress appropriate funds for specific uses, and we can only use the funds as authorized, and not all programs are flexible.

Third, Minnesota Housing receives some flexible funding that can be allocated to either single-family (homeownership) and multifamily (rental) development and rehabilitation. In the Affordable Housing Plan, these funds (nearly $450 million) fall under the Multiple Use Resources category in the funding tables. The commenters may have been unaware of this when making comparisons and neglected to account for these resources, most notably $214 million from Housing Infrastructure Resources and $125 million from the Economic Development and Housing Challenge Program. Those two programs are two of the largest housing development programs in the Affordable Housing Plan, and we prioritize new construction with these resources to address the shortage of affordable housing across the state.

These nuances about how we can use our funds is not directly explained in the Affordable Housing Plan. We will add a short, plain-language explanation to the Affordable Housing Plan.

A commenter appreciated the programs in the plan, particularly the new first-generation homebuyer assistance, aimed at advancing and supporting homeownership.

Response: We need these programs and funding levels to continue closing the homeownership gap for Indigenous, Black and households of color.

The plan should emphasize and prioritize the creation of permanent, deeply affordable housing.

Response: Minnesota Housing is prioritizing deeply affordable housing.

On the rental side, 53% of the new rental units that were selected for financing in our 2023 Multifamily Consolidated Request for Proposals (RFP) will be deeply affordable (units with rents affordable at 30% of the area median income, units with rental assistance and/or permanent supportive housing). In addition, in the Single-Family Division's primary development RFP, the Agency incentivized the development of homes that will be affordable to homebuyers with an income at or below 70% of area median income by providing these housing projects a mix of grants and zero-interest deferred loans that are forgivable. Previously, the loans for these lower-income homebuyers would not have been forgivable.

Also, on the single-family homeownership side, both Habitat for Humanity and community land trusts have competed well for our development funding over the years. These organizations provide some of the most affordable homes for sale.

When supporting the creation of rental housing, please use mechanisms to make it difficult/impossible for rental housing for low-income people to be created that after a few years can be sold to someone who jacks up the rents.

Response: In our consolidated RFP for funding rental properties, all developments must remain affordable for at least 30 years, and in the selection process, we prioritize developments that will be affordable for 50 or more years. We also prioritize developments with rents affordable to households to the lowest-incomes or developments with rental assistance.

The Agency should make funds available for youth-built homes.

Response: Youth-built homes are eligible for funding through our main, Single-Family RFP process, and we have funded some youth-built homes in the past. In its session, the Legislature expanded an Agency program to provide grant funding to schools to construct single family homes. This program will be developed beginning in 2024.

With the home loan programs, there is no mention of developing programs that that are acceptable to Muslim religious practice. There are probably close to 100,000 Muslims in Minnesota.

Response: The Affordable Housing Plan includes $10 million that the 2023 Legislature made available for the Agency to support NeighborWorks' Fee-Based Home Purchasing Program, which will provide forgivable grants of downpayment assistance to eligible homebuyers using no-interest, fee-based loans to finance the purchase of a home.

Minnesota Housing is also in the process of developing a new program, which we are initially calling our Homebuying Partnership Program, to provide home purchase financing for people who are interest adverse, regardless of religious affiliation. The program details and expected funding levels are not sufficiently developed to include them in the Affordable Housing Plan at this point.

The data in the plan about housing supply focuses on the metro area. Provide more data on rural Minnesota.

Response: We provide a range of data in the Affordable Housing Plan that cover both the metro area and Greater Minnesota, but there are times that organizations that focus on just the Twin Cities metro area (such as Metropolitan Council or the Minneapolis Area Association of Realtors) have great data that very effectively documents a housing need in Minnesota (often a need that is also occurring the Greater Minnesota), and it is critical to share that data to benefit both the metro area and Greater Minnesota and both urban and rural areas.

The plan needs to mention and clarify the availability of funding for the development of housing for seniors.

Response: The plan highlights the availability of Housing Infrastructure Resources, for which the development of senior housing is an eligible use. In the last five, the Agency has awarded $140 million of Housing Infrastructure Resources to 19 senior housing developments with 1,114 units. Some of our other programs are not designed to specifically serve older adults but effectively reach and assist them. For example, older adults account for 41% of the people served buy our Rehabilitation Loan Program, which provides zero-interest, deferred, forgivable loans to extremely low-income homeowners to improve the safety, livability or energy efficiency of their homes, allowing them to age-in-place.

The Affordable Housing Plan does not go into detail about our strategies for serving older adults. That is covered in our 2024-2027 Strategic Plan, which has an entire section on serving older Minnesotans (pages 48 and 49). The two plans complement each other, have different focuses and provide different levels of detail.

It is great to see additional rental assistance vouchers, but they are difficult to use because some property owners/managers will not accept them.

Response: Like the last legislative session, Minnesota Housing will once again support legislation this upcoming session that would ban source of income discrimination and not allow property owners/managers to deny a rental application just because the renter will use a rental housing voucher to help pay the rent.

There should be a loss mitigation fund for property owners/managers who accept rental assistance vouchers.

Response: A few years ago, we funded a pilot Landlord Loss Mitigation Fund that protected property managers/owners from loss if they rented to people who had criminal record, previously experience homelessness, or other histories that limited rental opportunities. It was successful and lead to HousingLink's Beyond Backgrounds program. In addition, the 2023 Legislature earmarked $1 million that can be used for mitigation programs that reduce property manager/owner financial risks for renting to people who are eligible for the Family Homeless Prevention and Assistance Program (FHAP). For future legislature funding requests, it is worth considering the option of funding loss mitigation programs for owners/mangers to who rent to rental assistance vouchers.

There should be a rental repair/rehabilitation program that helps properties become compliant with the housing quality standards for Section 8 Housing Choice Vouchers.

Response: Minnesota Housing has a range of rental rehabilitation programs that could meet some of these needs, but these programs are geared toward moderate to substantial rehabilitation, not smaller repairs that may prevent some property from meeting the housing quality standards. It would be good to get data from the Public Housing Authorities and Housing & Redevelopment Authorities (who administer the Housing Choice Voucher program) on the types of housing quality standards that are not being met to assess for the need for an additional or revised program.

A commenter had concerns about a range of property management practices:

- **Charging for parking spaces**
- **Refusing to accept rent from tenants who are behind on their utilities**
- **Filing evictions on late rent**
- **Charging rent that is not supported by the wages paid in the neighborhood**

Response: These comments seem to apply to the overall rental market. While Minnesota Housing can put restrictions on the properties that it finances, we do not regulate the overall rental market or mediate renter-property manager disputes. Our involvement in these issues is quite limited. When Minnesota Housing hears about specific cases where people who are having issues with their property manager/owner, we refer people to LawHelpMN.org (a coalition of seven legal aid programs in Minnesota that help low-income residents), HomeLine (which provides free and low-cost legal, organizing, education, and advocacy services to renters throughout Minnesota), etc.

The Agency should finance housing with daycare onsite.

Response: We have financed housing with onsite daycare in the past. Housing developers and communities decide where to locate their properties and what amenities to include. They then apply for funding from us through a competitive Request for Proposal (RFP) process.

Create manufactured housing communities with daycare and transportation services.

Response: So far, Minnesota Housing has funded the acquisition of existing manufactured home communities and the repair and rehabilitation of community infrastructure, such water and sewer systems and roads. Up until this point, we have not financed the development of new manufactured communities but are looking into it.

Fund renter education classes for people who fall behind on their rent.

Response: This is an interesting idea that we will take into consideration. Our Homeownership Capacity program provides a couple years of intensive financial wellness coaching to people who would like to become homeowners but do not qualify. After completing the program, some participants decide not to buy a home and remain a renter. These renters have benefited from this financial training. Renters who struggle to make rent payments would also benefit from this type of training.

The Agency should train staff in culturally competency and antiracism and hire people of diversity both culturally, racially and ethnic origin.

Response: We take this work very seriously.

- All our staff are required to take cultural competency courses each year.
- We have a very active Agency-wide Equity Action Team to address equity issues in the Agency's work.
- We have about a dozen Agency staff who are certified administrators of the Intercultural Development Inventory (IDI), an assessment of inter-cultural competence that provides profile results at an individual or organizational level to spur staff growth.
- We have a Director of Equity and Inclusion who works with staff to embed equity into their daily work.
- We have hired more Indigenous, Black and employees of color. Notably, in the last five years, the percentage of Indigenous, Black and people of color on our servant leadership team has increased from 8% to 38%. Nearly a quarter of our staff are Indigenous, Black and people of color.

There are no plans for people under 30% area median income, and those at 20% and 10% of area median income.

Response: There are plans. Our new 2024-2027 Strategic Plan and this Affordable Housing Plan are examples. Both plans focus on creating a more equitable, inclusive and just housing system that prioritizes the communities most impacted by housing instability, including those with the lowest incomes. The Agency's work to create more deeply affordable housing units, expand the availability of rental assistance (most notably the creation of the Bring It Home program), and prevent and end homelessness are examples. For an in-depth plan, people should read the Minnesota Interagency Council on Homelessness's Crossroads to Justice: Minnesota's New Pathways to Housing, Racial and Health Justice for People Facing Homelessness.

MINNESOTA HOUSING

Information Item: A
Date: 01/25/2024
Staff Contacts: Michael Solomon, 651.297.4009, michael.solomon@state.mn.us

Request Type: No Action, Information

Item:

Post-Sale Report; Residential Housing Finance Bonds (RHFB) 2023 Series RST

Request Summary:

The Agency priced $175,000,000 of bonds on Wednesday, November 8, 2023. While the 2023 Series R bonds are tax-exempt, both the Series S and T bonds are taxable. The Series T bonds are variable-rate demand bonds. In accordance with the Debt and Balance Sheet Management Policy the attached detailed post-sale report is provided by the Agency's financial advisor, CSG Advisors.

Fiscal Impact:

None.

Agency Priorities:

☐ Improve the Housing System

☐ Preserve and Create Housing Opportunities

☐ Make Homeownership More Accessible

☐ Support People Needing Services

☐ Strengthen Communities

Attachments:

- Post-Sale Report

CSG advisors

$175,000,000
Minnesota Housing Finance Agency
Residential Housing Finance Bonds
2023 Series R (Non-AMT)
2023 Series S (Taxable)
2023 Series T (Variable-Rate, Taxable)

POST-SALE ANALYSIS

KEY RESULTS FOR MINNESOTA HOUSING

Purpose. 2023 Series RST accomplished the following major objectives:

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

2. Used taxable debt for 72% of the issue, together with 2021 carryforward volume cap and recycled cap from loan prepayments, so that the Agency did not need to use any new volume cap.

3. Achieved an expected spread of 1.49% on the bond issue, after accounting for hedge losses.

Key Measurable Objectives and Accomplishments. This issue was very successful despite a volatile market environment and a crowded calendar on the day of pricing.

Objective	*Result*
Finance new production on balance sheet	$175 million of new Start Up first-mortgage loans in MBS securities
Leverage private activity bond volume cap by efficiently incorporating taxable debt	Included $126 million of taxable bonds (Series S & T)
Maximize spread on the overall transaction	Achieved a direct spread of 1.63% on the bond issue, and together with a hedge loss of $1.8 million, a total effective spread of 1.49%
Minimize use of and/or create zero participations (interest subsidies under IRS rules), and preserve them for future issues	Neither created nor used zero participations. The Agency has approximately $24 million of zeros available to help achieve full spread on future issues.
Achieve cost-effective bond yield	Overall projected bond yield, including the hedge loss, of 5.77%
Create future income streams that will support Pool 3	Increased indenture's expected net present value by approximately $9 million at 150% PSA prepayment speed, after accounting for net service release premiums and hedge gains/losses
Maintain high bond ratings	RHFB bonds are rated Aa1/AA+

TIMING AND STRUCTURE

Timing. The bonds were priced on Wednesday, November 8th.

Sizing. The issue was sized to fund pipeline lending.

Major Design Decisions

1. **Efficiently leverage volume cap.** To help preserve volume cap at a time when loan prepayments (and thus the ability to recycle past volume cap) have decreased significantly, the Agency structured 72% of the issue as taxable debt. The Agency also utilized $32 million of recycled cap from loan prepayments so only $19.8 million of volume cap (all 2021 carryforward) was needed for the issue.

2. **Issue variable-rate debt.** In order to finance Start Up loans at or above full spread with so much taxable debt and so little volume cap, the Agency issued a portion of the taxable bonds as variable-rate demand bonds (Series T). For RHFB as a whole, the total amount of variable-rate debt remains about 18%, well below the 30% of total indenture bonds outstanding often used as a benchmark for comparisons among HFAs and presentations to rating agencies.

3. **Appropriately hedge the variable-rate debt.** For the $43.75 million of variable-rate Series T bonds, the Agency entered into an interest rate swap with Bank of America (Aa2/A+) at a rate of 5.062%. Minnesota Housing can terminate the entire swap at no cost to the Agency starting on June 30, 2031. The swap structure was based on a projected amortization schedule that helped reduce the cost of the swap by almost 30 basis points.

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

Bond Structure

1. **Series R.** All $44.75 million of tax-exempt bonds were planned amortization class (PAC) bonds due in 2054.

2. **Series S.** The $82.5 million of taxable fixed-rate bonds included an innovative bond sale approach. Instead of issuing serial bonds for each semi-annual maturity through 2034, Minnesota Housing reached out to the Federal Home Loan Bank of Des Moines about their potential interest in buying a term bond for this combined amount. FHLB purchased this bond at a rate 20 basis points lower than if Minnesota Housing had issued serial bonds. This proved even more helpful on the day of pricing, when many other HFAs were selling such serial bonds.

   The later Series S bonds were structured as term maturities in 2039, 2041, 2044, and 2049.

3. **Series T.** The $43.75 million of taxable variable-rate demand bonds are covered by an initial 3-year standby bond purchase agreement from Federal Home Loan Bank of Des Moines, assuring investors they can tender their bonds with reasonable notice if desired. The cost of the liquidity facility to the Agency is 25 basis points per year.

SOCIAL BONDS

Minnesota Housing continued its practice since 2021 of designating its RHFB bonds as meeting an important social purpose. This confirms to investors that the bonds meet specific environmental, social, and governance standards. Single-family housing bonds generally meet the social purpose standards because of the level of affordability in serving low- and moderate-income households. Like many housing finance agencies, Minnesota Housing contracts with an independent party to evaluate and confirm that the bonds specifically meet the criteria for social bonds. Kestrel Verifiers, widely recognized across the industry, provided this certification based on detailed information from Minnesota Housing on the income mix of borrowers.

BOND SALE RESULTS

1. ***Market Environment.*** The market has been very volatile as investors speculate about future Federal Reserve actions to curb inflation. From September 12th when series NOPQ priced through late October, strong economic growth pushed the 10-year Treasury from 4.27% to almost 5%. The 10-year Treasury then dropped by almost 50 basis points to 4.49% on November 8, including an improvement of 9 basis points on the day of sale alone.

   While the overall market was favorable, it was very crowded with state single-family issues in the week of pricing, including 5 HFAs with taxable bonds and 4 with tax-exempt bonds.

2. ***Tax-Exempt PAC Bonds, 2023 Series R.*** Institutional interest was extremely strong, with 9 orders totaling $327 million. With 6.7x oversubscription, the underwriters reduced the yield by 6 basis points.

3. ***Taxable Term Bonds, 2023 Series S.*** Institutional interest in the taxable term bonds was mixed. The 2034 term bond was modestly oversubscribed (with both the Federal Home Loan Bank and an additional investor) as was the 2039 term bond, with yields left unchanged. However, the 2044 and 2049 maturities were only 0.3x and 0.6x subscribed. The following was done to complete these sales:
   - Given investor interest in the 2039 bond, the July 2039 sinking fund was shifted from 2044 to 2039, helping lower the Agency's cost of funds on that amount.
   - A new $7.65 million 2041 maturity was created, by shifting what would have been 2040 and 2041 sinking funds away from the 2044 maturity.
   - On the now much smaller 2044 maturity and the 2049 maturity, yields were increased by 5 basis points.

4. ***Comparable Transactions***
   - **Tax-Exempt PAC Bonds, 2023 Series R.** The most comparable tax-exempt offerings were Maryland and North Carolina, which priced the same day as Minnesota, and Illinois, which priced the day before. Minnesota's 151-bp spread to 5-year MMD was 5-9 bps tighter than all three comparable issues: Illinois (156 bps), North Carolina (157 bps), and Maryland (160 bps). Such strong performance in a very crowded market underscores investors' continued appetite for Minnesota's PAC offerings.

   - **Taxable Term Bonds, 2023 Series S.** The most comparable taxable offerings were Maryland and North Carolina, which priced on the same day as Minnesota, and Colorado and Illinois, which priced the day before. Minnesota's 2034 maturity was about 20 basis points lower in yield than the equivalent serials for the other issues. The 2039 maturity was midway between other issues (+157 to the 10-year maturity compared to +162 for Maryland and +152 for the remaining states). The spreads to Treasuries on the later Minnesota maturities were wider than almost all the other issuers, including about 10 basis points wider than the North Carolina bonds priced on the same day. Essentially, there was a limited number of investors and a crowded field of issuers; once the investors met their goals for the week, any issuers with unsold bonds had to raise yields. By shifting some of its sinking fund payments earlier, Minnesota helped offset some but not all of the impact of its higher yields.

UNDERWRITING

Underwriters. RBC was senior manager. Morgan Stanley, Piper Sandler, and Wells Fargo served as regular co-managers, while Citigroup was included as a co-manager based on its sales performance on the 2023NOPQ issue. Selling group members included AmeriVet Securities, BofA, Huntington Securities, J.P. Morgan, Mesirow Financial, Northland, Raymond James, and UBS.

Sales by Underwriter. Since the sale consisted entirely of taxable bonds and PAC bonds, all orders were institutional. RBC brought in all $326.75 million of such institutional orders for the $44.75 million of Series R tax-exempt PAC bonds. For the $82.5 million of Series S taxable term bonds, RBC brought in $95.04 million of orders, Piper Sandler brought in $1 million of institutional orders, and Citigroup brought in $165,000 of retail orders. Since Citi's were the only orders from a non-regular co-manager, Citi will again serve as co-manager for the next issue.

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

ISSUE DETAILS

Economic Calendar. Data releases throughout 2023 have largely reflected slowing inflation, but still in the 3-4% range, which is well above the Federal Reserve's 2% target. On July 26th, the Fed hiked rates by an additional 25 bps, bringing short-term rates to their highest level in 22 years, and indicated that it would at least temporarily pause future rate hikes to determine the impact on inflation. Although rates were unchanged at the Fed's September meeting, the Fed reiterated its message that rates will remain "higher for longer," which resulted in strong sell-offs in the long-end of the yield curve.

At its October meeting, the week before the bonds priced, the Fed underscored its intent to keep monetary policy "sufficiently restrictive to return inflation to the Committee's 2 percent objective." But with market data showing both inflation and the job market cooling, the consensus among market participants is that the Fed is likely done hiking rates and that 2024 will see more than one rate reduction.

Treasuries. At market close on the day of bond pricing, the 10-year Treasury yield was 4.49%, a 22-basis point increase since 2023NOPQ priced on September 12th. The yield curve remained inverted, with the 2-year Treasury at 4.93% on the date of pricing, 44 bps higher than the 10-year. Indeed, earlier in the year, the 2-year Treasury had been as much as 100 bps above the 10-year Treasury.

Municipals. After a record level of $121 billion of municipal fund outflows during 2022, the picture has stabilized somewhat this year. While outflows have continued from muni bond funds, muni ETFs have received inflows, and there has been a more favorable tone to investor demand in the municipal market (due to lower supplies of new bond issues as well as investors looking to reinvest recent bond redemptions). This led to an especially favorable market for municipal issuers early in the year and throughout much of the summer. In the months since 2023NOPQ priced in mid-September, Treasury and MMD rates moved similarly, with 10-year Treasury and 10-year MMD both increasing by 22 basis points.

On the date of pricing for 2023RST, the 10-year MMD/Treasury ratio was 71.3%, compared to ratios in the 80% range in late 2022. This ratio is closer to historical levels and is beneficial to issuers of tax-exempt debt.

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

Issue	Date	10-Year Treasury	10-Year MMD	MMD/ Treasury	30-Year Treasury	30-Year MMD	MMD/ Treasury
2022 RHFB AB	2/1/22	1.79%	1.50%	83.8%	2.11%	1.91%	91.1%
2022 RHFB CD	3/3/22	1.73%	1.61%	93.1%	2.16%	2.03%	94.0%
2022 RHFB EF	4/13/22	2.70%	2.46%	91.1%	2.81%	2.81%	100.0%
2022 RHFB GH	6/8/22	3.02%	2.45%	81.1%	3.17%	2.92%	92.1%
2022 RHFB IJK	9/13/22	3.42%	2.81%	82.1%	3.51%	3.62%	103.1%
2022 RHFB LMN	11/9/22	3.83%	3.26%	85.1%	4.31%	4.06%	94.2%
2023 RHFB ABC	2/7/23	3.68%	2.23%	60.6%	3.71%	3.24%	87.3%
2023 RHFB DE	4/19/23	3.60%	2.36%	65.6%	3.79%	3.40%	89.7%
2023 RHFB FG	6/18/23	3.72%	2.57%	69.1%	3.84%	3.50%	91.1%
2023 RHFB HI	6/29/23	3.85%	2.56%	66.5%	3.90%	3.49%	89.5%
2023 RHFB JK	7/27/23	4.01%	2.52%	62.8%	4.06%	3.51%	86.5%
2023 RHFB LM	8/23/23	4.19%	2.95%	70.4%	4.27%	3.91%	91.6%
2023 RHFB NOPQ	9/12/23	4.27%	2.98%	69.8%	4.35%	3.92%	90.1%
2023 RHFB RST	11/8/23	4.49%	3.20%	71.3%	4.64%	4.20%	90.5%
Change from *RHFB 2023 NOPQ*		**+ 22 bps**	**+ 22 bps**	**+ 1.5%**	**+ 29 bps**	**+ 28 bp**	**+ 0.4%**

NON-AMT SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 2 MONTHS PLUS EARLIER MHFA

Pricing Date		11/8/23		11/8/23		11/8/23		11/7/23		10/31/23		10/31/23		10/24/23	
Amount		$48,750,000		$75,000,000		$235,000,000		$129,525,000		$190,125,000		$83,105,000		$389,370,000	
Issuer		Minnesota HFA		Maryland DHCD		North Carolina HFA		Illinois HDA		Connecticut HFA		Rhode Island HMFC		Pennsylvania HFA	
Series		2023 Series R		2023 Series E		Series 52-A		2023 Series N		2023 Series D		Series 81-A		Series 2023-143A	
Program		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated	
Rating(s)		Aa1 / AA+ / -		Aa1 / - / AA+		Aa1 / AA+ / -		Aaa / - / -		Aaa / AAA / -		Aa1 / AA+ / -		Aa1 / AA+ / -	
Tax Status		Non-AMT		Non-AMT		Non-AMT		Non-AMT		Non-AMT		Non-AMT		Non-AMT	
Year	Maturity ('23 pricings)	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD
0	2023														
1	2024			3.600	+18			3.625	+16	3.800	+4				
2	2025			3.60 / 3.65	+29 / +36	3.60 / 3.625	+27 / +35	3.65 / 3.70	+27 / +34	3.85 / 3.90	+15 / +23				
3	2026			3.70 / 3.75	+44 / +54	3.70 / 3.75	+42 / +53	3.75 / 3.80	+43 / +53	3.95 / 3.95	+33 / +38				
4	2027			3.80 / 3.85	+62 / +69	3.80 / 3.85	+61 / +68	3.85 / 3.90	+60 / +68	4.00 / 4.05	+45 / +52				
5	2028			3.90 / 3.95	+78 / +83	3.875 / 3.90	+76 / +78	3.95 / 3.95	+76 / +76	4.10 / 4.15	+59 / +64				
6	2029			4.00 / 4.05	+88 / +93	3.95 / 4.00	+83 / +88	4.05 / 4.10	+86 / +91	4.20 / 4.25	+67 / +72				
7	2030			4.10 / 4.15	+95 / +100	4.05 / 4.10	+90 / +95	4.15 / 4.20	+93 / +98	4.30 / 4.375	+74 / +82				
8	2031			4.20 / 4.20	+104 / +104	4.150	+99	4.25 / 4.25	+101 / +101	4.40 / 4.40	+82 / +82	4.500	+92		
9	2032			4.25 / 4.30	+107 / +112	4.20 / 4.25	+102 / +107	4.30 / 4.30	+104 / +104	4.45 / 4.50	+85 / +90	4.55 / 4.60	+95 / +100		
10	2033			4.30 / 4.35	+110 / +115	4.30 / 4.30	+110 / +110	4.35 / 4.40	+107 / +112	4.55 / 4.60	+94 / +98	4.65 / 4.65	+104 / +104		
11	2034			4.40 / 4.40	+119 / +115	4.35 / 4.35	+115 / +111	4.45 / 4.45	+115 / +111	4.60 / 4.65	+96 / +96	4.75 / 4.75	+111 / +107	4.70 / 4.75	+108 / +109
12	2035			4.45 / 4.50	+115 / +115	4.35 / 4.35	+107 / +102	4.50 / 4.55	+112 / +111	4.75 / 4.80	+102 / +101	4.80 / 4.85	+108 / +107	4.800	+110
13	2036														
14	2037														
15	2038			4.700	+99	4.625	+92	4.750	+96	4.900	+81	5.000	+91	4.950	+86
16	2039									5.000	+87				
17	2040														
18	2041							4.900	+97					5.125	+90
19	2042														
20	2043			4.900	+95	4.900	+95			5.125	+80	5.250	+92		
21	2044													5.300	+94
22	2045														
23	2046					4.98*	+92							5.375	+94
24	2047														
25	2048			5.100	+94					5.350	+82	5.45*	+92		
26	2049														
27	2050														
28	2051									5.450	+90			5.450	+94
29	2052														
30	2053											5.53*	+96		
31	2054														
PAC		6.25C/4.63Y	+151 to 5yr	6.25C/4.72Y	+160 to 5yr	6.25C/4.69Y	+157 to 5yr	6.25C/4.75Y	+156 to 5yr	6.25C/5.00Y	+149 to 5yr	6.25C/5.10Y	+159 to 5yr	6.25C/5.09Y	+160 to 5yr
Notes		7/54 PAC bond has 6.25% coupon priced at 107.02 to yield 4.63% and has an average life of 5 years from 75-500% PSA		3/54 PAC bond has 6.25% coupon priced at 106.605 to yield 4.72% and has an average life of 5 years from 100-400% PSA		*7/46 is 5% coupon; 1/55 PAC has 6.25% coupon priced at 106.757 to yield 4.69% and has an average life of 5 yrs 100-400% PSA		4/54 PAC bond has 6.25% coupon priced at 106.468 to yield 4.75% and has an average life of 5 years from 75-400% PSA		5/54 PAC bond has 6.25% coupon priced at 105.347 to yield 5.00% and has an average life of 5 years from 55-500% PSA		* coupons are 5.35% for 10/48 and 5.45% for 10/53; PAC has 6.25% coupon at 104.919 to yield 5.10% with 5 year average life 75-500% PSA		10/53 PAC bond has 6.25% coupon priced at 104.97 to yield 5.09% and has an average life of 5 years from 75-500% PSA	
Maturity Dates		7/1/54 only		9/1 and 3/1		1/1 and 7/1		10/1 and 4/1		11/15 and 5/15		10/1 and 4/1		4/1 and 10/1	
Call Provisions		1/1/33 at par		9/1/32 at par		7/1/32 at par		10/1/32 at par		11/15/32 at par		10/1/32 at par		4/1/33 at par	
Mkt Index		BBI / RBI 4.17% / 4.45%		BBI / RBI 4.17% / 4.45%		BBI / RBI 4.17% / 4.45%		BBI / RBI 4.17% / 4.45%		BBI / RBI 4.19% / 4.47%		BBI / RBI 4.19% / 4.47%		BBI / RBI 4.19% / 4.47%	
Sr Manager		RBC Capital Markets		J.P. Morgan		BofA		BofA		RBC Capital Markets		Morgan Stanley		Wells Fargo	

NON-AMT SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 2 MONTHS PLUS EARLIER MHFA

Pricing Date		10/19/23		10/19/23		10/18/23		10/11/23		10/10/23		10/5/23		10/4/23	
Amount		$75,000,000		$125,000,000		$90,895,000		$65,890,000		$130,140,000		$40,000,000		$305,000,000	
Issuer		Nebraska IFA		New Mexico MFA		Massachusetts HFA		Indiana HCDA		Georgia HFA		Florida HFC		Tennessee HDA	
Series		2023 Series G		2023 Series D		Series 231		2023 Series D-1		2023 Series B		2023 Series 5		Issue 2023-3A	
Program		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated	
Rating(s)		- / AAA / -		Aaa / - / -		Aa1 / AA+ / -		Aaa / - / AA+		- / AAA / -		Aaa / - / -		Aa1 / AA+ / -	
Tax Status		Non-AMT		Non-AMT		Non-AMT		Non-AMT		Non-AMT		Non-AMT		Non-AMT	
Year ('23 pricings)	Maturity	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD
0	2023														
1	2024	3.80 / 3.80	+2 / +2			3.80 / 3.80	+10 / +10			3.80 / 3.80	+10 / +10			3.900	+16
2	2025	3.85 / 3.90	+15 / +22	3.90 / 3.90	+20 / +22	3.85 / 3.85	+21 / +24			3.85 / 3.85	+21 / +24	3.85 / 3.85	+16 / +17	3.95 / 3.95	+24 / +26
3	2026	4.00 / 4.05	+37 / +49	4.00 / 4.05	+37 / +49	3.95 / 4.00	+41 / +50			3.90 / 3.95	+38 / +48	3.95 / 4.00	+33 / +45	4.05 / 4.10	+43 / +55
4	2027	4.10 / 4.15	+56 / +63	4.10 / 4.15	+56 / +63	4.05 / 4.10	+57 / +64			4.00 / 4.10	+56 / +68	4.05 / 4.15	+57 / +69	4.15 / 4.20	+67 / +74
5	2028	4.15 / 4.20	+66 / +71	4.20 / 4.25	+71 / +76	4.15 / 4.20	+71 / +76	4.15 / 4.15	+86 / +86	4.15 / 4.15	+74 / +74	4.20 / 4.20	+77 / +77	4.15* / 4.20*	+72 / +77
6	2029	4.25 / 4.30	+72 / +77	4.30 / 4.35	+77 / +82	4.25 / 4.30	+77 / +82	4.25 / 4.30	+94 / +99	4.25 / 4.30	+82 / +87	4.30 / 4.35	+85 / +90	4.25* / 4.30*	+80 / +85
7	2030	4.40 / 4.45	+86 / +91	4.40 / 4.45	+86 / +91	4.35 / 4.40	+87 / +92	4.35 / 4.35	+104 / +104	4.35 / 4.35	+92 / +92	4.40 / 4.40	+95 / +95	4.35* / 4.40*	+90 / +95
8	2031	4.50 / 4.55	+94 / +99	4.50 / 4.55	+94 / +99	4.45 / 4.50	+95 / +100	4.40 / 4.45	+107 / +112	4.40 / 4.45	+95 / +100	4.45 / 4.50	+98 / +103	4.45* / 4.50*	+98 / +103
9	2032	4.60 / 4.65	+102 / +107	4.65 / 4.65	+107 / +107	4.60 / 4.65	+108 / +113	4.50 / 4.55	+115 / +120	4.55 / 4.60	+108 / +113	4.60 / 4.65	+111 / +116	4.55* / 4.60*	+106 / +111
10	2033	4.70 / 4.75	+112 / +116	4.75 / 4.80	+117 / +121	4.65 / 4.70	+112 / +116	4.60 / 4.65	+125 / +129	4.65 / 4.70	+117 / +121	4.70 / 4.70	+121 / +120	4.70 / 4.75	+121 / +125
11	2034	4.75 / 4.80	+114 / +115	4.80 / 4.80	+119 / +115	4.75 / 4.75	+118 / +114	4.70 / 4.70	+133 / +129	4.75 / 4.75	+123 / +119	4.75 / 4.75	+124 / +120	4.80 / 4.80	+129 / +125
12	2035	4.875 / 4.875	+118 / +113	4.85 / 4.85	+115 / +110	4.80 / 4.80	+114 / +109	4.75 / 4.80	+130 / +130	4.80 / 4.80	+119 / +114	4.80 / 4.80	+121 / +116	4.85 / 4.85	+126 / +121
13	2036														
14	2037														
15	2038	4.950	+86	4.950	+86	4.950	+92	4.800	+96	4.875	+92	4.950	+96	4.950	+96
16	2039														
17	2040														
18	2041														
19	2042														
20	2043	5.150	+82	5.150	+82	5.100	+83	5.000	+95	5.050	+88	5.150	+95	5.200	+100
21	2044														
22	2045														
23	2046														
24	2047														
25	2048	5.350	+86	5.300	+81	5.300	+87	5.125	+93	5.200	+88	5.250	+90	5.350	+100
26	2049														
27	2050														
28	2051									5.250	+91				
29	2052														
30	2053	5.400	+87	5.400	+87	5.350	+88	5.200	+96			5.300	+91	5.400	+101
31	2054														
PAC				6.50C/5.02Y	+149 to 5.2yr							6.25C/4.97Y	+152 to 6yr	6.25C/4.97Y	+154 to 5yr
Notes				9/54 PAC bond has 6.50% coupon priced at 106.538 to yield 5.02% and has an average life of 5.2 years from 100-400% PSA								1/54 PAC bond has 6.25% coupon priced at 106.394 to yield 4.97% and has an average life of 6 years from 100-400% PSA		*'28-'32 are 5% cpns not subject to redempt (lock out); 1/54 PAC has 6.25% coupon at 105.497 to yield 4.97% with average life of 5 yrs 100-500% PSA	
Maturity Dates		3/1 and 9/1		3/1 and 9/1		6/1 and 12/1		1/1 and 7/1		6/1 and 12/1		1/1 and 7/1		7/1 and 1/1	
Call Provisions		9/1/32 at par		9/1/32 at par/101.212 PAC		6/1/32 at par		7/1/32 at par		1/1/33 at par		7/1/32 at par		7/1/32 at par	
Mkt Index		BBI / RBI 4.19% / 4.47%		BBI / RBI 4.19% / 4.47%		BBI / RBI 3.97% / 4.25%		BBI / RBI 4.12% / 4.40%		BBI / RBI 4.12% / 4.40%		BBI / RBI 4.12% / 4.40%		BBI / RBI 4.09% / 4.37%	
Sr Manager		J.P. Morgan		RBC Capital Markets		Morgan Stanley		J.P. Morgan		Raymond James		Citigroup		Citigroup	

NON-AMT SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 2 MONTHS PLUS EARLIER MHFA

Pricing Date		10/4/23		10/3/23		10/3/23		9/19/23		9/19/23		9/18/23		9/12/23	
Amount		$100,000,000		$22,500,000		$178,750,000		$80,000,000		$43,000,000		$45,000,000		$49,005,000	
Issuer		Virginia HDA		Colorado HFA		Illinois HDA		Missouri HDC		Montana BOH		New Hampshire HFA		Minnesota HFA	
Series		2023 Series A		2023 Series O		2023 Series K		2023 Series C		2023 Series B		2023 Series C		2023 Series O	
Program		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated	
Rating(s)		Aaa / AAA / -		Aa3 / AA / -		Aaa / - / -		- / AA+ / -		Aa1 / AA+ / -		Aaa / - / -		Aa1 / AA+ / -	
Tax Status		Non-AMT		Non-AMT		Non-AMT		Non-AMT		Non-AMT		Non-AMT		Non-AMT	
Maturity Year ('23 pricings)		Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD
0	2023														
1	2024	3.800	+6					3.450	+15	3.450	+15	3.450	+20		
2	2025	3.90 / 3.90	+20 / +24			3.95 / 3.95	+22 / +26	3.50 / 3.50	+26 / +31	3.50 3.50	+27 / +32	3.50 / 3.50	+28 / +35	3.500	+35
3	2026	3.95 / 3.95	+38 / +43			4.00 / 4.00	+39 / +45	3.55 / 3.55	+43 / +48	3.55 / 3.55	+44 / +49	3.55 / 3.55	+45 / +52		
4	2027	3.95 / 3.95	+49 / +51			4.125 / 4.20	+64 / +74	3.60 / 3.65	+57 / +64	3.60 / 3.65	+57 / +64	3.60 / 3.65	+62 / +70		
5	2028	4.00 / 4.05	+57 / +62			4.25 / 4.30	+80 / +85	3.70 / 3.75	+72 / +77	3.70 / 3.75	+72 / +77	3.70 / 3.75	+77 / +82		
6	2029	4.125 / 4.20	+68 / +75			4.375 / 4.45	+93 / +100	3.80 / 3.85	+82 / +87	3.80 / 3.85	+82 / +87	3.80 / 3.85	+87 / +92		
7	2030	4.25 / 4.30	+80 / +85			4.50 / 4.55	+105 / +110	3.90 / 3.95	+93 / +98	3.90 / 3.95	+93 / +98	3.90 / 3.95	+97 / +102		
8	2031	4.35 / 4.40	+88 / +93			4.60 / 4.65	+113 / +118	4.00 / 4.00	+101 / +101	4.00 / 4.05	+101 / +106	4.00 / 4.05	+105 / +110		
9	2032	4.45 / 4.50	+96 / +101			4.70 / 4.75	+121 / +126	4.15 / 4.20	+112 / +117	4.10 / 4.10	+107 / +107	4.15 / 4.20	+116 / +121		
10	2033	4.55 / 4.55	+105 / +104			4.80 / 4.80	+130 / +130	4.25 / 4.25	+122 / +120	4.15 / 4.15	+112 / +110	4.25 / 4.25	+126 / +126		
11	2034	4.60 / 4.65	+107 / +107			4.85 / 4.85	+132 / +128	4.25 / 4.30	+118 / +118	4.20 / 4.25	+112 / +113	4.25 / 4.30	+124 / +125		
12	2035	4.70 / 4.75	+108 / +107			4.85 / 4.85	+124 / +118	4.375 / 4.40	+120 / +117	4.35 / 4.35	+116 / +111	4.375 / 4.375	+127 / +122		
13	2036														
14	2037														
15	2038	5.000	+101			4.950	+96	4.500	+95	4.450	+90	4.500	+99	4.450	+96
16	2039														
17	2040														
18	2041													4.650	+103
19	2042														
20	2043	5.125	+93			5.250	+105	4.800	+104	4.800	+104	4.800	+107		
21	2044														
22	2045														
23	2046														
24	2047					5.350	+101								
25	2048	5.250	+90					4.950	+102	4.90*	+97	4.950	+105		
26	2049														
27	2050											4.950	+104		
28	2051														
29	2052														
30	2053	5.300	+91					4.98*	+101	4.950	+98				
31	2054														
PAC				6.50C/5.11Y	+166 to 5.5yr	6.25C/5.01Y	+156 to 6yr	6.00C/4.38Y	+140 to 6yr	6.00C/4.34Y	+136 to 5yr	6.25C/4.38Y	+145 to 5yr	6.00C/4.31Y	+143 to 5yr
Notes				5/54 PAC bond has 6.50% coupon priced at 106.337 to yield 5.11% and has an average life of 5.5 years from 75-400% PSA		10/53 PAC bond has 6.25% coupon priced at 106.127 to yield 5.01% and has an average life of 6 years from 75-400% PSA		*11/53 is 5% coupon; 5/53 PAC has 6% coupon priced at 108.159 to yield 4.38% and has an average life of 6 yrs 100-400% PSA		*12/48 is 4.875% coupon; 12/53 PAC has 6% coupon priced at 107.276 to yield 4.34% and has an average life of 5 yrs 75-600% PSA		1/55 PAC bond has 6.25% coupon priced at 108.163 to yield 4.38% and has an average life of 5 years from 100-400% PSA		7/53 PAC bond has 6% coupon priced at 107.412 to yield 4.31% and has an average life of 5 years from 75-500% PSA	
Maturity Dates		11/1 and 5/1		5/1/54 PAC only		4/1 and 10/1		11/1 and 5/1		12/1 and 6/1		7/1 and 1/1		7/1	
Call Provisions		5/1/32 at par		5/1/32 at par		10/1/32 at par		5/1/32 at par/103.588 PAC		12/1/32 at par		7/1/32 at par		1/1/33 at par	
Mkt Index		BBI / RBI 4.09% / 4.37%		BBI / RBI 4.09% / 4.37%		BBI / RBI 4.09% / 4.37%		BBI / RBI 3.87% / 4.15%		BBI / RBI 3.87% / 4.15%		BBI / RBI 3.87% / 4.15%		BBI / RBI 3.85% / 4.13%	
Sr Manager		BofA		Jefferies		Wells Fargo		Raymond James		RBC Capital Markets		BofA		RBC Capital Markets	

NON-AMT SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 2 MONTHS PLUS EARLIER MHFA

Pricing Date		9/12/23		9/12/23		9/12/23		9/7/23		9/7/23		6/15/23		4/19/23	
Amount		$20,000,000		$15,000,000		$60,000,000		$305,615,000		$81,945,000		$60,000,000		$60,000,000	
Issuer		Oregon HCSD		Vermont HFA		West Virginia HDF		Michigan SHDA		Washington SHFC		Minnesota HFA		Minnesota HFA	
Series		2023 Series D		2023 Series E		2023 Series C		2023 Series B		2023 Series 2N		2023 Series F		2023 Series D	
Program		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated	
Rating(s)		Aa2 / - / -		Aa1 / - / AA+		Aaa / AAA / -		Aa2 / AA+ / -		Aaa / - / -		Aa1 / AA+ / -		Aa1 / AA+ / -	
Tax Status		Non-AMT		Non-AMT		Non-AMT		Non-AMT		Non-AMT		Non-AMT		Non-AMT	
	Maturity	Coupon/	Spread	Coupon/	Spread	Coupon/	Spread	Coupon/	Spread	Coupon/	Spread	Coupon/	Spread	Coupon/	Spread
Year ('23 pricings)		Yield	to iMMD	Yield	to iMMD	Yield	to iMMD	Yield	to iMMD	Yield	to iMMD	Yield	to iMMD	Yield	to iMMD
0	2023														
1	2024	3.550	+30			3.450	+20	3.50 / 3.50	+25 / +25			3.250	+18	2.80 / 2.80	+6 / +6
2	2025					3.50 / 3.50	+33 / +38	3.55 / 3.55	+39 / +44			3.25 / 3.25	+24 / +33	2.85 / 2.85	+32 / +32
3	2026					3.55 / 3.55	+50 / +55	3.60 / 3.65	+56 / +66			3.25 / 3.25	+42 / +46	2.90 / 2.95	+45 / +53
4	2027					3.60 / 3.65	+67 / +75	3.70 / 3.75	+77 / +85			3.30 / 3.30	+60 / +61	3.00 / 3.05	+63 / +69
5	2028					3.70 / 3.75	+81 / +87	3.80 / 3.85	+91 / +97			3.35 / 3.35	+69 / +71	3.10 / 3.15	+74 / +79
6	2029					3.80 / 3.85	+92 / +97	3.95 / 4.00	+107 / +112			3.45 / 3.50	+83 / +88	3.20 / 3.25	+89 / +94
7	2030					3.90 / 3.95	+102 / +107	4.05 / 4.05	+117 / +117			3.60 / 3.65	+105 / +110	3.30 / 3.35	+102 / +107
8	2031					4.00 / 4.05	+109 / +114	4.10 / 4.125	+119 / +122			3.75 / 3.80	+122 / +127	3.40 / 3.45	+110 / +114
9	2032					4.15 / 4.20	+120 / +125	4.15 / 4.20	+120 / +125			3.85 / 3.85	+133 / +133	3.550	+121
10	2033					4.25 / 4.25	+128 / +126	4.25 / 4.30	+128 / +131					3.650	+128
11	2034					4.25 / 4.30	+124 / +124	4.35 / 4.375	+133 / +132	4.25 / 4.30	+123 / +124	3.95 / 4.00	+136 / +137	3.750	+132
12	2035					4.375 / 4.40	+126 / +123			4.35 / 4.35	+122 / +117	4.10 / 4.10	+141 / +136	3.75 / 3.80	+124 / +124
13	2036														
14	2037														
15	2038					4.500	+101	4.500	+101	4.400	+91	4.200	+110	4.150	+119
16	2039														
17	2040														
18	2041														
19	2042														
20	2043			4.800	+109	4.800	+109	4.800	+109	4.800	+109	4.500	+122	4.500	+132
21	2044														
22	2045													4.600	+136
23	2046														
24	2047														
25	2048			4.950	+107	4.950	+107	4.950	+107	4.875	+100				
26	2049														
27	2050														
28	2051			5.000	+110										
29	2052														
30	2053					5.000	+108			4.950	+103				
31	2054							5.000	+112 to 30yr						
PAC								5.75C/4.41Y	+153 to 5yr			5.75C/4.11Y	+147 to 5yr	5.50C/3.74Y	+138 to 5yr
Notes								6/54 PAC bond has 5.75% coupon priced at 105.802 to yield 4.41% and has an average life of 5 years from 100-400% PSA				7/53 PAC bond has 5.75% coupon priced at 107.223 to yield 4.11% and has an average life of 5 years from 75-500% PSA		7/53 PAC bond has 5.50% coupon priced at 107.82 to yield 3.74% and has an average life of 5 years from 75-500% PSA	
Maturity Dates		9/28/24		11/1/43, 11/1/48, 5/1/51		11/1 and 5/1		6/1 and 12/1		6/1 and 12/1		7/1 and 1/1		1/1 and 7/1	
Call Provisions		3/1/24 at par		11/1/32 at par		5/1/32 at par		12/1/32 at par		12/1/32 at par		1/1/33 at par		7/1/32 at par	
Mkt Index		BBI / RBI 3.85% / 4.13%		BBI / RBI 3.85% / 4.13%		BBI / RBI 3.85% / 4.13%		BBI / RBI 3.85% / 4.13%		BBI / RBI 3.85% / 4.13%		BBI / RBI 3.67% / 3.95%		BBI / RBI 3.32% / 3.60%	
Sr Manager		J.P. Morgan		Raymond James		Raymond James		Barclays		RBC Capital Markets		RBC Capital Markets		RBC Capital Markets	

NON-AMT SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 2 MONTHS PLUS EARLIER MHFA

Pricing Date		2/7/23		11/9/22	
Amount		$55,420,000		$75,710,000	
Issuer		Minnesota HFA		Minnesota HFA	
Series		2023 Series B		2022 Series M	
Program		Single Family / Negotiated		Single Family / Negotiated	
Rating(s)		Aa1 / AA+ / -		Aa1 / AA+ / -	
Tax Status		Non-AMT		Non-AMT	
Year	Maturity ('23 pricings)	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD
0	2023				
1	2024	2.60 / 2.65	+6 / +16		
2	2025	2.70 / 2.75	+39 / +47	3.15 / 3.30	+5 / +20
3	2026	2.800	+62		
4	2027				
5	2028				
6	2029				
7	2030				
8	2031				
9	2032				
10	2033	3.45 / 3.50	+122 / +125		
11	2034	3.60 / 3.65	+130 / +132		
12	2035	3.80 / 3.85	+138 / +138		
13	2036				
14	2037				
15	2038	4.100	+123	4.850	+125
16	2039				
17	2040				
18	2041				
19	2042				
20	2043	4.300	+126	5.100	+128
21	2044				
22	2045	4.375	+129		
23	2046			5.150	+122
24	2047				
25	2048				
26	2049				
27	2050				
28	2051				
29	2052				
30	2053				
31	2054				
PAC		5.75C/3.39Y	+130 to 5yr	6.00C/4.51Y	+137 to 5yr
Notes		7/53 PAC bond has 5.75% coupon priced at 110.633 to yield 3.39% and has an average life of 5 years from 100-500% PSA		1/53 PAC bond has 6% coupon priced at 106.475 to yield 4.51% and has an average life of 5 years from 100-500% PSA	
Maturity Dates		1/1 and 7/1		1/1 and 7/1	
Call Provisions		7/1/32 at par		1/1/32 at par	
Mkt Index		BBI / RBI 3.39% / 3.67%		BBI / RBI 4.06% / 4.34%	
Sr Manager		RBC Capital Markets		RBC Capital Markets	

TAXABLE SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 2 MONTHS PLUS EARLIER MHFA

Pricing Date		11/8/23			11/8/23			11/8/23			11/7/23			11/7/23		
Amount		$82,500,000			$325,000,000			$75,000,000			$126,960,000			$95,240,000		
Issuer		Minnesota HFA			Maryland DHCD			North Carolina HFA			Colorado HFA			Illinois HDA		
Series		2023 Series S			2023 Series F			Series 52-B			2023 Series Q-1			2023 Series O		
Program		Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated		
Rating(s)		Aa1 / AA+ / -			Aa1 / - / AA+			Aa1 / AA+ / -			Aaa / AAA / -			Aaa / - / -		
Tax Status		Taxable			Taxable			Taxable			Taxable			Taxable		
	Maturity	Coupon/	Spread		Coupon/	Spread		Coupon/	Spread		Coupon/	Spread		Coupon/	Spread	
Year ('23 pricings)		Yield	to UST		Yield	to UST		Yield	to UST		Yield	to UST		Yield	to UST	
0	2023															
1	2024				5.432	+50	to 2 yr							5.418	+50	to 2 yr
2	2025				5.452 / 5.482	+52 / +55	to 2 yr	5.408 / 5.428	+48 / +50	to 2 yr				5.418 / 5.468	+50 / +55	to 2 yr
3	2026				5.455 / 5.465	+75 / +76	to 3 yr	5.379 / 5.419	+70 / +74	to 3 yr	5.359 / 5.409	+68 / +73	to 3 yr	5.443 / 5.493	+75 / +80	to 3 yr
4	2027				5.472 / 5.502	+95 / +98	to 5 yr	5.417 / 5.457	+90 / +94	to 5 yr	5.402 / 5.452	+88 / +93	to 5 yr	5.49 / 5.54	+95 / +100	to 5 yr
5	2028				5.542 / 5.592	+102 / +107	to 5 yr	5.517 / 5.547	+100 / +103	to 5 yr	5.522 / 5.572	+100 / +105	to 5 yr	5.59 / 5.64	+105 / +110	to 5 yr
6	2029				5.70 / 5.73	+115 / +118	to 7 yr	5.692 / 5.742	+115 / +120	to 7 yr	5.713 / 5.763	+115 / +120	to 7 yr	5.737 / 5.787	+115 / +120	to 7 yr
7	2030				5.80 / 5.83	+125 / +128	to 7 yr	5.792 / 5.842	+125 / +130	to 7 yr	5.813 / 5.833	+125 / +127	to 7 yr	5.837 / 5.887	+125 / +130	to 7 yr
8	2031				5.875 / 5.875	+135 / +135	to 10 yr	5.869 / 5.894	+135 / +138	to 10 yr	5.882 / 5.922	+133 / +137	to 10 yr	5.959 / 5.989	+138 / +141	to 10 yr
9	2032				5.925 / 5.925	+140 / +140	to 10 yr	5.919 / 5.949	+140 / +143	to 10 yr	5.952 / 5.982	+140 / +143	to 10 yr	6.019 / 6.039	+144 / +146	to 10 yr
10	2033				5.975 / 5.975	+145 / +145	to 10 yr	5.969 / 5.989	+145 / +147	to 10 yr	6.002 / 6.022	+145 / +147	to 10 yr	6.059 / 6.079	+148 / +150	to 10 yr
11	2034	5.685	+117	to 5 yr												
12	2035															
13	2036															
14	2037															
15	2038				6.145	+162	to 10 yr	6.039	+152	to 10 yr	6.072	+152	to 10 yr	6.099	+152	to 10 yr
16	2039	6.089	+157	to 10 yr												
17	2040															
18	2041	6.139	+162	to 10 yr							6.168	+145	to 30 yr			
19	2042															
20	2043				6.232	+157	to 30 yr	6.128	+147	to 30 yr				6.218	+147	to 30 yr
21	2044	6.228*	+157	to 30 yr												
22	2045															
23	2046															
24	2047															
25	2048				6.282	+162	to 30 yr									
26	2049	6.328	+167	to 30 yr				6.238	+158	to 30 yr				6.278	+153	to 30 yr
27	2050															
28	2051															
29	2052															
30	2053				6.362	+170	to 30 yr									
31	2054															
PAC								6.50C/6.057Y	+154	to 5 yr	6.50C/6.063Y	+150	to 7 yr	6.50C/6.02Y	+148	to 5 yr
Notes		1/34 priced to 5-year average life; 7/39 and 7/41 priced to 10yr (+143 and +148 to 30yr); 1/44 is 6.185% coupon			9/24 priced to 2yr			1/55 PAC is 6.50% coupon at 101.834 to yield 6.057% w/5 year avg. life 100-400% PSA			11/53 PAC is 6.50% coupon at 102.074 to yield 6.063% w/6 year avg. life 75-500% PSA			10/24 priced to 2yr; 4/54 PAC is 6.50% coupon at 102.000 to yield 6.02% w/5 year avg. life 75-400% PSA		
Maturity Dates		1/1 and 7/1			9/1 and 3/1			1/1 and 7/1			5/1 and 11/1			10/1 and 4/1		
Call Provisions		1/1/33 at par			9/1/32 at par			7/1/32 at par			5/1/32 at par			10/1/32 at par		
Mkt Index		BBI / RBI 4.17% / 4.45%			BBI / RBI 4.17% / 4.45%			BBI / RBI 4.17% / 4.45%			BBI / RBI 4.17% / 4.45%			BBI / RBI 4.17% / 4.45%		
Sr Manager		RBC Capital Markets			J.P. Morgan			BofA			RBC Capital Markets			Barclays		

TAXABLE SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 2 MONTHS PLUS EARLIER MHFA

Pricing Date	10/31/23			10/24/23			10/19/23			10/19/23			10/18/23		
Amount	$66,565,000			$20,235,000			$64,865,000			$24,765,000			$2,360,000		
Issuer	Rhode Island HMFC			Pennsylvania HFA			Massachusetts HFA			Nebraska IFA			Colorado HFA		
Series	Series 81-T-1,2			Series 2023-143B			Series 232			2023 Series H			2023 S. E (Durango)		
Program	Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated			Multifamily / Negotiated		
Rating(s)	Aa1 / AA+ / -			Aa1 / AA+ / -			Aa1 / AA+ / -			- / AAA / -			Aaa / AAA / -		
Tax Status	Taxable			Taxable			Taxable			Taxable			Taxable		
Maturity Year ('23 pricings)	Coupon/ Yield	Spread to UST		Coupon/ Yield	Spread to UST		Coupon/ Yield	Spread to UST		Coupon/ Yield	Spread to UST		Coupon/ Yield	Spread to UST	
0 2023															
1 2024	5.559 / 5.579	+48 / +50	to 2 yr												
2 2025	5.579 / 5.599	+50 / +52	to 2 yr												
3 2026	5.656 / 5.686	+75 / +78	to 3 yr				5.802	+75	to 3 yr				5.743	+70	to 3 yr
4 2027	5.794 / 5.844	+97 / +102	to 5 yr				5.950	+100	to 5 yr						
5 2028	5.874 / 5.924	+105 / +110	to 5 yr				6.050	+110	to 5 yr						
6 2029	6.058 / 6.108	+117 / +122	to 7 yr				6.174	+120	to 7 yr						
7 2030	6.158 / 6.208	+127 / +132	to 7 yr				6.274	+130	to 7 yr						
8 2031	6.235 / 6.285	+137 / +142	to 10 yr				6.328	+140	to 10 yr						
9 2032	6.295 / 6.295	+143 / +143	to 10 yr				6.378	+145	to 10 yr						
10 2033	6.325 / 6.345	+146 / +148	to 10 yr				6.428	+150	to 10 yr	6.378 / 6.398	+145 / +147	to 10 yr			
11 2034										6.418 / 6.448	+149 / +152	to 10 yr			
12 2035															
13 2036															
14 2037															
15 2038	6.385	+152	to 10 yr	6.381	+155	to 10 yr	6.478	+155	to 10 yr						
16 2039															
17 2040															
18 2041															
19 2042															
20 2043	6.481	+147	to 30 yr	6.458	+150	to 30 yr									
21 2044															
22 2045															
23 2046															
24 2047															
25 2048															
26 2049															
27 2050															
28 2051															
29 2052															
30 2053															
31 2054															
PAC	6.50C/6.324Y	+150	to 5 yr				6.50C/6.32Y	+137	to 5 yr	6.50C/6.217Y	+127	to 5 yr			
Notes	4/24 and 10/24 priced to 2yr; 10/52 PAC is 6.50% coupon at 100.736 to yield 6.324% w/5 year avg. life 75-500% PSA						12/52 PAC is 6.50% coupon at 100.736 to yield 6.32% w/5 year avg. life 75-500% PSA			9/53 PAC is 6.50% coupon at 101.181 to yield 6.217% w/5 year avg. life 50-500% PSA					
Maturity Dates	4/1 and 10/1			10/1			12/1			3/1 and 9/1			10/1/26 only		
Call Provisions	10/1/32 at par			4/1/33 at par			6/1/32 at par/100.164 PAC			9/1/32 at par			None		
Mkt Index	BBI / RBI 4.19% / 4.47%			BBI / RBI 4.19% / 4.47%			BBI / RBI 4.19% / 4.47%			BBI / RBI 4.19% / 4.47%			BBI / RBI 3.97% / 4.25%		
Sr Manager	Morgan Stanley			Wells Fargo			Morgan Stanley			J.P. Morgan			Jefferies		

TAXABLE SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 2 MONTHS PLUS EARLIER MHFA

Pricing Date		10/11/23			10/5/23			10/4/23			10/4/23			10/3/23		
Amount		$64,610,000			$110,000,000			$55,000,000			$150,000,000			$87,180,000		
Issuer		Indiana HCDA			Florida HFC			Tennessee HDA			Virginia HDA			Colorado HFA		
Series		2023 Series D-3			2023 Series 6			Issue 2023-3B			2023 Series B			2023 Series P-1		
Program		Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated		
Rating(s)		Aaa / - / AA+			Aaa / - / -			Aa1 / AA+ / -			Aaa / AAA / -			Aaa / AAA / -		
Tax Status		Taxable			Taxable			Taxable			Taxable			Taxable		
Year ('23 pricings)	Maturity	Coupon/ Yield	Spread to UST		Coupon/ Yield	Spread to UST		Coupon/ Yield	Spread to UST		Coupon/ Yield	Spread to UST		Coupon/ Yield	Spread to UST	
0	2023															
1	2024										5.456	+40	to 2 yr			
2	2025				5.477 / 5.527	+45 / +50	to 2 yr	5.541 / 5.591	+50 / +55	to 2 yr	5.456 / 5.406	+40 / +35	to 2 yr			
3	2026				5.506 / 5.506	+68 / +68	to 3 yr	5.599 / 5.599	+75 / +75	to 3 yr	5.416 / 5.416	+55 / +55	to 3 yr	5.521 / 5.521	+58 / +58	to 3 yr
4	2027	5.546	+95	to 5 yr	5.613 / 5.663	+93 / +98	to 5 yr	5.664 / 5.714	+95 / +100	to 5 yr	5.578 / 5.628	+85 / +90	to 5 yr	5.687 / 5.717	+90 / +93	to 5 yr
5	2028	5.606 / 5.646	+101 / +105	to 5 yr	5.713 / 5.763	+103 / +108	to 5 yr	5.764 / 5.814	+105 / +110	to 5 yr	5.728 / 5.778	+100 / +105	to 5 yr	5.837 / 5.867	+105 / +108	to 5 yr
6	2029	5.769 / 5.819	+115 / +120	to 7 yr	5.873 / 5.923	+115 / +120	to 7 yr	5.897 / 5.947	+115 / +120	to 7 yr	5.863 / 5.913	+110 / +115	to 7 yr	5.999 / 6.069	+118 / +125	to 7 yr
7	2030	5.869 / 5.919	+125 / +130	to 7 yr	5.973 / 6.023	+125 / +130	to 7 yr	5.997 / 6.047	+125 / +130	to 7 yr	5.963 / 6.013	+120 / +125	to 7 yr	6.119 / 6.169	+130 / +135	to 7 yr
8	2031	5.943 / 5.993	+135 / +140	to 10 yr	6.095 / 6.125	+137 / +140	to 10 yr	6.105 / 6.135	+137 / +140	to 10 yr	6.041 / 6.071	+130 / +133	to 10 yr	6.141 / 6.171	+135 / +138	to 10 yr
9	2032	6.023 / 6.043	+143 / +145	to 10 yr	6.155 / 6.175	+143 / +145	to 10 yr	6.165 / 6.185	+143 / +145	to 10 yr	6.091 / 6.121	+135 / +138	to 10 yr	6.191 / 6.221	+140 / +143	to 10 yr
10	2033	6.073 / 6.093	+148 / +150	to 10 yr	6.205 / 6.225	+148 / +150	to 10 yr	6.215 / 6.235	+148 / +150	to 10 yr	6.141 / 6.171	+140 / +143	to 10 yr	6.241 / 6.271	+145 / +148	to 10 yr
11	2034															
12	2035															
13	2036															
14	2037															
15	2038	6.113	+152	to 10 yr	6.245	+152	to 10 yr	6.275	+154	to 10 yr	6.241	+150	to 10 yr	6.311	+152	to 10 yr
16	2039															
17	2040															
18	2041															
19	2042													6.458	+152	to 30 yr
20	2043	6.270	+152	to 30 yr	6.415	+152	to 30 yr	6.384	+151	to 30 yr	6.404	+133	to 20 yr			
21	2044															
22	2045															
23	2046															
24	2047															
25	2048	6.370	+162	to 30 yr	6.515	+162	to 30 yr	6.494	+162	to 30 yr	6.514	+163	to 30 yr			
26	2049															
27	2050															
28	2051															
29	2052															
30	2053	6.400	+165	to 30 yr				6.534	+166	to 30 yr	6.534	+165	to 30 yr			
31	2054				6.565	+167	to 30 yr									
PAC		6.50C/5.876Y	+128	to 5 yr	6.50C/6.033Y	+135	to 5 yr	6.50C/6.064Y	+135	to 5 yr				6.50C/6.137Y	+135	to 5 yr
Notes		7/54 PAC is 6.50% coupon at 102.591 to yield 5.876% w/5 year avg. life 50-500% PSA			1/55 PAC is 6.50% coupon at 101.959 to yield 6.033% w/5 year avg. life 100-500% PSA			1/54 PAC is 6.50% coupon at 101.819 to yield 6.064% w/5 year avg. life 100-500% PSA			11/24 priced to 2yr; 11/43 priced to 20yr (+152 to 30yr)			5/54 PAC is 6.50% coupon at 101.639 to yield 6.137% w/5.6 year avg. life 75-400% PSA		
Maturity Dates		7/1 and 1/1			1/1 and 7/1			1/1 and 7/1			11/1 and 5/1			5/1 and 11/1		
Call Provisions		7/1/32 at par			7/1/32 at par			7/1/32 at par			5/1/32 at par			5/1/32 at par		
Mkt Index		BBI / RBI 4.12% / 4.40%			BBI / RBI 4.12% / 4.40%			BBI / RBI 4.09% / 4.37%			BBI / RBI 4.09% / 4.37%			BBI / RBI 4.09% / 4.37%		
Sr Manager		J.P. Morgan			Citigroup			Citigroup			BofA			Jefferies		

TAXABLE SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 2 MONTHS PLUS EARLIER MHFA

Pricing Date		10/3/23			9/19/23			9/12/23			9/12/23			9/12/23		
Amount		$64,165,000			$15,000,000			$60,000,000			$127,665,000			$7,500,000		
Issuer		Illinois HDA			Missouri HDC			Minnesota HFA			Oregon HCSD			Vermont HFA		
Series		2023 Series L			2023 Series D			2023 Series P			2023 Series C			2023 Series F		
Program		Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated		
Rating(s)		Aaa / - / -			- / AA+ / -			Aa1 / AA+ / -			Aa2 / - / -			Aa1 / - / AA+		
Tax Status		Taxable			Taxable			Taxable			Taxable			Taxable		
Year ('23 pricings)	Maturity	Coupon/ Yield	Spread to UST		Coupon/ Yield	Spread to UST		Coupon/ Yield	Spread to UST		Coupon/ Yield	Spread to UST		Coupon/ Yield	Spread to UST	
0	2023															
1	2024				5.780	+70	to 2 yr									
2	2025	5.618 / 5.668	+47 / +52	to 2 yr	5.58 / 5.68	+50 / +60	to 2 yr				5.509 / 5.609	+50 / +60	to 2 yr			
3	2026	5.552 / 5.552	+60 / +60	to 3 yr	5.39 / 5.39	+60 / +60	to 3 yr	5.38 / 5.38	+65 / +65	to 3 yr	5.357 / 5.357	+63 / +63	to 3 yr			
4	2027	5.699 / 5.749	+90 / +95	to 5 yr	5.42 / 5.47	+91 / +96	to 5 yr	5.372 / 5.392	+95 / +97	to 5 yr	5.295 / 5.395	+88 / +98	to 5 yr			
5	2028	5.869 / 5.919	+107 / +112	to 5 yr	5.54 / 5.59	+103 / +108	to 5 yr	5.442 / 5.522	+102 / +110	to 5 yr	5.445 / 5.495	+103 / +108	to 5 yr			
6	2029	6.002 / 6.052	+117 / +122	to 7 yr	5.65 / 5.70	+118 / +123	to 7 yr	5.547 / 5.597	+117 / +122	to 7 yr	5.566 / 5.616	+120 / +125	to 7 yr			
7	2030	6.102 / 6.152	+127 / +132	to 7 yr	5.75 / 5.78	+128 / +131	to 7 yr	5.657 / 5.707	+128 / +133	to 7 yr	5.666 / 5.696	+130 / +133	to 7 yr			
8	2031	6.17 / 6.19	+137 / +139	to 10 yr	5.71 / 5.76	+134 / +139	to 10 yr	5.616 / 5.656	+133 / +137	to 10 yr	5.622 / 5.632	+135 / +136	to 10 yr			
9	2032	6.25 / 6.28	+145 / +148	to 10 yr	5.76 / 5.79	+139 / +142	to 10 yr	5.696 / 5.696	+141 / +141	to 10 yr	5.652 / 5.672	+138 / +140	to 10 yr			
10	2033	6.30 / 6.33	+150 / +153	to 10 yr	5.81 / 5.83	+144 / +146	to 10 yr	5.716 / 5.726	+143 / +144	to 10 yr	5.702 / 5.722	+143 / +145	to 10 yr			
11	2034										5.742 / 5.752	+147 / +148	to 10 yr			
12	2035															
13	2036															
14	2037															
15	2038	6.300	+150	to 10 yr	5.960	+159	to 10 yr	5.856	+157	to 10 yr	5.872	+160	to 10 yr			
16	2039															
17	2040															
18	2041															
19	2042															
20	2043	6.438	+150	to 30 yr	6.030	+160	to 30 yr	5.917	+155	to 30 yr	6.009	+165	to 30 yr			
21	2044															
22	2045															
23	2046															
24	2047															
25	2048	6.558	+162	to 30 yr	6.130	+170	to 30 yr	6.017	+165	to 30 yr	6.089	+173	to 30 yr			
26	2049															
27	2050															
28	2051															
29	2052															
30	2053				6.180	+175	to 30 yr							6.170	+182	to 30 yr
31	2054															
PAC											6.25C/5.765Y	+135	to 5 yr	6.25C/5.77Y	+136	to 5 yr
Notes					11/24 spread measured to 2yr						7/53 PAC is 6.25% coupon at 102.047 to yield 5.765% w/5 year avg. life 100-400% PSA			11/53 PAC is 6.25% coupon at 102.17 to yield 5.770% w/5.50 year avg. life 75-450% PSA		
Maturity Dates		4/1 and 10/1			11/1 and 5/1			1/1 and 7/1			1/1 and 7/1			11/1		
Call Provisions		10/1/32 at par			5/1/32 at par			1/1/33 at par			7/1/32 at par			11/1/32 at par		
Mkt Index		BBI / RBI 4.09% / 4.37%			BBI / RBI 3.87% / 4.15%			BBI / RBI 3.85% / 4.13%			BBI / RBI 3.85% / 4.13%			BBI / RBI 3.85% / 4.13%		
Sr Manager		Ramirez & Co.			Raymond James			RBC Capital Markets			J.P. Morgan			Raymond James		

TAXABLE SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 2 MONTHS PLUS EARLIER MHFA

Pricing Date		9/7/23			9/7/23			8/23/23			7/27/23			6/29/23		
Amount		$87,310,000			$99,450,000			$70,000,000			$130,000,000			$70,000,000		
Issuer		Michigan SHDA			Washington SHFC			Minnesota HFA			Minnesota HFA			Minnesota HFA		
Series		2023 Series C			2023 Series 2T			2023 Series L			2023 Series J			2023 Series H		
Program		Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated		
Rating(s)		Aa2 / AA+ / -			Aaa / - / -			Aa1 / AA+ / -			Aa1 / AA+ / -			Aa1 / AA+ / -		
Tax Status		Taxable			Taxable			Taxable			Taxable			Taxable		
	Maturity	Coupon/	Spread		Coupon/	Spread		Coupon/	Spread		Coupon/	Spread		Coupon/	Spread	
Year	('23 pricings)	Yield	to UST		Yield	to UST		Yield	to UST		Yield	to UST		Yield	to UST	
0	2023															
1	2024															
2	2025															
3	2026	5.393 / 5.403	+72 / +73	to 3 yr	5.316 / 5.316	+64 / +64	to 3 yr	5.217 / 5.217	+57 / +57	to 3 yr	5.241 / 5.241	+65 / +65	to 3 yr	5.113 / 5.163	+61 / +66	to 3 yr
4	2027	5.382 / 5.432	+100 / +105	to 5 yr	5.285 / 5.345	+90 / +96	to 5 yr	5.264 / 5.344	+90 / +98	to 5 yr	5.232 / 5.262	+97 / +100	to 5 yr	5.105 / 5.135	+96 / +99	to 5 yr
5	2028	5.532 / 5.552	+115 / +117	to 5 yr	5.395 / 5.455	+101 / +107	to 5 yr	5.364 / 5.414	+100 / +105	to 5 yr	5.332 / 5.382	+107 / +112	to 5 yr	5.185 / 5.245	+104 / +110	to 5 yr
6	2029	5.648 / 5.698	+130 / +135	to 7 yr	5.53 / 5.56	+118 / +121	to 7 yr	5.48 / 5.54	+117 / +123	to 7 yr	5.355 / 5.405	+121 / +126	to 7 yr	5.233 / 5.283	+122 / +127	to 7 yr
7	2030	5.728 / 5.778	+138 / +143	to 7 yr	5.62 / 5.68	+127 / +133	to 7 yr	5.58 / 5.61	+127 / +130	to 7 yr	5.445 / 5.485	+130 / +134	to 7 yr	5.383 / 5.413	+137 / +140	to 7 yr
8	2031	5.736 / 5.786	+147 / +152	to 10 yr	5.618 / 5.628	+135 / +136	to 10 yr	5.546 / 5.576	+134 / +137	to 10 yr	5.378 / 5.428	+137 / +142	to 10 yr	5.294 / 5.344	+144 / +149	to 10 yr
9	2032	5.796	+153	to 10 yr	5.648 / 5.668	+138 / +140	to 10 yr	5.596 / 5.626	+139 / +142	to 10 yr	5.438 / 5.448	+143 / +144	to 10 yr	5.384 / 5.404	+153 / +155	to 10 yr
10	2033				5.678 / 5.698	+141 / +143	to 10 yr	5.626 / 5.646	+142 / +144	to 10 yr	5.498 / 5.518	+149 / +151	to 10 yr	5.464 / 5.484	+161 / +163	to 10 yr
11	2034															
12	2035															
13	2036															
14	2037															
15	2038	5.816	+155	to 10 yr	5.738	+147	to 10 yr	5.666	+146	to 10 yr	5.598	+159	to 10 yr	5.504	+165	to 10 yr
16	2039															
17	2040															
18	2041															
19	2042															
20	2043	5.961	+160	to 30 yr	5.881	+152	to 30 yr				5.700	+163	to 30 yr	5.671	+175	to 30 yr
21	2044							5.843	+154	to 30 yr						
22	2045															
23	2046															
24	2047															
25	2048	6.011	+165	to 30 yr	6.001	+164	to 30 yr				5.750	+168	to 30 yr			
26	2049															
27	2050															
28	2051															
29	2052				6.051	+169	to 30 yr									
30	2053	6.061	+170	to 30 yr												
31	2054															
PAC					6.25C/5.605Y	+122	to 5 yr	6.25C/5.704Y	+134	to 5 yr	6.00C/5.672Y	+141	to 5 yr	6.00C/5.645Y	+150	to 5 yr
Notes					6/53 PAC is 6.25% coupon at 102.728 to yield 5.605% w/5.0 year avg. life 50-500% PSA			7/53 PAC is 6.25% coupon at 102.311 to yield 5.704% w/5.0 year avg. life 75-500% PSA			1/54 PAC is 6% coupon at 101.388 to yield 5.672% w/5.0 year avg. life 75-500% PSA			7/53 PAC is 6% coupon at 101.498 to yield 5.645% w/5.0 year avg. life 75-500% PSA		
Maturity Dates		6/1 and 12/1			6/1 and 12/1			1/1 and 7/1			7/1 and 1/1			1/1 and 7/1		
Call Provisions		12/1/32 at par			12/1/32 at par			1/1/33 at par			1/1/33 at par			1/1/33 at par		
Mkt Index		BBI / RBI 3.85% / 4.13%			BBI / RBI 3.85% / 4.13%			BBI / RBI 3.75% / 4.03%			BBI / RBI 3.60% / 3.88%			BBI / RBI 3.65% / 3.93%		
Sr Manager		Barclays			RBC Capital Markets			RBC Capital Markets			RBC Capital Markets			RBC Capital Markets		

MINNESOTA HOUSING

Information Item: B
Date: 01/25/2024
Staff Contacts: Michael Solomon, 651.297.4009, michael.solomon@state.mn.us

Request Type: No Action, Information

Item:

Post-Sale Report; Residential Housing Finance Bonds (RHFB) 2023 Series UV

Request Summary:

The Residential Housing Finance Bonds 2023 Series UV were priced on November 15, 2023. The $75,000,000 divided between Series U and Series V are both taxable series. Series V is a variable-rate demand issue.

Fiscal Impact:

None.

Agency Priorities:

☐ Improve the Housing System

☐ Preserve and Create Housing Opportunities

☐ Make Homeownership More Accessible

☐ Support People Needing Services

☐ Strengthen Communities

Attachments:

- Post-Sale Report

CSG | ADVISORS

$75,000,000
Minnesota Housing Finance Agency
Residential Housing Finance Bonds
2023 Series U (Taxable)
2023 Series V (Variable-Rate, Taxable)

POST-SALE ANALYSIS

KEY RESULTS FOR MINNESOTA HOUSING

Purpose. 2023 Series UV accomplished the following major objectives:

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

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

3. Achieved an effective spread on the bond issue of 1.33%, including hedge losses.

Key Measurable Objectives and Accomplishments. This issue was successful despite a volatile market environment.

Objective	*Result*
Finance new production on balance sheet	$75 million of new Step Up first-mortgage loans in MBS securities
Leverage private activity bond volume cap by efficiently incorporating taxable debt	Both series were 100% taxable
Maximize spread on the overall transaction	Achieved a direct spread of 1.47% on the bond issue and, after accounting for a hedge loss of $783K, a total effective spread of 1.33%
Minimize use of and/or create zero participations (interest subsidies under IRS rules), and preserve them for future issues	Not applicable to all-taxable bond issues
Achieve cost-effective bond yield	Overall bond yield (including the hedge loss) is projected to be approximately 5.89%
Create future income streams that will support Pool 3	Increased indenture's expected net present value by approximately $2.2 million at 150% PSA prepayment speed, after accounting for net service release premiums and hedge loss
Maintain high bond ratings	RHFB bonds are rated Aa1/AA+

TIMING AND STRUCTURE

Timing. The bonds were priced on Wednesday, November 15th.

Sizing. The issue was sized to fund pipeline lending.

Major Design Decisions

1. **Bond finance Step Up loans.** This is the third time Minnesota Housing has used an RHFB indenture bond issuance to finance Step Up loans. Historically, the Agency has funded these non-tax-exempt qualified loans by selling them in the TBA market. However, starting last year, TBA sales have become much less economically beneficial. The Agency has been a pioneer in moving to finance such loans with taxable bonds.

2. **Issue variable-rate debt.** In order to finance Step Up loans at or above full spread, the Agency issued a portion of the bonds (Series V) as variable-rate demand bonds. For RHFB as a whole, the total amount of variable-rate debt remains about 18%, well below the 30% of total indenture bonds outstanding often used as a benchmark for comparisons among HFAs and presentations to rating agencies.

3. **Appropriately hedge the variable-rate debt.** For the $26.25 million of variable-rate Series V bonds, the Agency entered into an interest rate swap with Bank of America (Aa2/A+) at a rate of 5.084%. Minnesota Housing can terminate the entire swap at no cost to the Agency starting on January 1, 2031.

4. **Time and size the issue to address volatile interest rates.** To deal with fluctuations in the bond and mortgage markets, Minnesota Housing has been (a) actively adjusting interest rates for new loan reservations to help keep pace with the market and (b) issuing bonds frequently and quickly, in relationship to the amount of loans reserved, to help reduce interest rate risk. This approach has worked well for the Start Up loan pipeline and is now being used for the Step Up loan pipeline as well.

Bond Structure Decisions

1. **Series L.** The $48.75 million of fixed-rate bonds included term bonds due in 2034 ($10.035 million), 2039 ($8.62 million), and 2043 ($10.43 million), as well as $19.665 million of planned amortization class (PAC) bonds due in 2054.

2. **Series M.** The $26.25 million of variable-rate demand bonds are covered by an initial 3-year standby bond purchase agreement from Federal Home Loan Bank of Des Moines, assuring investors they can tender their bonds with reasonable notice if desired. The cost of the liquidity facility to the Agency is 25 basis points per year.

BOND SALE RESULTS

1. ***Market Environment.*** The market has been very volatile as investors speculate about future Federal Reserve actions to curb inflation. From September 12th when series NOPQ priced through late October, strong economic growth pushed the 10-year Treasury from 4.27% to almost 5%. The 10-year Treasury then dropped to 4.49% when RST priced on November 8th and was 4.53% when UV priced a week later, on November 15th.

2. ***Institutional Interest.*** Institutional interest for 2023U varied by maturity. The 2054 PAC bonds were 3.9x oversubscribed, and yields were reduced by 4 basis points. The 2034 and 2043 maturities were oversubscribed 2.1x and 1.1x, respectively, with yields left unchanged. The 2039 maturity was 0.5x subscribed, and the underwriters purchased the $4.6 million unsold balance.

3. ***Comparable Transactions.*** The most comparable taxable offerings were from South Dakota (on 11/15), Iowa (on 11/13), Maryland (on 11/8), and North Carolina (on 11/8). Minnesota's 2034 maturity was about 25 basis points lower in yield than the equivalent serials for the other issues, and its spread to the 5-year Treasury was only 1 basis point wider than Iowa's AAA-rated 2033 term maturity. The spread to the 10-year Treasury on Minnesota's 2039 maturity (+157 bps) was midway between the North Carolina and Maryland issues (+152 bps and +162 bps, respectively) and 2 basis points wider than South Dakota's AAA-rated 2038 term maturity. The spread to the 10-year on Minnesota's 2043 maturity was 3 basis points wider than Maryland and 13 wider than North Carolina. Importantly, Minnesota's $19.7 million of PAC bonds priced 151 bps over the 5-year Treasury, 3 basis points tighter than North Carolina and only 3 basis points wider than South Dakota.

UNDERWRITING

Underwriters. RBC was senior manager. Morgan Stanley, Piper Sandler, and Wells Fargo served as regular co-managers, while Citigroup was included as a co-manager based on its sales performance on the 2023RST issue. As an all-taxable issue to be sold to institutional investors, a selling group for retail orders was not included.

Sales by Underwriter. As is customary for senior managers, RBC brought in the vast majority of institutional orders. For the Series U bonds, excluding stock orders, RBC brought in $110.8 million of total orders, and co-manager Morgan Stanley brought in $2 million of orders.

With Citigroup exiting the municipal bond business, Minnesota Housing will turn to the prior non-permanent co-manager who had brought in the most orders prior to Citi, which was Northland Securities.

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

ISSUE DETAILS

Economic Calendar. Data releases throughout 2023 have largely reflected slowing inflation, but still in the 3-4% range, which is well above the Federal Reserve's 2% target. On July 26th, the Fed hiked rates by an additional 25 bps, bringing short-term rates to their highest level in 22 years, and indicated that it would at least temporarily pause future rate hikes to determine the impact on inflation. Although rates were unchanged at the Fed's September meeting, the Fed reiterated its message that rates will remain "higher for longer," which resulted in strong sell-offs in the long-end of the yield curve.

At its October meeting, the Fed underscored its intent to keep monetary policy "sufficiently restrictive to return inflation to the Committee's 2 percent objective." But with market data showing both inflation and the job market cooling, the consensus among market participants was that the Fed was likely done hiking rates and that 2024 will see more than one rate reduction.

Treasuries. At market close on the day of bond pricing, the 10-year Treasury yield was 4.53%, 4 basis points higher than when the 2023RST Start Up issue priced the week before. The yield curve remained inverted, with the 2-year Treasury at 4.90% on the date of pricing, 37 bps higher than the 10-year. Indeed, earlier in the year, the 2-year Treasury had been as much as 100 bps above the 10-year Treasury.

Municipals. After a record level of $121 billion of municipal fund outflows during 2022, the picture has stabilized somewhat this year. While outflows have continued from muni bond funds, muni ETFs have received inflows, and there has been a more favorable tone to investor demand in the municipal market (due to lower supplies of new bond issues as well as investors looking to reinvest recent bond redemptions). This led to an especially favorable market for municipal issuers early in the year and throughout much of the summer. On the date of pricing for 2023UV, the 10-year MMD/Treasury ratio was 68.4%, compared to ratios in the 80% range in late 2022. This ratio is closer to historical levels.

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

Issue	Date	10-Year Treasury	10-Year MMD	MMD/ Treasury	30-Year Treasury	30-Year MMD	MMD/ Treasury
2022 RHFB AB	2/1/22	1.79%	1.50%	83.8%	2.11%	1.91%	91.1%
2022 RHFB CD	3/3/22	1.73%	1.61%	93.1%	2.16%	2.03%	94.0%
2022 RHFB EF	4/13/22	2.70%	2.46%	91.1%	2.81%	2.81%	100.0%
2022 RHFB GH	6/8/22	3.02%	2.45%	81.1%	3.17%	2.92%	92.1%
2022 RHFB IJK	9/13/22	3.42%	2.81%	82.1%	3.51%	3.62%	103.1%
2022 RHFB LMN	11/9/22	3.83%	3.26%	85.1%	4.31%	4.06%	94.2%
2023 RHFB ABC	2/7/23	3.68%	2.23%	60.6%	3.71%	3.24%	87.3%
2023 RHFB DE	4/19/23	3.60%	2.36%	65.6%	3.79%	3.40%	89.7%
2023 RHFB FG	6/18/23	3.72%	2.57%	69.1%	3.84%	3.50%	91.1%
2023 RHFB HI	6/29/23	3.85%	2.56%	66.5%	3.90%	3.49%	89.5%
2023 RHFB JK	7/27/23	4.01%	2.52%	62.8%	4.06%	3.51%	86.5%
2023 RHFB LM	8/23/23	4.19%	2.95%	70.4%	4.27%	3.91%	91.6%
2023 RHFB NOPQ	9/12/23	4.27%	2.98%	69.8%	4.35%	3.92%	90.1%
2023 RHFB RST	11/8/23	4.49%	3.20%	71.3%	4.64%	4.20%	90.5%
2023 RHFB UV	11/15/23	4.53%	3.10%	68.4%	4.68%	4.12%	88.0%
Change from *RHFB 2023 RST*		**+ 4 bps**	**- 10 bps**	**- 2.9%**	**- 4 bps**	**- 8 bps**	**- 2.5%**

TAXABLE SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 2 MONTHS PLUS EARLIER MHFA

Pricing Date	11/15/23	11/15/23	11/13/23	11/8/23	11/8/23
Amount	$48,750,000	$40,000,000	$11,000,000	$325,000,000	$82,500,000
Issuer	Minnesota HFA	South Dakota HDA	Iowa FA	Maryland DHCD	Minnesota HFA
Series	2023 Series U	2023 Series H	2023 Series H	2023 Series F	2023 Series S
Program	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated
Rating(s)	Aa1 / AA+ / -	Aaa / AAA / -	Aaa / AAA / -	Aa1 / - / AA+	Aa1 / AA+ / -
Tax Status	Taxable	Taxable	Taxable	Taxable	Taxable

Maturity	Year ('23 pricings)	Coupon/ Yield	Spread to UST		Coupon/ Yield	Spread to UST		Coupon/ Yield	Spread to UST		Coupon/ Yield	Spread to UST		Coupon/ Yield	Spread to UST	
0	2023															
1	2024				5.468	+55	to 2 yr				5.432	+50	to 2 yr			
2	2025				5.468 / 5.468	+55 / +55	to 2 yr				5.452 / 5.482	+52 / +55	to 2 yr			
3	2026				5.38 / 5.43	+70 / +75	to 3 yr				5.455 / 5.465	+75 / +76	to 3 yr			
4	2027				5.429 / 5.479	+90 / +95	to 5 yr				5.472 / 5.502	+95 / +98	to 5 yr			
5	2028				5.529 / 5.579	+100 / +105	to 5 yr				5.542 / 5.592	+102 / +107	to 5 yr			
6	2029				5.715 / 5.765	+115 / +120	to 7 yr				5.70 / 5.73	+115 / +118	to 7 yr			
7	2030				5.815 / 5.865	+125 / +130	to 7 yr				5.80 / 5.83	+125 / +128	to 7 yr			
8	2031				5.891 / 5.921	+135 / +138	to 10 yr				5.875 / 5.875	+135 / +135	to 10 yr			
9	2032				5.941 / 5.961	+140 / +142	to 10 yr				5.925 / 5.925	+140 / +140	to 10 yr			
10	2033				5.991 / 6.011	+145 / +147	to 10 yr	5.845	+119	to 5 yr	5.975 / 5.975	+145 / +145	to 10 yr			
11	2034	5.742	+120	to 5yr										5.685	+117	to 5yr
12	2035															
13	2036															
14	2037															
15	2038				6.091	+155	to 10 yr				6.145	+162	to 10 yr			
16	2039	6.121	+157	to 10 yr										6.089	+157	to 10 yr
17	2040				6.266	+155	to 30 yr									
18	2041													6.139	+162	to 10 yr
19	2042															
20	2043	6.321	+160	to 30 yr							6.232	+157	to 30 yr			
21	2044													6.228*	+157	to 30 yr
22	2045															
23	2046															
24	2047															
25	2048										6.282	+162	to 30 yr			
26	2049													6.328	+167	to 30 yr
27	2050															
28	2051															
29	2052															
30	2053										6.362	+170	to 30 yr			
31	2054															
PAC		6.50C/6.052Y	+151	to 5 yr	6.009C/Y	+148	to 5 yr									

Notes	1/34 priced to 5yr avg. life; 1/39 priced to 10yr (+140 to 30yr); 7/54 PAC is 6.50% at 101.856 to yield 6.052% w/5 yr avg. life 75-500%	11/24 priced to 2yr; 5/54 PAC is 6.009% coupon at par w/5 year avg. life 100-400% PSA	Priced to 5-year average life	9/24 priced to 2yr	1/34 priced to 5yr average life; 7/39 and 7/41 priced to 10yr (+143 and +148 to 30yr); 1/44 is 6.185% coupon
Maturity Dates	1/1/34, 1/1/39, 7/1/43, 7/1/54	11/1 and 5/1	1/1/33 only	9/1 and 3/1	1/1 and 7/1
Call Provisions	1/1/33 at par	5/1/32 at par	None	9/1/32 at par	1/1/33 at par
Mkt Index	BBI / RBI 3.93% / 4.21%	BBI / RBI 3.93% / 4.21%	BBI / RBI 3.93% / 4.21%	BBI / RBI 4.17% / 4.45%	BBI / RBI 4.17% / 4.45%
Sr Manager	RBC Capital Markets	Wells Fargo	Morgan Stanley	J.P. Morgan	RBC Capital Markets

TAXABLE SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 2 MONTHS PLUS EARLIER MHFA

Pricing Date		11/8/23			11/7/23			11/7/23			10/31/23			10/24/23		
Amount		$75,000,000			$126,960,000			$95,240,000			$66,565,000			$20,235,000		
Issuer		North Carolina HFA			Colorado HFA			Illinois HDA			Rhode Island HMFC			Pennsylvania HFA		
Series		Series 52-B			2023 Series Q-1			2023 Series O			Series 81-T-1,2			Series 2023-143B		
Program		Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated		
Rating(s)		Aa1 / AA+ / -			Aaa / AAA / -			Aaa / - / -			Aa1 / AA+ / -			Aa1 / AA+ / -		
Tax Status		Taxable			Taxable			Taxable			Taxable			Taxable		
Year	Maturity ('23 pricings)	Coupon/ Yield	Spread to UST		Coupon/ Yield	Spread to UST		Coupon/ Yield	Spread to UST		Coupon/ Yield	Spread to UST		Coupon/ Yield	Spread to UST	
0	2023															
1	2024							5.418	+50	to 2 yr	5.559 / 5.579	+48 / +50	to 2 yr			
2	2025	5.408 / 5.428	+48 / +50	to 2 yr				5.418 / 5.468	+50 / +55	to 2 yr	5.579 / 5.599	+50 / +52	to 2 yr			
3	2026	5.379 / 5.419	+70 / +74	to 3 yr	5.359 / 5.409	+68 / +73	to 3 yr	5.443 / 5.493	+75 / +80	to 3 yr	5.656 / 5.686	+75 / +78	to 3 yr			
4	2027	5.417 / 5.457	+90 / +94	to 5 yr	5.402 / 5.452	+88 / +93	to 5 yr	5.49 / 5.54	+95 / +100	to 5 yr	5.794 / 5.844	+97 / +102	to 5 yr			
5	2028	5.517 / 5.547	+100 / +103	to 5 yr	5.522 / 5.572	+100 / +105	to 5 yr	5.59 / 5.64	+105 / +110	to 5 yr	5.874 / 5.924	+105 / +110	to 5 yr			
6	2029	5.692 / 5.742	+115 / +120	to 7 yr	5.713 / 5.763	+115 / +120	to 7 yr	5.737 / 5.787	+115 / +120	to 7 yr	6.058 / 6.108	+117 / +122	to 7 yr			
7	2030	5.792 / 5.842	+125 / +130	to 7 yr	5.813 / 5.833	+125 / +127	to 7 yr	5.837 / 5.887	+125 / +130	to 7 yr	6.158 / 6.208	+127 / +132	to 7 yr			
8	2031	5.869 / 5.894	+135 / +138	to 10 yr	5.882 / 5.922	+133 / +137	to 10 yr	5.959 / 5.989	+138 / +141	to 10 yr	6.235 / 6.285	+137 / +142	to 10 yr			
9	2032	5.919 / 5.949	+140 / +143	to 10 yr	5.952 / 5.982	+140 / +143	to 10 yr	6.019 / 6.039	+144 / +146	to 10 yr	6.295 / 6.295	+143 / +143	to 10 yr			
10	2033	5.969 / 5.989	+145 / +147	to 10 yr	6.002 / 6.022	+145 / +147	to 10 yr	6.059 / 6.079	+148 / +150	to 10 yr	6.325 / 6.345	+146 / +148	to 10 yr			
11	2034															
12	2035															
13	2036															
14	2037															
15	2038	6.039	+152	to 10 yr	6.072	+152	to 10 yr	6.099	+152	to 10 yr	6.385	+152	to 10 yr	6.381	+155	to 10 yr
16	2039															
17	2040															
18	2041				6.168	+145	to 30 yr									
19	2042															
20	2043	6.128	+147	to 30 yr				6.218	+147	to 30 yr	6.481	+147	to 30 yr	6.458	+150	to 30 yr
21	2044															
22	2045															
23	2046															
24	2047															
25	2048															
26	2049	6.238	+158	to 30 yr				6.278	+153	to 30 yr						
27	2050															
28	2051															
29	2052															
30	2053															
31	2054															
PAC		6.50C/6.057Y	+154	to 5 yr	6.50C/6.063Y	+150	to 7 yr	6.50C/6.02Y	+148	to 5 yr	6.50C/6.324Y	+150	to 5 yr			
Notes		1/55 PAC is 6.50% coupon at 101.834 to yield 6.057% w/5 year avg. life 100-400% PSA			11/53 PAC is 6.50% coupon at 102.074 to yield 6.063% w/6 year avg. life 75-500% PSA			10/24 priced to 2yr; 4/54 PAC is 6.50% coupon at 102.000 to yield 6.02% w/5 year avg. life 75-400% PSA			4/24 and 10/24 priced to 2yr; 10/52 PAC is 6.50% coupon at 100.736 to yield 6.324% w/5 year avg. life 75-500% PSA					
Maturity Dates		1/1 and 7/1			5/1 and 11/1			10/1 and 4/1			4/1 and 10/1			10/1		
Call Provisions		7/1/32 at par			5/1/32 at par			10/1/32 at par			10/1/32 at par			4/1/33 at par		
Mkt Index		BBI / RBI 4.17% / 4.45%			BBI / RBI 4.17% / 4.45%			BBI / RBI 4.17% / 4.45%			BBI / RBI 4.19% / 4.47%			BBI / RBI 4.19% / 4.47%		
Sr Manager		BofA			RBC Capital Markets			Barclays			Morgan Stanley			Wells Fargo		

TAXABLE SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 2 MONTHS PLUS EARLIER MHFA

Pricing Date		10/19/23			10/19/23			10/18/23			10/11/23			10/5/23		
Amount		$64,865,000			$24,765,000			$2,360,000			$64,610,000			$110,000,000		
Issuer		Massachusetts HFA			Nebraska IFA			Colorado HFA			Indiana HCDA			Florida HFC		
Series		Series 232			2023 Series H			2023 S. E (Durango)			2023 Series D-3			2023 Series 6		
Program		Single Family / Negotiated			Single Family / Negotiated			Multifamily / Negotiated			Single Family / Negotiated			Single Family / Negotiated		
Rating(s)		Aa1 / AA+ / -			- / AAA / -			Aaa / AAA / -			Aaa / - / AA+			Aaa / - / -		
Tax Status		Taxable			Taxable			Taxable			Taxable			Taxable		
Year	Maturity ('23 pricings)	Coupon/ Yield	Spread	to UST	Coupon/ Yield	Spread	to UST	Coupon/ Yield	Spread	to UST	Coupon/ Yield	Spread	to UST	Coupon/ Yield	Spread	to UST
0	2023															
1	2024															
2	2025													5.477 / 5.527	+45 / +50	to 2 yr
3	2026	5.802	+75	to 3 yr				5.743	+70	to 3 yr				5.506 / 5.506	+68 / +68	to 3 yr
4	2027	5.950	+100	to 5 yr							5.546	+95	to 5 yr	5.613 / 5.663	+93 / +98	to 5 yr
5	2028	6.050	+110	to 5 yr							5.606 / 5.646	+101 / +105	to 5 yr	5.713 / 5.763	+103 / +108	to 5 yr
6	2029	6.174	+120	to 7 yr							5.769 / 5.819	+115 / +120	to 7 yr	5.873 / 5.923	+115 / +120	to 7 yr
7	2030	6.274	+130	to 7 yr							5.869 / 5.919	+125 / +130	to 7 yr	5.973 / 6.023	+125 / +130	to 7 yr
8	2031	6.328	+140	to 10 yr							5.943 / 5.993	+135 / +140	to 10 yr	6.095 / 6.125	+137 / +140	to 10 yr
9	2032	6.378	+145	to 10 yr							6.023 / 6.043	+143 / +145	to 10 yr	6.155 / 6.175	+143 / +145	to 10 yr
10	2033	6.428	+150	to 10 yr	6.378 / 6.398	+145 / +147	to 10 yr				6.073 / 6.093	+148 / +150	to 10 yr	6.205 / 6.225	+148 / +150	to 10 yr
11	2034				6.418 / 6.448	+149 / +152	to 10 yr									
12	2035															
13	2036															
14	2037															
15	2038	6.478	+155	to 10 yr							6.113	+152	to 10 yr	6.245	+152	to 10 yr
16	2039															
17	2040															
18	2041															
19	2042															
20	2043										6.270	+152	to 30 yr	6.415	+152	to 30 yr
21	2044															
22	2045															
23	2046															
24	2047															
25	2048										6.370	+162	to 30 yr	6.515	+162	to 30 yr
26	2049															
27	2050															
28	2051															
29	2052															
30	2053										6.400	+165	to 30 yr			
31	2054													6.565	+167	to 30 yr
PAC		6.50C/6.32Y	+137	to 5 yr	6.50C/6.217Y	+127	to 5 yr				6.50C/5.876Y	+128	to 5 yr	6.50C/6.033Y	+135	to 5 yr
Notes		12/52 PAC is 6.50% coupon at 100.736 to yield 6.32% w/5 year avg. life 75-500% PSA			9/53 PAC is 6.50% coupon at 101.181 to yield 6.217% w/5 year avg. life 50-500% PSA						7/54 PAC is 6.50% coupon at 102.591 to yield 5.876% w/5 year avg. life 50-500% PSA			1/55 PAC is 6.50% coupon at 101.959 to yield 6.033% w/5 year avg. life 100-500% PSA		
Maturity Dates		12/1			3/1 and 9/1			10/1/26 only			7/1 and 1/1			1/1 and 7/1		
Call Provisions		6/1/32 at par/100.164 PAC			9/1/32 at par			None			7/1/32 at par			7/1/32 at par		
Mkt Index		BBI / RBI 4.19% / 4.47%			BBI / RBI 4.19% / 4.47%			BBI / RBI 3.97% / 4.25%			BBI / RBI 4.12% / 4.40%			BBI / RBI 4.12% / 4.40%		
Sr Manager		Morgan Stanley			J.P. Morgan			Jefferies			J.P. Morgan			Citigroup		

TAXABLE SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 2 MONTHS PLUS EARLIER MHFA

Pricing Date		10/4/23			10/4/23			10/3/23			10/3/23			9/19/23		
Amount		$55,000,000			$150,000,000			$87,180,000			$64,165,000			$15,000,000		
Issuer		Tennessee HDA			Virginia HDA			Colorado HFA			Illinois HDA			Missouri HDC		
Series		Issue 2023-3B			2023 Series B			2023 Series P-1			2023 Series L			2023 Series D		
Program		Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated		
Rating(s)		Aa1 / AA+ / -			Aaa / AAA / -			Aaa / AAA / -			Aaa / - / -			- / AA+ / -		
Tax Status		Taxable			Taxable			Taxable			Taxable			Taxable		
Year ('23 pricings)	Maturity	Coupon/ Yield	Spread to UST		Coupon/ Yield	Spread to UST		Coupon/ Yield	Spread to UST		Coupon/ Yield	Spread to UST		Coupon/ Yield	Spread to UST	
0	2023															
1	2024				5.456	+40	to 2 yr							5.780	+70	to 2 yr
2	2025	5.541 / 5.591	+50 / +55	to 2 yr	5.456 / 5.406	+40 / +35	to 2 yr				5.618 / 5.668	+47 / +52	to 2 yr	5.58 / 5.68	+50 / +60	to 2 yr
3	2026	5.599 / 5.599	+75 / +75	to 3 yr	5.416 / 5.416	+55 / +55	to 3 yr	5.521 / 5.521	+58 / +58	to 3 yr	5.552 / 5.552	+60 / +60	to 3 yr	5.39 / 5.39	+60 / +60	to 3 yr
4	2027	5.664 / 5.714	+95 / +100	to 5 yr	5.578 / 5.628	+85 / +90	to 5 yr	5.687 / 5.717	+90 / +93	to 5 yr	5.699 / 5.749	+90 / +95	to 5 yr	5.42 / 5.47	+91 / +96	to 5 yr
5	2028	5.764 / 5.814	+105 / +110	to 5 yr	5.728 / 5.778	+100 / +105	to 5 yr	5.837 / 5.867	+105 / +108	to 5 yr	5.869 / 5.919	+107 / +112	to 5 yr	5.54 / 5.59	+103 / +108	to 5 yr
6	2029	5.897 / 5.947	+115 / +120	to 7 yr	5.863 / 5.913	+110 / +115	to 7 yr	5.999 / 6.069	+118 / +125	to 7 yr	6.002 / 6.052	+117 / +122	to 7 yr	5.65 / 5.70	+118 / +123	to 7 yr
7	2030	5.997 / 6.047	+125 / +130	to 7 yr	5.963 / 6.013	+120 / +125	to 7 yr	6.119 / 6.169	+130 / +135	to 7 yr	6.102 / 6.152	+127 / +132	to 7 yr	5.75 / 5.78	+128 / +131	to 7 yr
8	2031	6.105 / 6.135	+137 / +140	to 10 yr	6.041 / 6.071	+130 / +133	to 10 yr	6.141 / 6.171	+135 / +138	to 10 yr	6.17 / 6.19	+137 / +139	to 10 yr	5.71 / 5.76	+134 / +139	to 10 yr
9	2032	6.165 / 6.185	+143 / +145	to 10 yr	6.091 / 6.121	+135 / +138	to 10 yr	6.191 / 6.221	+140 / +143	to 10 yr	6.25 / 6.28	+145 / +148	to 10 yr	5.76 / 5.79	+139 / +142	to 10 yr
10	2033	6.215 / 6.235	+148 / +150	to 10 yr	6.141 / 6.171	+140 / +143	to 10 yr	6.241 / 6.271	+145 / +148	to 10 yr	6.30 / 6.33	+150 / +153	to 10 yr	5.81 / 5.83	+144 / +146	to 10 yr
11	2034															
12	2035															
13	2036															
14	2037															
15	2038	6.275	+154	to 10 yr	6.241	+150	to 10 yr	6.311	+152	to 10 yr	6.300	+150	to 10 yr	5.960	+159	to 10 yr
16	2039															
17	2040															
18	2041															
19	2042							6.458	+152	to 30 yr						
20	2043	6.384	+151	to 30 yr	6.404	+133	to 20 yr				6.438	+150	to 30 yr	6.030	+160	to 30 yr
21	2044															
22	2045															
23	2046															
24	2047															
25	2048	6.494	+162	to 30 yr	6.514	+163	to 30 yr				6.558	+162	to 30 yr	6.130	+170	to 30 yr
26	2049															
27	2050															
28	2051															
29	2052															
30	2053	6.534	+166	to 30 yr	6.534	+165	to 30 yr							6.180	+175	to 30 yr
31	2054															
PAC		6.50C/6.064Y	+135	to 5 yr				6.50C/6.137Y	+135	to 5 yr						
Notes		1/54 PAC is 6.50% coupon at 101.819 to yield 6.064% w/5 year avg. life 100-500% PSA			11/24 priced to 2yr; 11/43 priced to 20yr (+152 to 30yr)			5/54 PAC is 6.50% coupon at 101.639 to yield 6.137% w/5.6 year avg. life 75-400% PSA						11/24 spread measured to 2yr		
Maturity Dates		1/1 and 7/1			11/1 and 5/1			5/1 and 11/1			4/1 and 10/1			11/1 and 5/1		
Call Provisions		7/1/32 at par			5/1/32 at par			5/1/32 at par			10/1/32 at par			5/1/32 at par		
Mkt Index		BBI / RBI 4.09% / 4.37%			BBI / RBI 4.09% / 4.37%			BBI / RBI 4.09% / 4.37%			BBI / RBI 4.09% / 4.37%			BBI / RBI 3.87% / 4.15%		
Sr Manager		Citigroup			BofA			Jefferies			Ramirez & Co.			Raymond James		

TAXABLE SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 2 MONTHS PLUS EARLIER MHFA

Pricing Date		9/12/23			8/23/23			7/27/23			6/29/23		
Amount		$60,000,000			$70,000,000			$130,000,000			$70,000,000		
Issuer		Minnesota HFA			Minnesota HFA			Minnesota HFA			Minnesota HFA		
Series		2023 Series P			2023 Series L			2023 Series J			2023 Series H		
Program		Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated		
Rating(s)		Aa1 / AA+ / -			Aa1 / AA+ / -			Aa1 / AA+ / -			Aa1 / AA+ / -		
Tax Status		Taxable			Taxable			Taxable			Taxable		
Year	Maturity ('23 pricings)	Coupon/ Yield	Spread to UST		Coupon/ Yield	Spread to UST		Coupon/ Yield	Spread to UST		Coupon/ Yield	Spread to UST	
0	2023												
1	2024												
2	2025												
3	2026	5.38 / 5.38	+65 / +65	to 3 yr	5.217 / 5.217	+57 / +57	to 3 yr	5.241 / 5.241	+65 / +65	to 3 yr	5.113 / 5.163	+61 / +66	to 3 yr
4	2027	5.372 / 5.392	+95 / +97	to 5 yr	5.264 / 5.344	+90 / +98	to 5 yr	5.232 / 5.262	+97 / +100	to 5 yr	5.105 / 5.135	+96 / +99	to 5 yr
5	2028	5.442 / 5.522	+102 / +110	to 5 yr	5.364 / 5.414	+100 / +105	to 5 yr	5.332 / 5.382	+107 / +112	to 5 yr	5.185 / 5.245	+104 / +110	to 5 yr
6	2029	5.547 / 5.597	+117 / +122	to 7 yr	5.48 / 5.54	+117 / +123	to 7 yr	5.355 / 5.405	+121 / +126	to 7 yr	5.233 / 5.283	+122 / +127	to 7 yr
7	2030	5.657 / 5.707	+128 / +133	to 7 yr	5.58 / 5.61	+127 / +130	to 7 yr	5.445 / 5.485	+130 / +134	to 7 yr	5.383 / 5.413	+137 / +140	to 7 yr
8	2031	5.616 / 5.656	+133 / +137	to 10 yr	5.546 / 5.576	+134 / +137	to 10 yr	5.378 / 5.428	+137 / +142	to 10 yr	5.294 / 5.344	+144 / +149	to 10 yr
9	2032	5.696 / 5.696	+141 / +141	to 10 yr	5.596 / 5.626	+139 / +142	to 10 yr	5.438 / 5.448	+143 / +144	to 10 yr	5.384 / 5.404	+153 / +155	to 10 yr
10	2033	5.716 / 5.726	+143 / +144	to 10 yr	5.626 / 5.646	+142 / +144	to 10 yr	5.498 / 5.518	+149 / +151	to 10 yr	5.464 / 5.484	+161 / +163	to 10 yr
11	2034												
12	2035												
13	2036												
14	2037												
15	2038	5.856	+157	to 10 yr	5.666	+146	to 10 yr	5.598	+159	to 10 yr	5.504	+165	to 10 yr
16	2039												
17	2040												
18	2041												
19	2042												
20	2043	5.917	+155	to 30 yr				5.700	+163	to 30 yr	5.671	+175	to 30 yr
21	2044				5.843	+154	to 30 yr						
22	2045												
23	2046												
24	2047												
25	2048	6.017	+165	to 30 yr				5.750	+168	to 30 yr			
26	2049												
27	2050												
28	2051												
29	2052												
30	2053												
31	2054												
PAC					6.25C/5.704Y	+134	to 5 yr	6.00C/5.672Y	+141	to 5 yr	6.00C/5.645Y	+150	to 5 yr
Notes					7/53 PAC is 6.25% coupon at 102.311 to yield 5.704% w/5.0 year avg. life 75-500% PSA			1/54 PAC is 6% coupon at 101.388 to yield 5.672% w/5.0 year avg. life 75-500% PSA			7/53 PAC is 6% coupon at 101.498 to yield 5.645% w/5.0 year avg. life 75-500% PSA		
Maturity Dates		1/1 and 7/1			1/1 and 7/1			7/1 and 1/1			1/1 and 7/1		
Call Provisions		1/1/33 at par			1/1/33 at par			1/1/33 at par			1/1/33 at par		
Mkt Index		BBI / RBI 3.85% / 4.13%			BBI / RBI 3.75% / 4.03%			BBI / RBI 3.60% / 3.88%			BBI / RBI 3.65% / 3.93%		
Sr Manager		RBC Capital Markets			RBC Capital Markets			RBC Capital Markets			RBC Capital Markets		