



Local Government Housing New Program Updates

Nick Boettcher | Policy and Programs Specialist
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1. Team Overview & Programs Timeline
2. Local & Statewide Affordable Housing Aid & Tier II Cities Housing Aid Grant Program
3. Greater Minnesota Housing Infrastructure Grants
4. Local Housing Trust Fund Grants Program
5. Q & A by Topic

Our Mission: The Core Purpose

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

Why We're Here

- Housing impacts Minnesotans of all backgrounds in all corners of the state
- Housing touches all areas of life – education, health, jobs and more





Local Government Housing Programs Team

Colleen Meier | Program Manager

Meet the Local Government Housing Programs Team

New Team Created in 2023

- Director: Jennifer Bergman
 - Data Analyst: David Marget
- Manager of Local Programs: Annie Reiersen
 - Policy & Programs Specialist: Nick Boettcher
 - Program Manager: Colleen Meier
- Manager of Rental Assistance: Dani Salus
 - Policy & Programs Specialist: Peter Elwell
 - Program Manager: Currently posted, closing 12/2/24



Our Unique Role

- New resources for local governments and regions
- State invested in local government support
- New resources for new programs include over \$100 million in annual sales taxes in the metro and over \$50 million in annual appropriations all targeted to units of local government.



New Funding: Local Government Housing Programs

- **Affordable Housing Aid, Annual 2024-2025**
 - Local Affordable Housing Aid \$100 million (updated estimate)
 - Statewide Affordable Housing Aid \$20.25 million
 - Tier II Cities Competitive Grant \$2.25 million
- **Greater Minnesota Infrastructure, one-time** \$8 million
- **Local Housing Trust Fund, one-time** \$5.8 million
- **Lead Safe Homes, one-time** \$4 million
- **Bring It Home Rental Assistance, Annual**
 - Statewide Appropriation \$23 million
 - Sales Tax (7-County Metro) \$32 million (updated estimate)

Programs Timeline – What are we working on?

- November 2024: Tier II Cities Program Guide presented to the board of directors
- December 2024: Greater Minnesota Housing Infrastructure Program Guide & Bring It Home Program Guide presented to the board of directors
- January 2025: Local Housing Trust Fund Program Intent to Apply & Request for Proposal (RFP) Launch
- March 2025: Local Housing Trust Fund RFP Application Due



Programs Timeline – What are we working on?



- Quarter 1 2025: Greater Minnesota Housing Infrastructure Grant & Tier II Cities Grant Intent to Apply & RFP Launch
- Quarter 1 2025: LAHA & SAHA Reporting Instructions & Forms Available
- Quarter 2 2025: Greater Minnesota Housing Infrastructure Grant & Tier II Cities Grant RFP Applications Due
- Quarter 3 – Quarter 4 2025: Program Funding Decisions and Board of Directors Approval



What should you be doing before programs launch?

- Start thinking about your projects
- Collaborate with neighboring cities, counties, Tribal Nations and others
- Plan for non-state matching funds, if required for application
- Contact us



For more information

Minnesota Housing website (mnhousing.gov)

Local Government Housing Programs

<https://mnhousing.gov/local-government.html>



Sign up for email updates >



Local Government Housing Programs

The Local Government Housing Programs team is new and will administer some of the new programs identified in the 2023 Housing Bill. The team will support local governments as they develop new affordable rental and single-family housing, provide rental assistance and address lead hazards.

Each program is still being developed, and details are subject to change. More information will be added to this page as it becomes available.

Programs Launching in 2025

Local Housing Trust Fund Grants Program



Greater Minnesota Housing Infrastructure Grants



Greater Minnesota Tier II Cities Grants



Local and Statewide Affordable Housing Aid



Bring It Home Rental Assistance





Local and Statewide Housing Aid
Greater Minnesota Small Cities (Tier II Cities) Housing Aid Grant Program

Nick Boettcher | Policy and Programs Specialist

Local Affordable Housing Aid (LAHA)

LAHA helps Twin Cities metropolitan local governments meet local housing needs through affordable housing development projects and support for organizations and individuals in maintaining stable, affordable housing

- All seven Twin Cities metropolitan counties and metropolitan cities with over 10,000 residents
- Dedicated sales tax of \$0.0025
 - 25% to cities
 - 50% to counties
 - 25% to rental assistance
- Dept. of Revenue sends funds directly
- First disbursements: July 2024
- Next disbursements: December 2024
 - 2x/year in 2025 and beyond

Statewide Local Housing Aid (SAHA)

Similar to LAHA, SAHA helps Tribes and Greater Minnesota counties and cities meet local housing needs through affordable housing development projects and support organizations and individuals in maintaining stable, affordable housing.

- All 87 Minnesota counties, nonmetro cities with over 10,000 residents and all 11 Tribal Nations
- \$22.5M appropriation for 2023 and 2024, appropriation steps down starting in 2025
- Department of Revenue administers
 - Share of funds to MN Housing for Tier II cities
- Minnesota Housing supports the program and collects reports
- First round of funding disbursed in late 2023
- Additional disbursements in July and Dec. 2024
 - 2x/year in 2025 and beyond

Role of Minnesota Housing for LAHA/SAHA

Role of Minnesota Housing:

- Collects reporting (starting in 2025)
- Support local governments (e.g., FAQ)
- Assist in coordination between housing programs and partners
- Administers Tier II grants



Use of Funds:

- Funds must be spent on a qualifying project.
- Must prioritize affordable housing for low-income households (at or below 80% AMI for homeownership, 50% for rental).



LAHA/SAHA Requirements

Qualifying Projects:

- Emergency rental assistance
- Financial support to non-profit affordable housing providers
- Construction, acquisition, rehabilitation, demolition or removal of existing structures, construction financing, permanent financing, interest rate reduction, refinancing to provide affordable housing to those who earn less than 115% of AMI (homeownership) and 80% AMI (rental)
- Financing the operations and management of financially distressed residential properties (2024)
- Funding of supportive housing (2024)
- Costs of operating emergency shelter facilities, including services (2024)
- In limited cases, development of market rate residential rental property in Greater MN (SAHA only)

For more information, see the FAQ on our website and Minn. Stat. 477A.35/477A.36.

Deadlines & Local Housing Trust Funds

Aid Funds Disbursed in 2023:

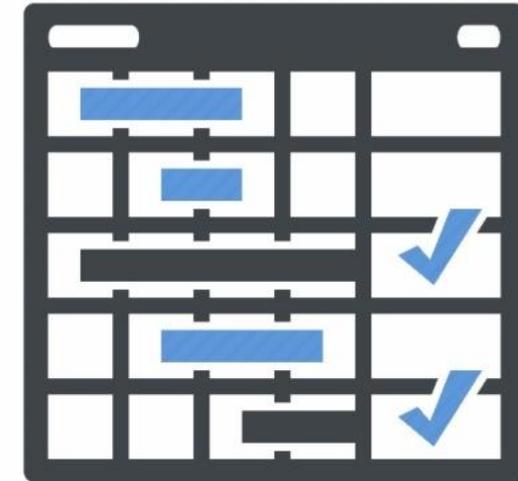
- Must be committed to qualifying project(s) by Dec. 31, 2026.
- Must be expended by Dec. 31, 2027.

Aid Funds Disbursed in 2024:

- Must be committed to qualifying project(s) by Dec. 31, 2027.
- Must be expended by Dec. 31, 2028.

Limited Potential to Surpass Deadlines:

- Tier I cities and counties may be able to surpass a deadline if:
 - Necessary due to factors outside the aid recipient's control;
 - Demonstration accepted by Minnesota Housing;
 - Funds placed in a local housing trust fund.
- Not a "parking lot."
- Not available for Aid Funds to Tier II Cities or Tribal Nations.



**Annual Reporting
Starting in 2025**

Coming 2025: Greater Minnesota Tier II Cities Housing Aid Grants

- Greater Minnesota cities with populations below 10,000.
- Same general uses as SAHA.
 - Program Guide due out later this week.
- Competitive grant process, prioritizing based on proportion of cost-burdened households.
- Expect most awards in the range of \$100,000-\$300,000.



Up to \$4.5 million
Two years of appropriations
in one RFP



Greater Minnesota Housing Infrastructure Grants

Nick Boettcher | Policy and Programs Specialist

Coming 2025: Greater Minnesota Housing Infrastructure Grants

- Up to 50 percent of the capital costs of public infrastructure necessary for an eligible workforce housing development project.
- Grants limited to:
 - \$40,000 per lot for 1-4 units
 - \$180,000 per lot for multifamily (5+ units/building)
 - \$60,000 per manufactured housing lot
- Cities and counties limited to \$500,000 over a two-year period; no maximum for manufactured housing
- Single family, multifamily, and manufactured housing projects are eligible.



\$8 million



Local Housing Trust Fund Grants Program

Colleen Meier | Program Manager

Coming 2025: Local Housing Trust Fund Grants

- Incentivize local governments to create or fund Local Housing Trust Funds
- Program uses state funding to match a portion of New Public Revenue to encourage investment in affordable housing across Minnesota
- Matching funds awarded up to 100% of New Public Revenue, up to \$150,000
 - Additional funds may be available to match 50% of new public revenue between \$150,000 and \$300,000
 - New Public Revenue defined as local funds committed **on or after June 29, 2021**.



\$5.8 million

Local Housing Trust Fund – Matching Funds

Local Housing Trust Fund – Matching Funds



Coming 2025: Local Housing Trust Fund Grants



- Funds can be used locally on a wide range of housing-related activities
- There is still time to set up a Housing Trust Fund in your community
- Start planning your projects now
- Collaborate with your neighboring cities and counties

Thank You!



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