



REVISED 9/24/25

MEETINGS SCHEDULED FOR SEPTEMBER

Date: 09/25/25, 1 p.m.

HYBRID OPTION AVAILABLE:

In Person: Minnesota Housing, Mille Lacs Conference Room, 400 Wabasha Street N. Suite 400 St. Paul, MN 55102

Conference Call: Toll Free: 1.866.901.6455 Access Code: 272-981-995

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, September 25, 2025.

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

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

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Agenda: Minnesota Housing Board Meeting

Date: 09/25/2025, 1 p.m.

Our Mission and Vision

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

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

1. Call to Order

2. Roll Call

3. Agenda Review

4. Approval of Minutes

- a. (page 5) Regular meeting of August 28, 2025

5. Reports

- Chair
- Commissioner
- Committee

6. Consent Agenda

- A. (page 9) Approval, Waiver to Extend the 2024-2025 Housing Tax Credit (HTC) Qualified Allocation Plan (QAP) Carryover 10% Test and Certified Public Accountant Certification Deadline – The Warren Apartments, D8385, Minneapolis

- B. (page 13) Approval, Waiver to Extend the 2024-2025 Housing Tax Credit (HTC) Qualified Allocation Plan (QAP) Carryover 10% Test and Certified Public Accountant Certification Deadline – Birchwood Apartments, D0592, Grand Marias
- C. (page 17) Approval, Loan Assumption of HUD Risk-Sharing Federal Financing Bank (HRS-FFB) Program Loan – North Pointe Townhomes, D2800, Blaine

7. Action Items

- A. (page 21) Approval, Property Owner Risk Mitigation Fund Program Guide Change
- B. (page 47) Approval, 2026- 2027 Homeownership Education & Counseling Unified Request for Proposals (RFP) Award Recommendations
- C. (page 65) Forgiveness, Housing Opportunities for Persons with AIDS (HOPWA) Loan and Housing Trust Fund (HTF) Loan – Clare Apartments, D3572, Minneapolis
- D. (page 75) Forgiveness, Preservation Affordable Rental Investment Fund (PARIF) Loans and Early Forgiveness, Housing Infrastructure Bond (HIB) Loan – Little Earth of United Tribes, D0871, Minneapolis
- E. (page 83) Approval, Amendment to the Community Stabilization: Distressed Multifamily Rental Building Program Guide
- F. (page 85) Approval, Waiver to Extend the 2024-2025 Housing Tax Credit (HTC) Qualified Allocation Plan (QAP) Carryover 10% Test and Certified Public Accountant Certification Deadline – Restoration Glen, D8594, Rochester

8. Discussion Items

- A. (page 89) FY25 4th Quarter Financial Results
- B. (page 99) Public Comments about the Draft 2026-2027 Affordable Housing Plan

9. Information Items

None.

10. Other Business

None.

11. Adjournment

None.



Draft Meeting Minutes: Minnesota Housing Board Meeting

Date: Thursday, August 28, 2025, at 1 p.m.

1. Call Attendance

Chair DeCramer called to order the regular meeting of the Board of Minnesota Housing Finance Agency at 1:05 p.m.

2. Roll Call

Members present via hybrid: Ramona Advani (proxy for Auditor Blaha), Chief Melanie Benjamin, Eric Cooperstein, Chair John DeCramer, Stephanie Klinzing, and Terri Thao.

Minnesota Housing staff present via hybrid: Heidi Anderson, Tal Anderson, Tom Anderson, Ryan Baumtrog, Abigail Behl, Jennifer Bergman, Susan Bergmann, Scott Beutel, Stacie Brooks, Eric Chapin, Erin Coons, Alex Curwick, Matt Dieveney, Hannah Dressen, Sam Dyer, Diane Elias, Peter Elwell, Jennifer Finnesgard, Jessica Fowler, Rachel Franco, Terese Fritchman, Emily Fulton-Foley, Dory Goebel, Vanessa Haight, Jody Hanson, Amanda Hedlund, Anne Heitlinger, Darryl Henchen, Kang Her, Genevieve Hernandez, Adam Himmel, Jennifer Ho, Jon Holmseth, Karin Holmstrand, Kinzy Janssen, Will Jensen-Kowski, Dylan Johnson, Jen Judas, Irene Kao, Erin Karkula-Peterson, Tiffany Kibwota, Katey Kinley, Joshua Kirk, Dan Kitzberger, Ken Knutson, Kristen Kvalsten, Sue Ladehoff, Janine Langsjoen, Debbi Larson, Ed LeTourneau, Ger Lee, Sarah Matala, Dylan Mato, Eric Mattson, Jillian Mazullo, Don McCabe, Colleen Meier, Amy Melmer, Jon Moler, Kristen Mortenson, Michael Nguyen, Tenzin Nordon, Andrew Orth, John Patterson, Caryn Polito, Andy Pratt, Melissa Pugh, Rinal Ray, Annie Reiersen, Cassi Reissmann-Doring, Brittany Rice, Cheryl Rivinius, Rachel Robinson, Lael Robertson, Dani Salus, Joel Salzer, Kayla Schuchman, Katie Seipel-Anderson, Xia Lin Silapaxay, J'onice Smith, Meg Stinchcomb Sorenson, Lauren Stelter, Rachael Sterling, Kim Stuart, Jodell Swenson, Susan Thompson, Monica Tucker, Nancy Urbanski, Kayla Vang, Teresa Vaplon, Kerry Walsh, Amanda Welliver, and Bev Wilharm.

Others present via hybrid: Elizabeth Glidden, Minnesota Housing Partnership; Ellen Sahli, Family Housing Fund; Chad Schwitters, The McKnight Foundation and Jeff Washburne.

3. Agenda Review

None.

4. Approval

A. Regular Meeting Minutes of July 24, 2025

Motion: Stephanie Klinzing moved to approve the July 24, 2025, Regular Meeting Minutes. Seconded by Eric Cooperstein. Roll call was taken. Chief Benjamin was not present for the vote. Motion carries 5-0. All were in favor.

5. Reports

Chair

Chair DeCramer shared that prior to the board meeting, he met with staff to review the 2025 Minnesota Management and Budget Internal Control System Certification materials.

Commissioner

Commissioner Ho shared the following with the board:

- Welcome new employees
- Meetings
- Program Updates

Committee

None.

6. Consent Agenda

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

Motion: Terri Thao moved the Consent Agenda Item. Seconded by Eric Cooperstein. Roll call was taken. Chief Benjamin was not present for the vote. Motion carries 5-0. All were in favor.

7. Action Items

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

Nick Boettcher presented to the board a request for approval of the 2025 Greater Minnesota Small Cities (Tier II Cities) Housing Aid Grant Program funding recommendations. Chair DeCramer opened up the discussion. Board members asked questions, and staff provided answers.

Motion: Stephanie Klinzing moved Approval, 2025 Greater Minnesota Small Cities (Tier II Cities) Housing Aid Grant Program Request for Proposals Selections. Seconded by Chief Benjamin. Roll call was taken. Motion carries 6-0. All were in favor.

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

Colleen Meier presented to the board a request for approval to amend Resolution No. MHFA 25-029 for the 2025 Local Housing Trust Fund Grants Program Request for Proposals selections by deselecting an ineligible entity and awarding those funds to the next highest scoring applicants. Chair DeCramer opened up the discussion. Board members asked questions, and staff provided answers.

Motion: Eric Cooperstein moved Approval, Amendment, 2025 Local Housing Trust Fund Grants Program Request for Proposals Selections. Seconded by Terri Thao. Roll call was taken. Motion carries 6-0. All were in favor.

C. Approval, Selection and Commitment, 2025 Publicly Owned Housing Program (POHP) Recommended Selections

Janine Langsjoen and Susan Bergmann presented to the board a request for approval and adoption of resolutions authorizing the selection of 32 applicants for further processing for the 2025 Publicly Owned Housing Program. Chair DeCramer opened up the discussion. Board members asked questions, and staff provided answers.

Motion: Stephanie Klinzing moved Approval, Selection and Commitment, 2025 Publicly Owned Housing Program Recommended Selections. Seconded by Terri Thao. Roll call was taken. Motion carries 6-0. All were in favor.

D. Approval, Modifications to Grant Related Board Delegations

Irene Kao presented to the board a request for approval of three grant-related board delegations to add Housing Stability, Policy and Community Development and Local Government Housing programs; update the grant funding modification thresholds; revise the grant execution extension provisions; and revise the grant agreement extension provisions. Chair DeCramer opened up the discussion. Board members asked questions, and staff provided answers.

Motion: Eric Cooperstein moved Approval, Modifications to Grant Related Board Delegations. Seconded by Chief Benjamin. Roll call was taken. Motion carries 6-0. All were in favor.

8. Discussion Items

A. 2026-2027 Affordable Housing Plan: Public Comment Draft

John Patterson reviewed with the board the draft of the 2026-2027 Affordable Housing Plan.

9. Information Items

A. Post Sale Report, Residential Housing Finance Bonds, Series 2025 IJ

B. Chief Risk Officer Report

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

10. Other Business

None.

11. Adjournment

The meeting was adjourned at 2:36 p.m.

John DeCramer, Chair



Item: Approval, Waiver to Extend the 2024-2025 Housing Tax Credit (HTC) Qualified Allocation Plan (QAP) Carryover 10% Test and Certified Public Accountant Certification Deadline – The Warren Apartments, D8385, Minneapolis

Consent Item: 6.A
Date: 09/25/2025
Staff Contacts: Benjamin Miles, 651.297.2278, benjamin.miles@state.mn.us
Kelly Winter, 651.297.5142, kelly.winter@state.mn.us
Request Type: Approval, Motion

Request Summary

Staff requests a waiver of the 2024-2025 Housing Tax Credit (HTC) Qualified Allocation Plan (QAP) deadline to complete the 10% test and submit the certified public accountant (CPA) certification from October 1, 2025, to December 1, 2025, for The Warren Apartments.

Fiscal Impact

HTCs are a federal resource, and Minnesota Housing earns administrative fees for the costs to implement the program.

Agency Priorities

- | | |
|---|---|
| <input checked="" type="checkbox"/> Improve the Housing System | <input type="checkbox"/> Make Homeownership More Accessible |
| <input checked="" type="checkbox"/> Preserve and Create Housing Opportunities | <input checked="" type="checkbox"/> Support People Needing Services |
| | <input checked="" type="checkbox"/> Strengthen Communities |

Attachments

- Background
- Map and Picture

Background

The Warren Apartments is a new construction project that will be located in Minneapolis. The project was selected for 9% HTC in the 2024 HTC Round 2 and deferred funding in the 2024 Multifamily Consolidated RFP/2025 HTC Round 1 in Resolution Nos. MHFA 24-030 and 24-082, respectively. The project will consist of a total of 60 units, 15 of which will be permanent supportive housing, with seven units serving people with disabilities and eight units serving people that are experiencing long-term homelessness. The sponsor is Premier Development Corporation L. L. C.

Section 42 of the Internal Revenue Code (IRC) requires all 9% HTC projects to carryover or be placed in service by the end of the HTC calendar year (December 31). The IRC also requires an owner who receives a carryover allocation to expend more than 10% of the owner's reasonably expected basis in the project within one year after the date the allocation was made. This requirement is commonly referred to as the 10% test.

The 2024-2025 QAP requires owners to provide a CPA certification as evidence that the 10% test has been met as a part of the carryover application. If the final carryover basis and expenditures information is not available at the time the carryover application is due, the owner must submit a written estimate of the information prior to the carryover application deadline and submit the CPA certification by the following May. If necessary, an extension can be requested. Chapter 6.B. of the 2024-2025 QAP states that the maximum allowable extension is to October 1 (or the next business day, if not a business day). Chapter 2.BB of the 2024-2025 QAP also states the Minnesota Housing board is authorized to waive any conditions of the QAP that are not mandated by IRC Section 42 on a case-by-case basis for good cause shown. The October 1 deadline is a Minnesota Housing deadline, not mandated by IRC Section 42. As described below, staff believes the project has shown good cause for an extension past October 1.

The 2024 HTC Carryover Allocation Agreement for The Warren Apartments was executed on December 19, 2024. As part of the carryover application, the owner submitted the owner certification and agreed to submit the CPA certification by May 1, 2025. The owner subsequently requested an extension to submit the required certification by October 1, 2025, which was approved by Minnesota Housing's HTC Team. On August 6, 2025, the owner submitted an additional carryover extension request. The carryover extension letter explained the project needs to incur the \$1.3 million in land costs in order to meet the 10% test. The Warren Apartments development team is working closely with Minnesota Housing staff to close on the loan and purchase the land. While they anticipate closing before October 1, 2025, the sponsor has requested an extension to allow all parties to proceed with closing without the challenges of compressed timelines.

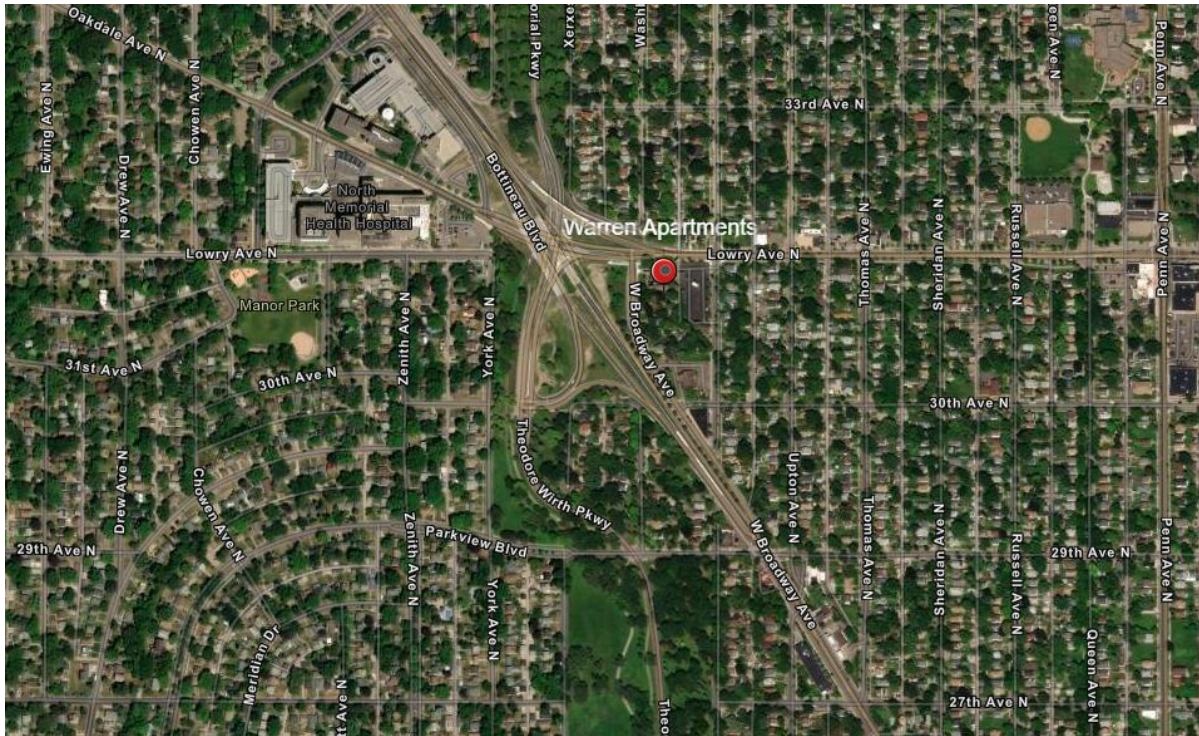
Staff believes that the project has adequately demonstrated good cause because the project's 10% test deadline has been significantly compressed due to the fact the project was funded in two different years, 2024 and 2025, and it had a design change in 2025. Typically, a project begins development activities as soon it is selected for HTCs. This project waited to begin preparing for construction

because the project received 2024 HTCs in Round 2 prior to receiving the deferred loan award in the next Multifamily Consolidated RFP. This caused the project to pause for about nine months until it was fully funded. In addition, the project was further delayed as its design was changed. The project has been steadily moving through underwriting and closing since the spring of 2025.

Under IRC Section 42, the owner must meet the 10% test by December 19, 2025, which is one year from the date the 2024 HTC Carryover Allocation Agreement was executed. Extending the Minnesota Housing CPA certification deadline to December 1, 2025, will maximize the owner's timeline, and allow staff adequate time to review the final CPA certification by the IRC deadline. If the project is unable to meet the 10% test deadline, they will lose their entire allocation of 2024 9% HTCs.

Map and Picture

3120 Washburn Avenue N, Minneapolis



Agenda Item: 6.A

Attachment: Map and Picture



Item: Approval, Waiver to Extend the 2024-2025 Housing Tax Credit (HTC) Qualified Allocation Plan (QAP) Carryover 10% Test and Certified Public Accountant Certification Deadline – Birchwood Apartments, D0592, Grand Marias

Action Item: 6.B
Date: 09/25/2025
Staff Contacts: Erin Coons, 651.296.9836, erin.coons@state.mn.us
Kelly Winter, 651.297.5142, kelly.winter@state.mn.us
Request Type: Approval, Motion

Request Summary

Staff requests a waiver of the 2024-2025 Housing Tax Credit (HTC) Qualified Allocation Plan (QAP) deadline to complete the 10% test and submit the certified public accountant (CPA) certification from October 1, 2025, to December 1, 2025, for Birchwood Apartments.

Fiscal Impact

HTCs are a federal resource, and Minnesota Housing earns administrative fees for the costs to implement the program.

Agency Priorities

- | | |
|---|---|
| <input checked="" type="checkbox"/> Improve the Housing System | <input type="checkbox"/> Make Homeownership More Accessible |
| <input checked="" type="checkbox"/> Preserve and Create Housing Opportunities | <input type="checkbox"/> Support People Needing Services |
| | <input checked="" type="checkbox"/> Strengthen Communities |

Attachments

- Background
- Map and Picture

Background

Birchwood Apartments is a rehabilitation and preservation of federal assistance project located in Grand Marias. The project was selected for 9% HTC in the 2023 Multifamily Consolidated RFP/2024 HTC Round 1 in Resolution No. MHFA 23-076. The project consists of a total of 24 units, 23 of which benefit from rental subsidy through United States Department of Agriculture Rural Development (Rural Development). The sponsor is One Roof Community Housing.

Section 42 of the Internal Revenue Code (IRC) requires all 9% HTC projects to carryover or be placed in service by the end of the HTC calendar year (December 31). The IRC also requires an owner who receives a carryover allocation to expend more than 10% of the owner's reasonably expected basis in the project within one year after the date the allocation was made. This requirement is commonly referred to as the 10% test.

The 2024-2025 QAP requires owners to provide a CPA certification as evidence that the 10% test has been met as a part of the carryover application. If the final carryover basis and expenditures information is not available at the time the carryover application is due, the owner must submit a written estimate of the information prior to the carryover application deadline and submit the CPA certification by the following May. If necessary, an extension can be requested. Chapter 6.B. of the 2024-2025 QAP states that the maximum allowable extension is to October 1 (or the next business day, if not a business day). Chapter 2.BB of the 2024-2025 QAP also states the Minnesota Housing board is authorized to waive any conditions of the QAP that are not mandated by IRC Section 42 on a case-by-case basis for good cause shown. The October 1 deadline is a Minnesota Housing deadline, not mandated by IRC Section 42. As described below, staff believes the project has shown good cause for an extension past October 1.

The 2024 HTC Carryover Allocation Agreement for Birchwood Apartments was executed December 10, 2024. As part of the carryover application, the owner submitted the owner certification and agreed to submit the CPA certification by May 1, 2025. The owner subsequently requested an extension to submit the required certification by October 1, 2025, which was approved by Minnesota Housing staff on April 23, 2025. On August 27, 2025, the owner submitted an additional carryover extension request. The carryover extension letter from the developer states the project needs to incur the acquisition costs in order to meet the 10% test. The development has existing financing from United States Department of Agriculture Rural Development (Rural Development), which is in the process of being transferred to the new ownership entity. Rural Development is in the process of closing on the transfer and have provided an estimated closing timeline for early November. Birchwood Apartments development team has been working closely with Minnesota Housing to close on our financing and there are no concerns with being able to close as soon as Rural Development is ready. While the project is anticipated to close before December 1, 2025, staff is requesting an extension to this date in order to allow cushion within the closing timeline.

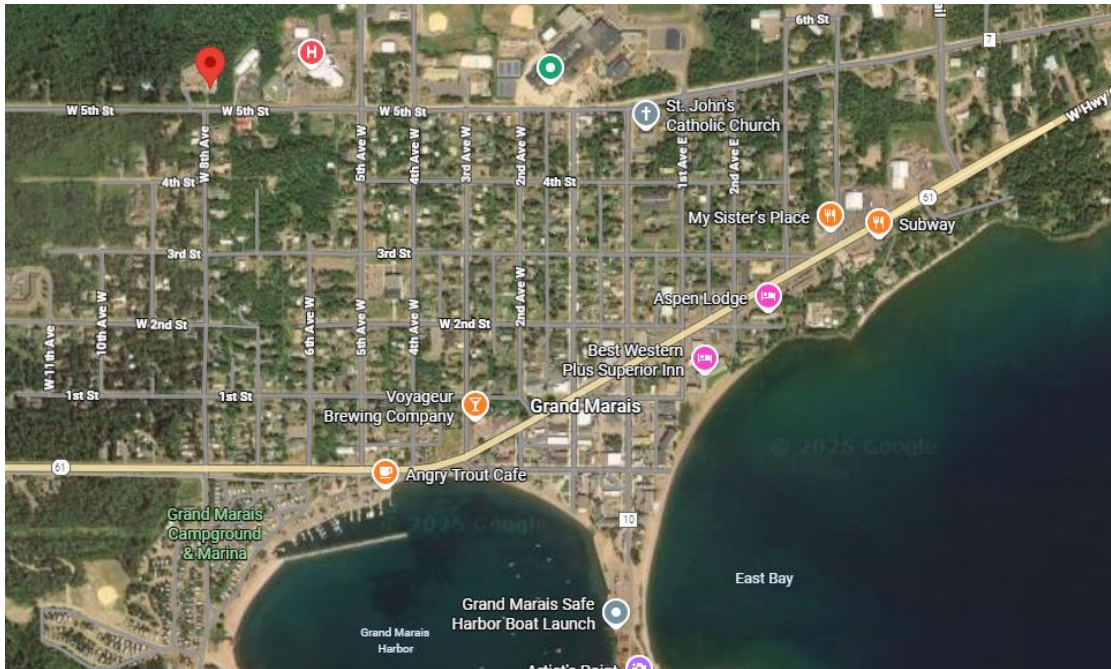
Staff believes that the project has adequately demonstrated good cause because the development's closing has been delayed for reasons beyond the developer's control. The development received final Mortgage Credit Committee approval on May 21, 2025, and requested an early start to begin construction prior to closing on the financing. The early start was approved on May 29, 2025. The early

start would have resulted in enough costs to meet the 10% test. Rural Development however did not respond to the request, and the early start work was not completed.

Under IRC Section 42, the owner must meet the 10% test by December 10, 2025, which is one year from the date the 2024 HTC Carryover Allocation Agreement was executed. Extending the Minnesota Housing CPA certification deadline to December 1, 2025, will maximize the owner's timeline, and allow staff adequate time to review the final CPA certification by the IRC deadline. If the project is unable to meet the 10% test deadline, they will lose their entire allocation of 2024 9% HTCs.

Map and Picture

801 W. 5th Street, Grand Marais





Item: Approval, Loan Assumption of HUD Risk-Sharing Federal Financing Bank (HRS-FFB) Program Loan – North Pointe Townhomes, D2800, Blaine

Information Item: 6.C
Date: 09/25/2025
Staff Contacts: Sarah Matala, 651.215.5577, sarah.matala@state.mn.us
Request Type: Approval, Resolution

Request Summary

Staff requests board adoption of a resolution authorizing assumption of the HUD Risk-Share Federal Financing Bank (HRS-FFB) Program loan for North Pointe Townhomes by BestBlaine Properties LLC.

Fiscal Impact

None: The current terms of the HRS-FFB loan will not change.

Agency Priorities

- | | |
|---|---|
| <input type="checkbox"/> Improve the Housing System | <input type="checkbox"/> Make Homeownership More Accessible |
| <input checked="" type="checkbox"/> Preserve and Create Housing Opportunities | <input type="checkbox"/> Support People Needing Services |
| | <input type="checkbox"/> Strengthen Communities |

Attachments

- Background
- Map and Picture
- Resolution

Background

North Pointe Townhomes is an 18-unit development located in Blaine. The development is owned by Blaine North Pointe Limited Partnership (Owner). Blaine North Pointe Investments, LLC is the General Partner, of which Leo M. Sand is the Chief Manager. The development is managed by Sand Property Management, LLC. It has an allocation of federal Low-Income Housing Tax Credits (HTCs) from Minnesota Housing, which is currently in year eight of the extended use period. Fourteen of the 18 units are restricted according by the HTC program and the HRS-FFB loan.

North Pointe Townhomes has an Agency HRS-FFB loan with an original balance of \$1,300,000. The balance as of August 25, 2025, was \$1,125,038.

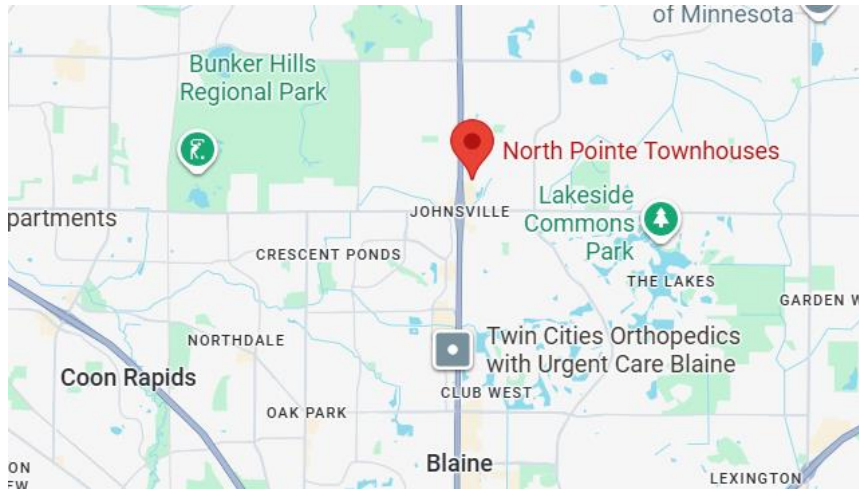
The Owner is selling the property to BestBlaine Properties LLC (Buyer). According to the terms of the HRS-FFB Mortgage Note, the loan may not be prepaid until September 1, 2028. In order to accomplish the sale, the Owner is requesting that the loan be assumed by the Buyer.

BestBlaine Properties LLC has received approval from both Minnesota Housing credit risk staff and the United States Department of Housing and Urban Development (HUD) as an acceptable borrower for the HRS-FFB loan. There are no other changes to the development, and all compliance and asset management requirements remain in place.

The HRS-FFB loan assumption requires board approval because there is no board delegation authority to assume an amortizing first mortgage. Board Delegation No. 008 only includes provisions for assuming deferred loans.

Maps

North Pointe Townhomes is located in Blaine, north of Highway 10 off of Central Avenue NE/Highway 65.



The development includes four buildings. Three buildings contain four units each, and one building contains six units.



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

**RESOLUTION NO. MHFA 25-XXX
MODIFYING RESOLUTION NO. MHFA 18-039**

**RESOLUTION APPROVING LOAN ASSUMPTION OF HUD RISK-SHARING FEDERAL FINANCING BANK
(HRS-FFB) PROGRAM LOAN FOR NORTH POINTE TOWNHOMES (D2800)**

WHEREAS, the board previously authorized an allocation of Federal Low Income Housing Credits for calendar year 2002 to North Pointe Townhomes as a qualified low income housing building by its Resolution No. MHFA 01-78; and

WHEREAS, the board previously authorized a a Low and Moderate Income Rental Program (LMIR) loan commitment for North Pointe Townhomes by its Resolution No. MHFA 02-19 in the amount of \$983,003 that had an initial maturity date of April 1, 2033; and

WHEREAS, the board previously authorized a commitment for North Pointe Townhomes, a multi-unit housing development, by its Resolution No. MHFA 18-039 to refinance the LMIR loan with a HUD Risk-Sharing Federal Financing Bank (HRS-FFB) Program loan with Blaine North Pointe Limited Partnership in the original amount of \$1,300,000, with an initial maturity date of September 1, 2048; and

WHEREAS, the terms of the HRS-FFB loan prohibit prepayment in whole or in part until September 1, 2028; and

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. Assumption of the HRS-FFB loan by BestBlaine Properties LLC; and
2. All other terms and conditions of Resolution No. MHFA 18-039 remain in effect.

Adopted this 25th day of September 2025

CHAIR



Item: Approval, Property Owner Risk Mitigation Fund Program Guide Change

Action Item: 7.A
Date: 09/25/2025
Staff Contacts: Kristen Mortenson, 651.297.3119, kristen.mortenson@state.mn.us
Lauren Stelter, 651.296.3600, lauren.stelter@state.mn.us
Request Type: Approval, Motion

Request Summary

Staff requests approval to a change in the the Risk Mitigation Fund Program Guide’s grantee eligibility section to allow inclusion of entities other than counties in the metropolitan area, including but not limited to nonprofit organizations.

Fiscal Impact

None

Agency Priorities

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

Attachments

- Background
- Program Guide

Background

The Property Owner Risk Mitigation Fund Program (the “RMF Program”) was established pursuant to [Minnesota Laws 2023, chapter 37, article 1, section 2, subdivision 9\(b\)](#), allowing up to \$1,000,000 of Family Homeless Prevention and Assistance Program (FHPAP) appropriated funds to be used to create or expand risk mitigation programs to reduce the financial risk of property owners renting to eligible households under FHPAP as governed by [Minnesota Statute 462A.204](#). The RMF Program is intended to expand housing opportunities for households with barriers to accessing housing or those unable to obtain housing without additional funding coverage or guarantees in place by reducing risks to property owners.

The RMF Program Guide was approved by the board on May 22, 2025. After the RMF Program Guide was approved in June, staff realized that 2023 Session Law allows for broader applicant eligibility than is reflected in the Program Guide. Broader eligibility allows for more competition to advance program goals. This change would alter the eligibility criteria for administrators under the RMF Program Guide as allowed by Minnesota Laws 2023, chapter 37, article 1, section 2, subdivision 9(d):

If the agency determines that the metropolitan area needs additional support to serve homeless households or those at risk of homelessness, the agency is authorized to grant funds to entities other than counties in the metropolitan area, including but not limited to nonprofit organizations.

Staff are recommending the following revision, as reflected with the underlined text, to the RMF program guide.

2.01 Eligible Grantees

Eligible Grantees do not have to be current FHPAP Grantees but must meet FHPAP Grantee eligibility criteria as follows:

- Tribal Nations, including those recognized by the state of Minnesota and the federal government: Bois Forte Band of Chippewa, Fond du Lac Band of Lake Superior Chippewa, Grand Portage Band of Lake Superior Chippewa, Leech Lake Band of Ojibwe, Lower Sioux Indian Community, Mille Lacs Band of Ojibwe, Prairie Island Indian Community, Red Lake Nation, Shakopee Mdewakanton Sioux Community, Upper Sioux Community, and the White Earth Nation;
- Twin Cities metropolitan counties, which include Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington counties and entities other than counties in the metropolitan area, including but not limited to nonprofit organizations;

- Non-metropolitan areas, which include a county, a group of contiguous counties jointly acting together, or a community-based nonprofit organization; and
- Collaborative applications, including those from Continuum of Care regions and Tribal Nations, are encouraged.”



Property Owner Risk Mitigation Fund

Program Guide

Last Updated: ~~May 22~~ September 25, 2025



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.

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Introduction and Commitment to Equity

1.01 Introduction

The Property Owner Risk Mitigation Fund Program (the “RMF Program”) was established pursuant to [Minnesota Laws 2023, chapter 37, article 1, section 2, subdivision 9\(b\)](#), allowing up to \$1,000,000 of Family Homeless Prevention and Assistance Program (FHPAP) appropriated funds to be used to create or expand risk mitigation programs to reduce the financial risk of property owners renting to eligible households under FHPAP as governed by [Minnesota Statute 462A.204](#).

These funds will be available through the RMF Program and will be distributed through a competitive Request for Proposals (RFP), awarded as grants, and subject to all policies established by the [Minnesota Department of Administration Office of Grants Management](#).

The legislation establishing the Program allows for Minnesota Housing to give priority to applicants that demonstrate a matching amount of money by a local unit of government, business, or nonprofit organization.

Minnesota Housing reserves the right to correct technical errors or clarifications as well as to incorporate any new legislative requirements to this Program Guide as needed and with approval of the Assistant Commissioner of the Housing Stability Division. Any significant changes to the Program Guide will be approved by the Minnesota Housing board. Grantees will be notified of any changes to this Program Guide by email. The updated Program Guide will be posted on Minnesota Housing’s website.

Language Shift: Landlord to Property Owner

Minnesota Session Law uses the term “landlord” risk mitigation in the authorization and appropriation for this Program. The words “property owner” will be used in place of the term landlord throughout the Program Guide and corresponding RFP Application. This shift is informed by partners and renters and acknowledges the historical and negative connotations associated with the term landlord. Related, the term “renter” will be used instead of “tenant” for the leaseholder.

1.02 Values Statement

All Minnesotans live and thrive in a stable, safe, and accessible home they can afford in a community of their choice. To achieve the concept of One Minnesota where everyone thrives, we will reorient how we work and expand who has a voice at the table and who participates in and benefits from the housing economy.

We will:

- Center the people and places most impacted by housing instability at the heart of our decision making;
- Listen and share the power we have;
- Honor, respect and strengthen communities; and
- Be inclusive, equitable, just and antiracist in our actions.

1.03 Commitment to Equity

One of Minnesota Housing's values is to be inclusive, equitable and just in its actions, as stated on our [About Us](#) webpage and in our [Strategic Plan](#). This not only includes supporting a [new state plan](#) that focuses on racial, housing, and health justice, but it also extends to Minnesota Housing's funding commitments, including FHPAP and programs funded through FHPAP.

To further address the racial disparities that exist among Minnesotans experiencing homelessness, Minnesota Housing prioritizes working with grant administrators who will be successful at improving housing stability for communities disproportionately impacted by homelessness, including those who can provide culturally specific services.

Minnesota Housing expects Grant Applicants to have developed a fair and transparent process for soliciting providers to meet the needs identified in their community. Before finalizing a program design and submitting an application, Minnesota Housing strongly encourages all potential applicants to engage and consult with:

- People with lived experience of homelessness;
- Property owners;
- Tribal governments if the proposed coverage area(s) include Tribal Reservations;
- FHPAP Advisory Committee in potential coverage area(s);
- Continuum of Care region(s) in potential coverage area(s); and/or
- Other service and housing providers, agencies, local governments, and schools.

The RMF Program expects Grantees to provide Culturally Responsive and Trauma-Informed services. This includes providing household support with patience and empathy.

Minnesota Housing staff addresses equity when awarding funds and strives to maintain transparent and clear communication.

1.04 Terms and Definitions

Appendix A (Terms and Definitions) includes definitions of capitalized terms used in this Program Guide.

1.05 Legal Addendum

Any recipient of an award pursuant to the Program agrees to comply with the additional requirements and obligations as described in Appendix B (Legal Addendum) of this Program Guide.

1.06 Program Overview

The RMF Program is intended to reduce risks to property owners in efforts to expand housing opportunities for households with barriers to accessing housing or those unable to obtain housing without additional funding coverage or guarantees in place. Grant Proceeds are used to create or expand risk mitigation programs to recruit and engage property owners, reimburse property owners for damages or other eligible financial losses, link property owners and renter households to tenancy support services, and establish other strategies to support property owners serving eligible households.

Households served by property owners under this Program must be eligible under the FHPAP guidelines outlined in the [FHPAP Program Guide](#). While Grant Proceeds will be directed only to services, activities, and reimbursements for property owners, Grant outcomes will be tracked for both property owners and renters.

Chapter 2 – Eligibility Criteria

2.01 Eligible Grantees

Eligible Grantees do not have to be current FHPAP Grantees but must meet FHPAP Grantee eligibility criteria as follows:

- Tribal Nations, including those recognized by the state of Minnesota and the federal government: Bois Forte Band of Chippewa, Fond du Lac Band of Lake Superior Chippewa, Grand Portage Band of Lake Superior Chippewa, Leech Lake Band of Ojibwe, Lower Sioux Indian Community, Mille Lacs Band of Ojibwe, Prairie Island Indian Community, Red Lake Nation, Shakopee Mdewakanton Sioux Community, Upper Sioux Community, and the White Earth Nation;
- Twin Cities metropolitan counties, which include Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington counties; and entities other than counties in the metropolitan area, including but not limited to nonprofit organizations;
- Non-metropolitan areas, which include a county, a group of contiguous counties jointly acting together, or a community-based nonprofit organization; and
- Collaborative applications, including those from Continuum of Care regions and Tribal Nations, are encouraged.

2.02 Eligible Households

Eligible households of the RMF Program must meet the following criteria:

- Household income must be at or below 200% of federal poverty guidelines;
- Households must be Minnesota residents, or a household otherwise approved in writing by Minnesota Housing, approval of which is at Minnesota Housing's sole discretion; and
- Households must be homeless or at imminent risk of homelessness and in need of services and/or financial assistance due to a housing crisis.

Grantees may add additional criteria in some circumstances, such as:

- Grantees may choose to further restrict household income below 200% of federal poverty guidelines to target households with the greatest need.
- Grantees or Subgrantees that specialize in serving a specific population, such as youth or families, may target those households.

Chapter 3 – Eligible Activities and Expenses

Grant funds may be used by the Grantee to:

- Administer the RMF Program;
- Provide Property Owner Services to recruit and maintain property owner participation into the RMF Program;
- Reimburse property owners for certain property damages and housing related financial losses that exceed the security deposit. See section 3.03 of this document for more information.

3.01 Administration of the RMF Program

Up to 15% of the Grant Budget may be used for eligible program administrative expenses, including:

- Salaries, wages, and fringe benefits of staff responsible for program oversight, working directly with property owners and completing data entry and reporting (the full-time equivalent must be proportional to their program involvement)
- Hiring or staff retention bonuses may be eligible only if requested at the time of application and included on the approved budget which is an exhibit to the Grant Contract Agreement
- Travel
- Office space, utilities, equipment, phone, computer, internet
- Tablets, hotspots, data storage/security, and other software (cloud storage, data storage, Laserfiche, language line)
- Supplies, copies, postage
- Training
- Homeless Management Information System (HMIS) (or other pre-approved) software and reporting fees
- Financial compensation for persons with lived experience who are involved in the planning, design and evaluation of RMF Program activities as identified in the documents the Grantee uses to demonstrate compliance with program requirements
- Audit, insurance, accounting, human resources, information technology, communications, translation services
- Digital or Electronic Signatures (eSignatures), specifically the expenses associated with the set up and ongoing maintenance of eSignature services
- Other expenses directly related to the Program, which must be approved in writing by Minnesota Housing

Agencies that utilize cost allocation plans for administrative expenses will be required to provide a description in the work plan that is submitted as part of due diligence.

3.02 Property Owner Services

Up to 50% of the Grant Budget may be used to:

- Develop the Program design and materials, including the documents the grantee uses to reflect demonstration of compliance with Program requirements
- Market the Program and recruit property owners to participate
- Build relationships and network with property owners
- Explain the Program and educate property owners
- Enroll property owners into the Program
- Maintain contact and engagement with property owners during the Program
- Establish Property Owner Services, as appropriate (these services must be offered at least for the duration of the initial lease).
- Minnesota Housing may approve, at its sole discretion, other uses as proposed by the applicant to recruit, engage and support property owners.

3.03 Property Owner Payments

Property owner payments are allowed in the form of reimbursements. The guarantee of reimbursement payments, when eligible, may be used to motivate owners to enroll in the RMF Program and rent to a person who they may otherwise not rent to due to housing barriers. In the Request for Proposal (RFP), the Grantee will provide the criteria a property owner must meet to be eligible for enrollment in the program and a description of what outcome each criteria item targets. Reimbursement payments may only be made to the property owner if there is documentation verifying that the property owner has met all criteria required for enrollment by the Grantee.

A property owner enrolled in the RMF program may receive reimbursement payments for damages or other eligible financial losses that exceed the security deposit amount. Grantees may determine a cap for reimbursement payments to a property owner. Eligibility for reimbursement payments related to repairs are dictated by whether a repair is needed to maintain safety, security and/or habitability of a rental unit or property. Reimbursement payments may only be made to the property owner if there is itemized documentation for each repair. Reimbursement payments may also be made for costs incurred or resources expended to facilitate meeting a Grantee's required program criteria or to rent to eligible households.

Chapter 4 – Ineligible Activities and Expenses

Activities and expenses that are not eligible under this grant include:

- Acquiring, rehabilitating, or constructing housing.
- Housing navigation and/or case management services to households seeking or maintaining housing.
- Rental assistance.
- Other housing related expenses not otherwise listed as eligible within this Program Guide (application fees, past due bills, utility connection fees, rental arrears, etc.).

Chapter 5 – Budget

5.01 Budget Modifications Not Requiring Pre-Approval

Grantees are not required to seek Minnesota Housing approval for the following budget modifications but are required to inform Minnesota Housing staff in writing of these budget modifications within two working days of a modification.

- Moving funds between existing line items within a distinct budget category (Administration, Property Owner Services, Property Owner Payments).
- Moving funds from Administration to Property Owner Services (provided Owner Services do not exceed 50% of the total budget unless it is specifically allowed in the Grant Contract Agreement) and Property Owner Payments.
- Moving funds from Property Owner Services to Property Owner Payments.
- Moving funds between a Grantee’s and Subgrantee’s budget or moving funds from one Subgrantee’s budget to another Subgrantee’s budget, provided that moving funds will not impact the program design outlined in the application and aligns the aforementioned items.
- Moving funds from one program year to another.

5.02 Budget Modifications Requiring Pre-Approval

Any budget modification not listed above requires approval from Minnesota Housing. When requesting a budget modification, Grantees must submit the following information in writing to Minnesota Housing staff:

- The reason for the request,
- The amount of funds proposed to be shifted,
- The expense categories that funds will be moved to and from,
- If Subgrantees will be impacted, and
- If there will be an impact to the program design outlined in the application.

Minnesota Housing may choose, at its sole discretion, to not allow a budget modification. If Minnesota Housing does not allow a budget modification the Grantee must revert to the previously approved budget.

Budget modifications may require a Grant Contract Agreement amendment which must be approved by agency leadership and/or the board.

Chapter 6 – Grantee Requirements

6.01 Subgrantees

Grantees must complete formal contracts with any Subgrantees and require, at a minimum, the same expectations that Minnesota Housing requires of Grantees. Subgrantee agreements must be fully signed before the Subgrantees can begin serving households. Additionally, Grantees should ensure that communication received from Minnesota Housing is relayed to Subgrantees.

6.02 Financial

Grantees will prepare and submit to Minnesota Housing reimbursement requests that detail actual expenditures in alignment with eligible activities and expenses outlined in the Grantee’s approved budget.

Grantees and Subgrantees are required to demonstrate and track that funds have been expended on eligible activities. Grantees are required to monitor their rate of expenditures to last the duration of the grant period. The rate of expenditures will be considered when evaluating overall Grantee performance as part of the competitive application process.

6.03 Digital or Electronic Signatures

For any documents that require a signature to complete the application or other supporting documentation, handwritten, Digital and Electronic Signature (eSignature) options must be made available. Grantees may use [DocuSign](#) or [Adobe eSign](#) to create a Digital or Electronic Signature; other Digital or Electronic Signature software requires written approval from Minnesota Housing before being used.

6.04 Monitoring and Evaluation

State Monitoring of Grantees

Minnesota Housing will monitor Grantees in compliance with the [Department of Administration Office of Grants Management Policy 08-10](#), including:

- Owner file review: Grantee must develop and define what owner file must include. Contents should include documentation that demonstrates compliance with program requirements.
- Renter eligibility review
- Financial reconciliation: Grantees must submit the following documentation, as applicable:
 - A job cost report or general ledger, including receipts and expenses for the requested period such as:
 - Bank statements

- Payroll records
- Third-party verification such as invoices and receipts
- The job cost report or general ledger should only include RMF Program related receipts and expenses and should not include non-RMF Program related receipts/expenses.

More detailed information will be provided to Grantees prior to monitoring and will include an overall program review, including Grantee policies and procedures, governance, and administrative performance.

Following conclusion of the monitoring activities, Minnesota Housing staff will conduct an exit interview with the Grantee summarizing the results. Grantees will be notified if follow-up is required. Upon timely completion of follow-up items, Minnesota Housing staff will issue a monitoring review summary letter.

Grantees and Subgrantees are responsible for maintaining financial records that document the use of all RMF Program funds, including those used for Property Owner Services, Property Owner Payments, and administrative costs. Grantees and Subgrantees are expected to maintain all financial and owner records for a minimum of six years after the grant period has ended.

In addition, Minnesota Housing reserves the right to review all financial and owner records during this period, and records must be made available upon request.

Grantees Monitoring Subgrantees (as appropriate)

Grantees are required to conduct monitoring of Subgrantee activities in accordance with the Grant Contract Agreement and the [Department of Administration Office of Grants Management Policy 08-10](#). Grantees must establish a procedure to review and validate claims and reimbursements. Outcomes of the monitoring visit must be documented and available to Minnesota Housing and other stakeholders upon request.

Minnesota Housing encourages grantees to consult with an existing advisory committee in development of monitoring and evaluation. Grantees are strongly encouraged to consult with Minnesota Housing staff promptly if they identify any Subgrantee performance concerns, through monitoring or any other means, in areas such as financial management or service delivery. Further action may be recommended or required, such as providing additional monitoring or developing a performance improvement plan with the Subgrantee.

Grantees should establish an HMIS reporting deadline for Subgrantees in advance of the due date established by Minnesota Housing to provide sufficient time to review data quality. Grantees should work with their Subgrantees to fix data quality issues and then inform Minnesota Housing of the “ready” status. Grantees may also act as a liaison between the Subgrantee and the HMIS administrator helpdesk staff if there are data or reporting issues. Grantees will be provided with specific reporting information in advance of the reporting period.

6.05 Quarterly and Annual Reporting

Grantees will be provided with a Quarterly Report template that must be submitted to Minnesota Housing 45 calendar days after the completion of each reporting period.

Grantees will be provided with an Annual Report template that must be submitted to Minnesota Housing 45 calendars after the completion of each 12-month period.

A specific RMF Program Report Timeline will be provided to the Grantee as an exhibit to the Grant Contract Agreement. Note that report dates are subject to change. Grantees will receive email notifications of all report deadlines.

6.06 Homeless Management Information System (HMIS)

The Institute for Community Alliance is the designated Lead Agency for Minnesota's [HMIS](#). RMF Grantees will be required to ensure that certain data of households served under the RMF is entered into HMIS. This data entry may be completed by the Grantee or the provider who is providing support services to the household.

Grantees and Subgrantees, if applicable, are encouraged to download these reports regularly to ensure the latest version is being used. Timely data entry is expected to comply with quarterly and annual reporting requirements.

Agencies new to the HMIS or returning after a period of absence must complete documentation to get their agency set up to enter data. In addition, new users must complete new user training before entering data. Visit the [HMIS website](#) for more information.

Appendix A – Terms and Definitions

Table 1: Terms and Definitions

Term	Definition
Continuum of Care (CoC)	A local planning body that coordinates housing and services planning and funding for homeless families and individuals.
Continuum of Care (CoC) Plan	A community plan prescribed by HUD to organize and deliver housing and services to meet the specific needs of people who are homeless as they move to stable housing and maximum self-sufficiency and includes action steps to end homelessness and prevent a return to homelessness.
Culturally Responsive	Agencies, programs, and providers of services respond respectfully and effectively to people of all cultures, languages, classes, races, ethnic backgrounds, disabilities, religions, genders, sexual orientations, and other identities in a manner that recognizes, values, and affirms differences and eliminates barriers to access as stated in Minnesota Laws 2024, ch. 127, art. 16, sec. 2(a)(1) .
Digital Signature	A person’s name that is Digitally affixed to an electronic document not using DocuSign, Adobe Sign, or other eSignature software. Digital Signatures can be typed into or onto a document, an image of a signature, or the use of /s/ as a signature. Checking a box or typing one’s initials is also a Digital Signature.
Electronic Signature (eSignature)	An electronic sound, symbol, or process attached to or logically associated with a contract or other record and executed or adopted by a person with the intent to sign the record. An eSignature is electronically affixed to an electronic document using an approved software program which authenticates identity, day and time of affix. Minnesota Housing approved software for initiating an eSignature is DocuSign or Adobe Sign.
Grant Applicant	An organization that intends to apply for RMF Program funds.
Grant Contract Agreement	The agreement between Minnesota Housing and the Grantee that governs the Grantee’s use of FHPAP funds.
Grantee	The primary entity that has applied for and has been awarded funds from the RMF Program. A grantee may have Subgrantees within their RMF project.
Homeless Management Information System (HMIS)	A local web-based information technology system used to collect participant-level data and data on the provision of housing and services to individuals and families experiencing or at risk of homelessness.
Homeless Management Information System (HMIS) Lead Agency	The entity responsible for managing the HMIS for the geographic area, in accordance with the requirements prescribed by HUD. The Institute for Community Alliance (ICA) is the designated HMIS Lead Agency for the state of Minnesota.

Term	Definition
Subgrantee	An agency or organization that is solicited by the Grant Applicant or Grantee to participate as an administrator with the Grantee in the FHPAP.
Trauma-Informed	To recognize that many people have experienced trauma in their lifetime and that programs must be designed to respond to people with respect and accommodate the needs of people who have or are currently experiencing trauma as stated in Minnesota Laws 2024, ch. 127, art. 16, sec. 2(a)(2) .

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 (that is, 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 (for example, 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.

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 of existing housing); (2) a single entity receives from Minnesota Housing \$200,000 or more of grant proceeds or \$500,000 of loan proceeds; or (3) allocations or awards of low-income housing tax credits, for which tax credits are used for multifamily housing projects consisting of more than ten units.

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.

Entities receiving funding from Minnesota Housing as described in this section shall notify all employers on the project of the recordkeeping and reporting requirements in Minnesota Statutes Section 177.30, paragraph (a), clauses (6) and (7). Each employer shall submit the required information to Minnesota Housing.

Questions related to submission of required information to Minnesota Housing may be directed to: mhfa.prevailingwage@state.mn.us.

All questions regarding state prevailing wages and compliance requirements should be directed to the Minnesota Department of Labor and Industry 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 a contractor or subcontractor fails to adhere to prevailing wage laws, then that contractor or subcontractor could face civil and/or criminal liability.



Item: Approval, 2026-2027 Homeownership Education & Counseling Unified Request for Proposals (RFP) Award Recommendations

Action Item: 7.B
Date: September 25, 2025
Staff Contacts: Abigail Behl, 651.296.8276, Abigail.Behl@state.mn.us
Melissa Pugh, 651.296.6559, Melissa.Pugh@state.mn.us
Request Type: Approval, Resolution

Request Summary

Staff requests approval of the funding recommendations for proposals submitted to the Homeownership Education, Counseling and Training (HECAT) program and Homeownership Capacity program through the 2026-2027 Homeownership Education & Counseling Unified Request for Proposals (RFP). Staff also requests approval of the funding recommendation for the Homeownership Capacity Incentive Fund and Training.

Fiscal Impact

Both HECAT and Homeownership Capacity awards are structured as grants and have no direct fiscal impact to the Agency. HECAT is funded by state appropriations and committed co-funder leverage from the Minnesota Homeownership Center, and Minnesota Department of Commerce. Homeownership Capacity is funded from Pool 3.

Agency Priorities

- | | |
|--|--|
| <input checked="" type="checkbox"/> Improve the Housing System | <input checked="" type="checkbox"/> Make Homeownership More Accessible |
| <input type="checkbox"/> Preserve and Create Housing Opportunities | <input type="checkbox"/> Support People Needing Services |
| | <input checked="" type="checkbox"/> Strengthen Communities |

Attachments

- Background
- Overview of Applications Received
- Application Review and Selection Process
- Recommendations

- Not Recommended for Funding
- HECAT Map of Recommended Projects
- Homeownership Capacity Map of Recommended Projects
- Summary of Funding Requests and Funding Recommendations
- HECAT Resolution
- Homeownership Capacity Resolution

Background

The Homeownership Education & Counseling Unified Request for Proposal (RFP) Application provides competitive funding for the Homeownership Education, Counseling and Training (HECAT) Program and the Enhanced Financial Capacity Homeownership Program (Homeownership Capacity), to eligible organizations. The primary purpose of the funding is to prepare potential homebuyers for successful homeownership and household stability through homeowner education, counseling and financial empowerment services.

Both the HECAT and Homeownership Capacity programs are important tools for advancing Minnesota Housing's 2024-2027 strategic objectives to:

- Address Homeownership Barriers and Reduce Disparities
- Create a More Inclusive, Equitable and Just Housing System
- Focus on the People and Places Most Impacted by Housing Instability

HECAT

HECAT, authorized under Minnesota Statute 462A.209, provides financial support to eligible organizations to deliver a variety of homeownership education, counseling and training services to Minnesotans. Eligible services include homebuyer education (HBE), 1-on-1 homebuyer services (financial wellness and homebuyer counseling), home equity conversion mortgage (HECM) counseling, and foreclosure prevention counseling.

Homeownership education: Homeownership education continues to be valued for its instructor led, peer-learning and group interactions. Collectively, HECAT organizations will offer in-person and virtual homeownership education in nine languages statewide. Data from 2024 shows that 6,762 households participated in homeownership counseling and homebuyer education. Of the 313 homeownership education courses offered in 2024, 42% were held virtually.

Pre-purchase services:

- **1-on-1 Financial Wellness:** Recognizing that some clients have significant barriers to homeownership and require more time to address their barriers, financial wellness services were added in the 2017 program year as an eligible activity under HECAT. In 2024, 1,022 households utilized financial wellness coaching, of which 87% are at or below 80% of area median income (AMI), and the median credit score is 700.
- **1-on-1 Homeownership Counseling:** Clients who have no or few barriers and are mortgage ready may seek homeownership counseling. Often, homeownership counseling clients need a little more 1-on-1 guidance than can be provided in a homeownership education course, before closing on their home. In 2024, 1,850 households sought out homeownership counseling, of which 77% are at or below 80% AMI.

Home Equity Conversion Mortgage Counseling (HECM): Home equity conversion mortgage (HECM) or reverse mortgage counseling assists seniors through the process of determining if they are qualified for and can obtain a loan by discussing topics that include eligibility, loan limits, loan amounts and future repayments. In 2024, 308 households received this service statewide.

Foreclosure Prevention Counseling: In 2024, Minnesota saw 10,823 pre-foreclosure notices and 1,563 sheriff sales. In 2024, HECAT grantees served a total of 1,004 households with foreclosure counseling. Of those households, 61% were in the Twin Cities Metro area and 39% in Greater Minnesota.

Minnesota Housing and its co-funders, the Minnesota Homeownership Center and the Minnesota Department of Commerce, offer HECAT resources through the competitive RFP process. For this funding round, the Minnesota Homeownership Center contributed \$500,000 and the Minnesota Department of Commerce contributed \$140,000. The Minnesota Homeownership Center participates in the initial application review and scoring, the selection committee review process, and in determining award amounts.

Homeownership Capacity

The Homeownership Capacity Program is a Minnesota Housing funded program that provides resources to eligible organizations that deliver enhanced financial education and 1-on-1 financial coaching to Black, Indigenous, and people of color (BIPOC) communities and low-income households.

The Homeownership Capacity program was launched in response to Minnesota's large disparities in homeownership rates between white households and BIPOC households and aligns with the Agency's strategic priority of making homeownership more accessible. The goal of the program is to increase the probability of successful homeownership and household stability through intensive financial empowerment coaching and education. Clients who enter Homeownership Capacity may receive program services from program administrators for up to three years. Eligible services include financial education, 1-on-1 financial coaching, and post-completion services.

Financial Education: Financial education assists the clients' knowledge of current and ongoing financial obligations, their ability to feel secure in their financial future and more empowered to make financial choices. Financial education is delivered in a group setting, and topics are discussed more generally, are culturally relevant and allow for peer sharing.

1-on-1 Financial Coaching: Individualized financial coaching is based on the unique needs of each client and their financial goals. Financial coaching is non-judgmental, supportive and encouraging while providing the client with tools to make informed financial decisions and progress towards their financial goals.

Post-Completion Services: Continued financial education or financial coaching may include educational opportunities specific to post-home purchase (such as home maintenance basics, home insurance coverage, home equity, home sale, etc.) as well as continued 1-on-1 financial coaching.

Since the launch of the program in August 2014, 9,050 households received program services. These households have a median income around \$50,000, and 87% of households identify as BIPOC. Of the households served, 2,949 (33%) have completed the program. Of the households who completed the program, 2,529 (86%) have reported the following outcomes:

Outcomes	Percent of Households
Client is financially empowered ¹ and purchased a home	46%
Client is financially empowered and pursuing homeownership one year after program completion	32%
Client is financially empowered and decided not to purchase	22%

Overview of Applications Received

The 2026-2027 Homeownership Education & Counseling Unified RFP launched on April 14, 2025, and closed on May 12, 2025, with an aggregate amount of \$4,701,188 in grant funding available (\$2,761,688 in HECAT; \$1,939,500 in Homeownership Capacity).

Thirty-seven applicants applied for HECAT funding, with a total request of \$7,245,773. Seven of the applicants were new applicants and 30 were returning applicants that have been funded in previous years.

Twenty-nine applicants applied for Homeownership Capacity funding, with a total request of \$4,903,000. Twelve of the applicants were new applicants and 17 were returning applicants who have been funded in previous years.

After applications were received, program staff assessed whether each application met the minimum threshold criteria for eligibility, completeness and timely submission. Any applications that did not meet the threshold criteria were not reviewed and therefore not considered for funding.

A total of 34 HECAT applicants submitted applications that passed threshold review. Three applicants (Somali American Partnerships, Urban League Twin Cities, Winona County Habitat for Humanity) did not pass threshold review.

¹ Financial empowerment is defined as: knowing when and how to find reliable information to make financial decisions; knowing how to process financial information to make financial decisions; knowing how to execute financial decisions and adapt as necessary to stay on track.

A total of 26 Homeownership Capacity applicants submitted applications that passed threshold review. Three applicants (Comunidades Latinas Unidas En Servicio, Inc., Somali American Partnerships, and Urban League Twin Cities) did not pass threshold review.

Applicants requesting grant awards of \$50,000 or more, and that passed threshold, underwent a Pre-Award Risk Assessment (PARA), as required under Minnesota Statute 16B.981.

All HECAT applicants passed the PARA. All Homeownership Capacity applicants passed the PARA with one exception, New American Development Center. New American Development Center has been notified of this decision and the process for contesting the Agency's decision.

Application Review and Selection Process

While applications for the HECAT and Homeownership Capacity programs were solicited through one Unified RFP, applications for each program were scored separately and did not compete against one another.

HECAT applications were scored based on the competitive scoring criteria published as part of the RFP and listed below:

- Organizational Capacity
- Community Partnerships and Outreach
- Equity
- Qualifications and Past Performance
- Budget and Leverage

Homeownership Capacity applications were scored based on the competitive scoring criteria published as part of the RFP and listed below:

- Organizational Capacity
- Community Partnerships and Outreach
- Equity
- Qualifications and Past Performance
- Program Design and Delivery

When selecting finalists and determining recommendations for both HECAT and Homeownership Capacity, program staff incorporated the application score, considered the applicant's alignment with funding priorities, and considered the following:

- Organizational capacity to run the program
- Feasible delivery plan
- Viable funding plan
- Community need and geographic coverage

Staff assessed the feasibility of the applicants accomplishing their proposed goals within the grant period. If applicants previously received grant funding, their past performance and progress toward goals and outcomes were considered alongside their program monitoring and audit results.

HECAT funding recommendations were designed to cover a portion of applicants homeownership education, counseling and training program costs. Applicants will leverage other funding sources to fully fund and support their programs; most combine multiple funding sources to deliver services and meet goals.

Homeownership Capacity funding award recommendations assume a per client cost of \$1,500, which is the maximum potential amount that Homeownership Capacity grantees can be compensated per client through the program’s Fee for Service model. Award recommendations for new applicants were capped at \$60,000, based on historical outcome data.

Together, this information helped inform funding recommendations and conditions, if any, recommended for the awards.

Recommendations

Staff recommends funding 28 HECAT applicants for \$2,761,688 in total funding.

Staff recommends funding 20 Homeownership Capacity applicants for \$1,939,500 in total funding.

Projected Households Served*:

Activity	Households Served
HECAT Households Served through HBE Workshops	7,765
HECAT 1-on-1 Counseling	8,788
1-on-1 Financial Wellness	3,184
1-on-1 Homeownership Counseling	3,158
HECM	610
Foreclosure Prevention Counseling	1,836
Homeownership Capacity Enhanced Financial Counseling	1,293
Total Households Served	17,846

*Note: Homeownership Capacity and HECAT are complimentary, some households served through Homeownership Capacity may also be served by HECAT.

Recommended applicants cover a range of communities, populations and geographies across the State, and will provide a full spectrum of comprehensive homeownership counseling and training program services.

The recommended applicants will provide housing education, counseling and training services to serve approximately 17,846 households throughout the state. Recommended HECAT applicants will provide 631 HBE workshops to 7,765 households and 1-on-1 counseling to 8,788 households. Recommended

Homeownership Capacity applicants will provide enhanced financial counseling services to 1,293 households. Recommended HECAT applicants will offer services in nine languages, and recommended Homeownership Capacity applicants will offer services in 11 languages. With the support of language assistance services, housing education, counseling and training services will be available to many households, regardless of the language they speak. Many recommended applicants will cover multiple geographies, and many will provide both virtual and in-person services. Virtual services offer flexibility and enable applicants to serve households in need, regardless of geographic location. The ease and reach of virtual platforms have increased the number of applicants providing statewide coverage, expanding services.

Geographies Served by Recommended Applicants:**

	HECAT	Homeownership Capacity
Recommended applicants serving Tribal Nations	3	4
Recommended applicants serving Greater Minnesota	13	10
Recommended applicants serving the 7-County Metropolitan Area	19	14
Recommended applicants providing Statewide coverage	8	6

**Note: Many applicants will cover multiple geographies.

Service Delivery:

	HECAT	Homeownership Capacity
Recommended applicants offering in-person services only	3	1
Recommended applicants offering both in-person and virtual services	25	19

**Note: Recommended selections provide both virtual and in-person coverage options for all HECAT and Homeownership Capacity service types.

Homeownership Capacity Incentive Fund and Training Allocation Recommendation

Staff also recommends \$60,500 for both the Homeownership Capacity Incentive Fund and Homeownership Capacity Program required training. Of the total \$60,500, an estimated \$40,500 will be available for the Homeownership Capacity Incentive Fund. The Homeownership Capacity Incentive Fund allows grantees to access additional funds if they have met the number of households served goals in their grant contract. A short application process is established for grantees to request these additional funds. Incentive Fund awards are based on fund availability, the terms and conditions under the Homeownership Capacity Incentive Fund, and in accordance with Delegation No. 018

The Homeownership Capacity Program has a training requirement that requires each grantee to have at minimum, one person with an active Financial Capability or Empowerment Certification, as provided by nonprofit providers approved by Minnesota Housing.

Not Recommended for Funding:

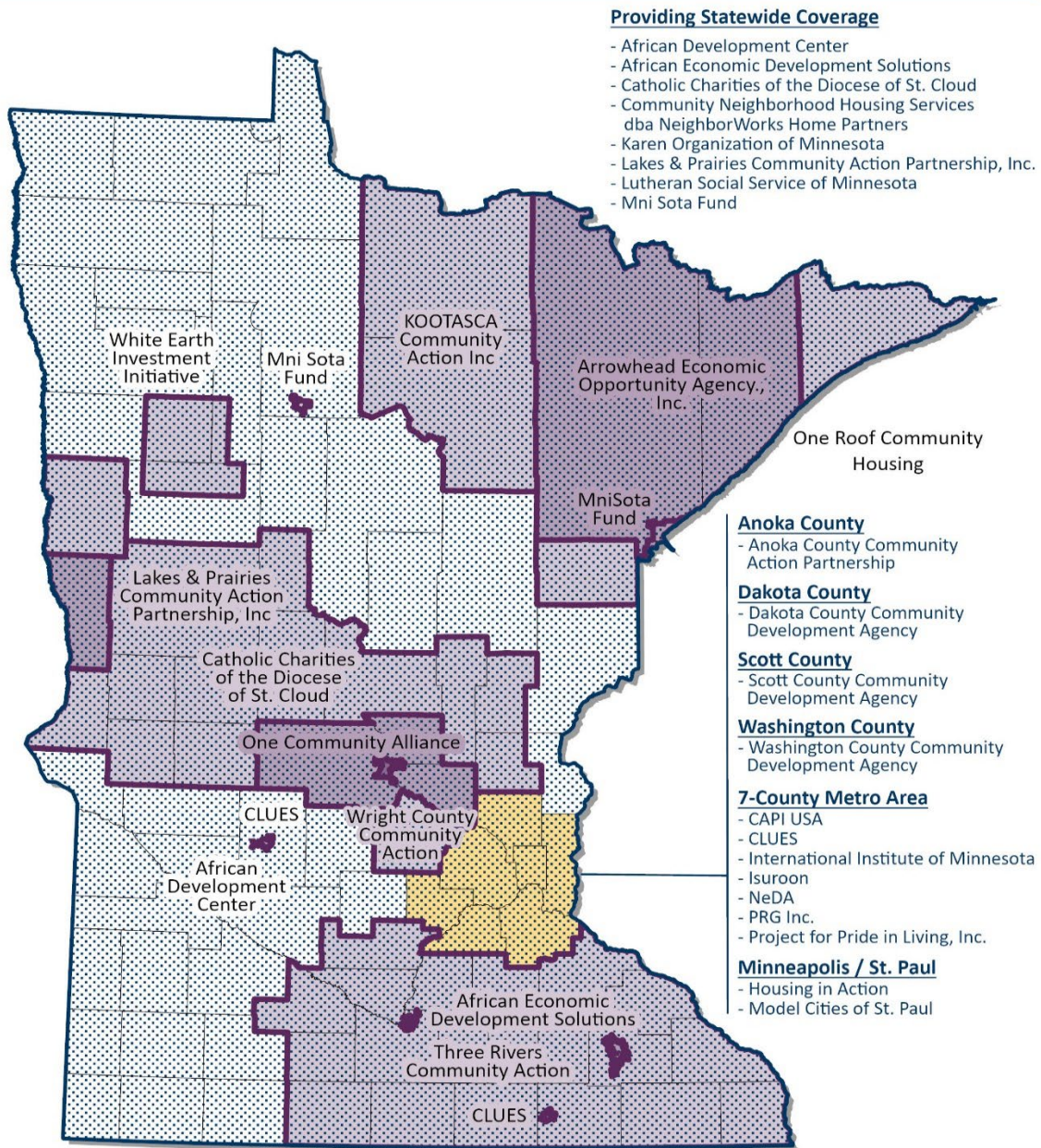
HECAT Applicants	Funding Request
Community Action Partnership of Hennepin County	\$ 110,000
Twin Cities Habitat for Humanity	\$ 80,000
Southwest Minnesota Housing Partnership	\$ 150,000
NRRC Financial LLC	\$ 45,000
Navicore Solutions	\$ 200,000
Community Action Duluth	\$ 92,396

Homeownership Capacity Applicants	Funding Request
Navicore Solutions	\$ 180,000
Community Action Duluth	\$ 73,500
Southwest Minnesota Housing Partnership	\$ 45,000
Anoka County Community Action Partnership	\$ 25,000
African Development Center	\$ 95,000

Applicants who are not recommended for funding will be given the opportunity to review their application with staff, who will provide any needed technical assistance. Applicants are encouraged to apply again in a future funding cycle.

HECAT Map of Recommended Projects

Homeownership Education, Counseling and Training (HECAT) Recommendations

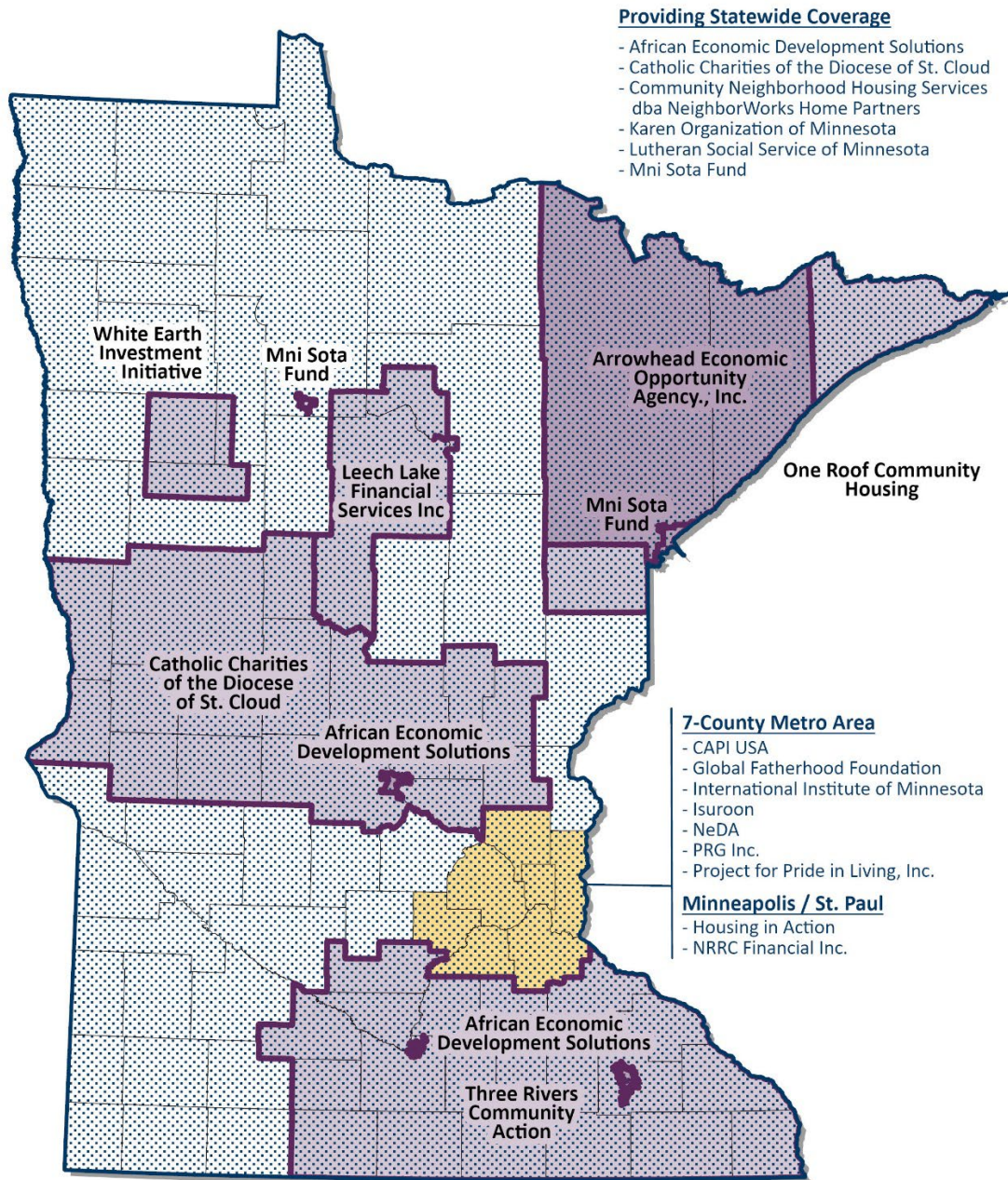


Note: All HECAT services are available virtually and in-person. Virtual services can be accessed online by eligible households, regardless of geographic location. Many applicants will cover multiple geographies. Areas displayed on the map highlight the organizations focus areas or where they have physical office locations serving the community.



Homeownership Capacity Map of Recommended Projects

Homeownership Capacity Recommendations



Note: All Homeownership Capacity services are available virtually and in-person. Virtual services can be accessed online by eligible households, regardless of geographic location. Many applicants will cover multiple geographies. Areas displayed on the map highlight the organizations focus areas or where they have physical office locations serving the community.



Summary of Funding Requests and Funding Recommendations

Applicant	Geography Served	Geography of Focus	HECAT Funding Request	HECAT Recommended Award	Homeownership Capacity Funding Request	Homeownership Capacity Recommended Award
Global Fatherhood Foundation-GFF **	7-County Metropolitan Area, Greater Minnesota	Hennepin and Ramsey Counties, with focus on Minneapolis, St. Paul and surrounding urban areas.			\$ 54,000	\$ 54,000
Leech Lake Financial Services, Inc.	Greater Minnesota, Tribal Nation(s)	Leech Lake Reservation, Cass County and surrounding north-central Minnesota communities			\$ 45,000	\$ 45,000
One Roof Community Housing	Greater Minnesota	Duluth, St. Louis County, Lake County, Carlton County	\$ 300,000	\$ 126,122	\$ 112,500	\$ 34,500
Neighborhood Development Alliance, Inc.	7-County Metropolitan Area	Saint Paul's West Side, with clients served across 7-County Metropolitan Area	\$ 220,000	\$ 156,322	\$ 180,000	\$ 180,000
KOOTASCA Community Action Inc.	Greater Minnesota	Itasca and Koochiching counties, along with Beltrami with Leech Lake Tribal Nation	\$ 123,000	\$ 82,978		
Community Neighborhood Housing Services dba NeighborWorks Home Partners	7-County Metropolitan Area, Greater Minnesota, Statewide	Twin Cities and statewide	\$ 300,000	\$ 185,964	\$ 105,000	\$ 105,000
Scott County Community Development Agency	7-County Metropolitan Area	Scott County	\$ 100,000	\$ 59,436		
PRG, Inc.	7-County Metropolitan Area	Twin Cities 7-County Metropolitan Area	\$ 400,000	\$ 236,205	\$ 210,000	\$ 180,000
Catholic Charities of the Diocese of St. Cloud **	7-County Metropolitan Area, Greater Minnesota, Statewide, Tribal Nation(s)	Central Minnesota, with expanded services reaching statewide	\$ 50,000	\$ 41,231	\$ 15,000	\$ 15,000
CAPI USA	7-County Metropolitan Area	Hennepin County, expanding to the 7-County Metropolitan Area	\$ 200,000	\$ 84,713	\$ 90,000	\$ 90,000
Washington County Community Development Agency	7-County Metropolitan Area	Washington County for most services. Statewide for HECM.	\$ 180,000	\$ 113,613		
White Earth Investment Initiative **	Greater Minnesota, Tribal Nation(s)	North Central Minnesota including the White Earth Reservation	\$ 60,000	\$ 49,344	\$ 30,000	\$ 30,000
THREE RIVERS COMMUNITY ACTION, INC.	Greater Minnesota	Cities across 20-county area in southeast MN; four core counties of Olmsted, Rice, Goodhue, Wabasha	\$ 240,000	\$ 113,913	\$ 360,000	\$ 289,500
Arrowhead Economic Opportunity Agency, Inc. **	Greater Minnesota	Rural Northeast Minnesota, covering St. Louis, Lake, and Cook counties, excluding the City of Duluth	\$ 226,598	\$ 83,143	\$ 120,000	\$ 34,500
Lutheran Social Service of Minnesota	Statewide	Statewide (phone and virtual meetings) and in-person at 5 office locations	\$ 700,000	\$ 448,395	\$ 225,000	\$ 150,000

MODEL CITIES OF ST. PAUL, INC.	7-County Metropolitan Area	7-County Metropolitan Area	\$ 160,000	\$ 93,313		
LAKES & PRAIRIES COMMUNITY ACTION PARTNERSHIP, INC.	Statewide	Clay and Wilkin counties in west central MN	\$ 128,809	\$ 44,321		
OneCommunity Alliance *	Greater Minnesota	Sherburn, Benton and Stearns counties	\$ 40,000	\$ 39,167		\$ -
Project for Pride in Living, Inc.	7-County Metropolitan Area	7-County Metropolitan Area	\$ 300,000	\$ 136,929	\$ 300,000	\$ 202,500
International Institute of Minnesota	7-County Metropolitan Area	7-County Metropolitan Area	\$ 150,000	\$ 72,846	\$ 165,000	\$ 165,000
Mni Sota Fund **	7-County Metropolitan Area, Greater Minnesota, Statewide, Tribal Nation(s)	Statewide - focus on urban Indigenous and Tribal communities (in person programming St. Paul, Bemidji, Duluth)	\$ 300,000	\$ 78,755	\$ 300,000	\$ 60,000
African Economic Development Solutions **	7-County Metropolitan Area, Greater Minnesota, Statewide	Twin Cities Metro, Greater Minnesota (Rochester, Mankato, St. Cloud), and rural counties statewide	\$ 383,630	\$ 47,609	\$ 180,000	\$ 60,000
Wright County Community Action, Inc.	Greater Minnesota	Wright County, but also serving the counties of Sherburne, Stearns, Meeker, McLeod, and Western Hennepin County	\$ 70,600	\$ 28,748		
Isuroon *	7-County Metropolitan Area	All cities in 7-County Metropolitan Area	\$ 587,700	\$ 55,471	\$ 300,000	\$ 120,000
Comunidades Latinas Unidas En Servicio, Inc.	7-County Metropolitan Area, Greater Minnesota	Twin Cities metropolitan area and has satellite offices in Austin and Willmar	\$ 255,640	\$ 71,386		
Dakota County Community Development Agency	7-County Metropolitan Area	Dakota County	\$ 140,000	\$ 80,046		
AFRICAN DEVELOPMENT CENTER	7-County Metropolitan Area, Greater Minnesota, Statewide	Cedar Riverside, East Lake and Greater Minnesota (Wilmar and St. Cloud)	\$ 150,000	\$ 69,479	\$ 1,425,000	\$ -
Anoka County Community Action Program, Inc. **	7-County Metropolitan Area	Anoka County	\$ 125,000	\$ 88,871	\$ 24,000	\$ -
Housing in Action ***	7-County Metropolitan Area	North Minneapolis, Phillips neighborhood in South Minneapolis, and Frogtown in St. Paul	\$ 70,000	\$ 44,261	\$ 45,000	\$ 45,000
Karen Organization of Minnesota ***	7-County Metropolitan Area, Statewide	Seven County Metro with some participants from south and central MN	\$ 200,000	\$ 29,107	\$ 60,000	\$ 34,500
NRRC Financial LLC	7-County Metropolitan Area	Near North and Willard Hay in North Minneapolis	\$ 45,000	\$ -	\$ 45,000	\$ 45,000

* New HECAT Applicant
 ** New Homeownership Capacity Applicant
 *** New HECAT and Homeownership Capacity Applicant

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

RESOLUTION NO. MHFA 25-XXX

RESOLUTION APPROVING SELECTION FOR HOMEOWNERSHIP EDUCATION, COUNSELING AND TRAINING FUND

WHEREAS, the Minnesota Housing Finance Agency (Agency) has received applications to provide grant funds to non-profit organizations and local units of government looking to provide services under the program; and

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

NOW THEREFORE, BE IT RESOLVED:

That the board hereby authorizes Agency staff:

1. To enter into grant contract agreements, for the applications and up to the amounts set forth below, with a grant period through September 30, 2027; subject to the terms and conditions contained herein and in the respective grant contract agreements:

Applicant	Funding Amount
AFRICAN DEVELOPMENT CENTER	\$ 69,479
African Economic Development Solutions	\$ 47,609
Anoka County Community Action Program, Inc.	\$ 88,871
Arrowhead Economic Opportunity Agency, Inc.	\$ 83,143
CAPI USA	\$ 84,713
Catholic Charities of the Diocese of St. Cloud	\$ 41,231
Comunidades Latinas Unidas En Servicio, Inc.	\$ 71,386
Community Neighborhood Housing Services dba NeighborWorks Home Partners	\$ 185,964
Dakota County Community Development Agency	\$ 80,046
Housing in Action	\$ 44,261
International Institute of Minnesota	\$ 72,846
Isuroon	\$ 55,471
Karen Organization of Minnesota	\$ 29,107
KOOTASCA Community Action Inc.	\$ 82,978
LAKES & PRAIRIES COMMUNITY ACTION PARTNERSHIP, INC.	\$ 44,321
Lutheran Social Service of Minnesota	\$ 448,395

Mni Sota Fund	\$	78,755
MODEL CITIES OF ST. PAUL, INC.	\$	93,313
Neighborhood Development Alliance, Inc.	\$	156,322
One Roof Community Housing	\$	126,122
OneCommunity Alliance	\$	39,167
PRG, Inc.	\$	236,205
Project for Pride in Living, Inc.	\$	136,929
Scott County Community Development Agency	\$	59,436
THREE RIVERS COMMUNITY ACTION, INC.	\$	113,913
Washington County Community Development Agency	\$	113,613
White Earth Investment Initiative	\$	49,344
Wright County Community Action, Inc.	\$	28,748
Total	\$	2,761,688

2. This approval is contingent on Homeownership Education, Counseling and Training Fund appropriations in sufficient amounts to fund the awards; and
3. 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 December 1, 2025; and
4. The sponsors and such other parties shall provide such information and execute all such documents relating to said grant contract agreements as the Agency, in its sole discretion, deems necessary.

Adopted this 25th day of September 2025

CHAIR

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

RESOLUTION NO. MHFA 25-XX

**RESOLUTION APPROVING SELECTION FOR THE ENHANCED
FINANCIAL CAPACITY HOMEOWNERSHIP PROGRAM (HOMEOWNERSHIP CAPACITY PROGRAM) AND
FUNDING FOR THE HOMEOWNERSHIP CAPACITY INCENTIVE FUND AND FOR TRAINING**

WHEREAS, the Minnesota Housing Finance Agency (Agency) has received applications to provide grant funds to non-profit organizations and local units of government looking to provide services under the Enhanced Financial Capacity Homeownership Program (Homeownership Capacity Program); and

WHEREAS, Agency staff has reviewed the applications and determined that the applications are in compliance under the Agency's rules, regulations and policies; and that the applications will assist in fulfilling the purpose of the Homeownership Capacity Program; and

WHEREAS, the Homeownership Capacity Incentive Fund allows grantees to access additional funds if they have met the number of households served goals in their grant contract; and

WHEREAS, the Homeownership Capacity Program has a training requirement that requires each grantee to have at minimum, one person with an active Financial Capability or Empowerment Certification.

NOW THEREFORE, BE IT RESOLVED:

That the board hereby authorizes Agency staff:

1. To enter into grant contract agreements as set out below and with a grant period through September 30, 2027; subject to the terms and conditions contained herein and in the respective grant contract agreements:

Applicant Name	Funding Amount
African Economic Development Solutions	\$ 60,000
Arrowhead Economic Opportunity Agency., Inc.	\$ 34,500
CAPI USA	\$ 90,000
Catholic Charities of the Diocese of St. Cloud	\$ 15,000
Community Neighborhood Housing Services dba NeighborWorks Home Partners	\$ 105,000
Global Fatherhood Foundation- GFF	\$ 54,000
Housing in Action	\$ 45,000

International Institute of Minnesota	\$	165,000
Isuroon	\$	120,000
Karen Organization of Minnesota	\$	34,500
Leech Lake Financial Services, Inc.	\$	45,000
Lutheran Social Service of Minnesota	\$	150,000
Mni Sota Fund	\$	60,000
Neighborhood Development Alliance, Inc.	\$	180,000
NRRC Financial LLC	\$	45,000
One Roof Community Housing	\$	34,500
PRG, Inc.	\$	180,000
Project for Pride in Living, Inc.	\$	202,500
THREE RIVERS COMMUNITY ACTION, INC.	\$	289,500
White Earth Investment Initiative	\$	30,000
Total Program Funding	\$	1,939,500

2. The issuance of grant contracts in form and substance acceptable to the Agency staff and the execution of the individual grant contracts shall occur no later than December 1, 2025; and
3. The sponsors and such other parties shall execute all such documents relating to said grant contracts as the Agency, in its sole discretion, deems necessary; and
4. Utilize a total of \$60,500 for the Homeownership Capacity Incentive Fund and the provision of certification and continuing education training(s). Of the total \$60,500, an estimated \$20,000 will be reserved for certification and continuing education training. Should additional training be identified, funds may be shifted from the Homeownership Capacity Incentive Fund to assist with the cost of training. Should training dollars not be fully utilized, remaining funds would be made available under the Incentive Funds.

Adopted this 25th day of September 2025

CHAIR

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Item: Forgiveness, Housing Opportunities for Persons with AIDS (HOPWA) Loan and Housing Trust Fund (HTF) Loan – Clare Apartments, D3572, Minneapolis

Action Item: 7.C
Date: 09/25/2025
Staff Contacts: Tom Anderson, 651.296.8161, Tom.A.Anderson@state.mn.us
Request Type: Approval, Resolution

Request Summary

Staff requests adoption of a resolution authorizing the forgiveness of the \$209,631 deferred HOPWA loan and \$220,000 deferred HTF loan and the release of all related affordability and occupancy restrictions as part of the new financing structure for the recapitalization, rehabilitation and preservation of Clare Apartments.

Fiscal Impact

None. Minnesota Housing does not earn fee or interest income on these loans.

Agency Priorities

- | | |
|---|---|
| <input checked="" type="checkbox"/> Improve the Housing System | <input type="checkbox"/> Make Homeownership More Accessible |
| <input checked="" type="checkbox"/> Preserve and Create Housing Opportunities | <input checked="" type="checkbox"/> Support People Needing Services |
| | <input checked="" type="checkbox"/> Strengthen Communities |

Attachments

- Background
- Map and Photo
- Resolution

Background

A. Project Description

Clare Apartments is a 32-unit primarily supportive housing development built in 2004 and located in Minneapolis. The property is owned by Clare Apartments Limited Partnership and managed by Property Solutions & Services, Inc. Clare Housing, a non-profit corporation, is the service provider and is also serving as the sponsor and guarantor for the upcoming rehabilitation and recapitalization project.

All 32 units benefit from project-based Section 8 rental assistance and serve individuals living with HIV/AIDS or co-occurring disorders.

To address substantial rehabilitation and recapitalization needs, the property was selected for new financing in the 2024 Multifamily Consolidated Request for Proposals/2025 Housing Tax Credit (HTC) Round One. At the December 19, 2024, meeting, the Minnesota Housing Board approved the development for an award of 9% HTCs under Resolution No. MHFA 24-081.

Existing debt on the property totals over \$3.6 million of which \$429,631 is comprised of two deferred loans from Minnesota Housing.

B. Existing Debt Summary (as of July 31, 2025)

Lender	Program/ Source	Note Rate	Maturity Date	Original Balance	Current Balance*
Clare Housing	Supportive Housing Program (SHP) Loan	5.03%	12/31/2034	\$ 400,000	\$ 1,069,453
Minnesota Housing	HOPWA	0%	12/16/2034	\$ 209,631	\$ 209,631
City of Minneapolis	Community Development Block Grant (CDBG)	1%	12/16/2034	\$ 435,000	\$ 522,000
Hennepin County Housing and Redevelopment Authority (HRA)	Affordable Housing Investment Fund (AHIF)	0%	12/16/2034	\$ 425,000	\$ 425,000
Minnesota Housing	HTF	0%	12/16/2034	\$ 220,000	\$ 220,000
Family Housing Fund	Not Applicable	0%	12/16/2034	\$ 100,000	\$ 100,000

Lender	Program/Source	Note Rate	Maturity Date	Original Balance	Current Balance*
Clare Housing	Federal Home Loan Bank (FHLB) Loan	0%	12/31/2034	\$ 146,970	\$ 146,970
Clare Housing	HOPWA	0%	12/31/2034	\$ 850,000	\$ 850,000
City of Minneapolis	Neighborhood Revitalization Program (NRP) Loan	1%	11/30/2035	\$ 90,000	\$ 105,375
Total				\$ 2,876,601	\$ 3,648,429

*Balance for Minnesota Housing loans is current as of 7/31/2025. Balance for non-Minnesota Housing loans is current as of 12/31/2024.

Except for Family Housing Fund requiring repayment of their \$100,000 loan, the current rehabilitation project financing structure proposes forgiveness of all existing debt. Clare Housing will forgive three loans totaling over \$2 million. Hennepin County HRA has already approved forgiveness for its \$425,000 AHIF loan. The City of Minneapolis intends to forgive both its CDBG loan and NRP loan, with City Council action expected in late September.

Existing occupancy restrictions under Minnesota Housing loans are as follows:

- HOPWA:
 - 32 units for households with incomes at initial occupancy not exceeding 80% of the area median income as determined by HUD. Households must include one or more persons with AIDS or related diseases. Rents are limited to the higher of 30% of the household's adjusted income, 10% of the household's monthly gross income, or, if the household is receiving assistance from a public agency, the portion of that assistance that is designated for housing costs.
- HTF:
 - 10 units for households with incomes at initial occupancy not exceeding 60% of median income for the metropolitan area, adjusted for households of five or more, with rents limited to 30% of 30% of metropolitan median income for the unit size.

As part of the debt forgiveness, the existing affordability declarations will be terminated.

The Land Use Restrictive Agreement (LURA) for the new HTC award will have an affordability period of 50 years. The LURA will require that six units are set aside for persons with a disability (PWD). All 32 units will be income and rent restricted at or below 30% Multifamily Tax Subsidy Project (MTSP). The

LURA will also require that the owner continue renewals of the existing project-based Section 8 rental assistance for as long as that assistance is available.

C. Proposed New Sources and Uses

Source	Amount	Per Unit
City of Minneapolis AHTF Loan	\$ 1,120,000	\$ 35,000
Hennepin County AHIF Loan	\$ 500,000	\$ 15,625
Clare Housing FHLB Loan	\$ 2,500,000	\$ 78,125
Seller Loan	\$ 1,320,000	\$ 41,250
Syndication Proceeds	\$ 7,883,555	\$ 246,361
Rebates	\$ 196,185	\$ 6,131
Minnesota Brownfields Grant	\$ 15,346	\$ 480
Hennepin County Environmental Response Fund Grant	\$ 68,120	\$ 2,129
Total Permanent Sources	\$ 13,603,206	\$ 425,100

Individual categories may not sum to exact total due to rounding.

Use	Amount	Per Unit
Acquisition	\$ 1,420,000	\$ 44,375
Construction Costs	\$ 7,443,519	\$ 232,610
Environmental Abatement	\$ 68,120	\$ 2,129
Professional Fees	\$ 925,733	\$ 28,929
Developer Fee	\$ 1,146,010	\$ 35,813
Financing Costs	\$ 764,501	\$ 23,891
Reserves	\$ 1,835,323	\$ 57,354
Total Development Costs	\$ 13,603,206	\$ 425,100

Individual categories may not sum to exact total due to rounding.

The financing structure for the current rehabilitation and recapitalization project is composed of a combination of HTC equity, a seller loan, new deferred loans, and several small grants and rebates. The sole source of Agency funding for the project is an allocation of 9% HTCs, which are expected to generate approximately \$7.8 million in equity. The City of Minneapolis, Hennepin County and Clare Housing are each contributing new deferred loans in addition to the forgiveness of existing debt noted above.

Sources and uses are currently balanced, and the project team intends to close on construction financing in October.

D. Conclusion

Staff recommends forgiveness of both the HOPWA and HTF loans, and release of the affordability and occupancy restrictions provided under each loan:

No additional affordability gained by extending existing restrictions.

The proposed new funding will preserve 32 units of federal rental assistance. The assistance helps ensure the tenants pay no more than 30% of their actual income toward rent. The project has an existing contract for project-based Section 8 rental assistance through the Minneapolis Public Housing Authority (MPHA). MPHA has agreed to renew the current contract for 15 years upon completion of the rehabilitation project.

Total debt on the property is greater than the value of the property.

Based on an appraisal obtained by the Greater Minnesota Housing Fund in 2025, the as-is value based on the property as it is currently operating is \$1,420,000 with the outstanding current principal debt of \$2,876,601. This is a loan to value ratio of 203%.

The as-complete value for the property using restricted rents is \$2,020,000. Assuming all other debt is forgiven or repaid, existing Agency debt plus proposed new debt of \$5,440,000 would result in total debt of \$5,869,631, resulting in a potential loan to value ratio of over 291%.

Forgiveness of debt as a part of a larger stabilization or preservation effort.

As part of consideration for providing new financing each of the existing funders completed a separate assessment on assumption or forgiveness of their existing debt. With the exception of Family Housing Fund, each funder has expressed an intention to seek forgiveness in addition to the new resources they are providing the development:

- Hennepin County has already approved forgiveness of all existing debt and final commitment for new deferred funding.
- The City of Minneapolis is recommending forgiveness of all existing debt subject to final City Council approval in late September.
- Clare Housing will forgive its three sponsor loans totaling over \$2 million.

No reasonable expectation of repayment.

As proposed, there are no excess sources to fund repayment of Agency loans, and the projected cash flow is minimal for the first five years of operations before going negative. The property requires a supportive service reserve of over \$1.2 million for its operations, in addition to a smaller operating deficit reserve.

Negative impact of extending existing debt on project feasibility and cost.

If the existing Minnesota Housing HOPWA and HTF loans are not forgiven and cannot be repaid, they would need to be assumed, subordinated and extended. Because of the inability to repay noted above, if extended and assumed these loans would fail the true debt test and would be counted as grants to the project for the purposes of tax credit basis calculations. This would reduce overall tax credit basis available to the project and would also likely have a negative impact on credit pricing from the equity investor. Therefore, extending and assuming the existing HOPWA and HTF loans would reduce overall sources and create a gap in an otherwise balanced project budget.

Map of 929 Central Ave NE, Minneapolis



Picture of 929 Central Ave NE, Minneapolis



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

RESOLUTION NO. MHFA 25-xxx

**RESOLUTION APPROVING FORGIVENESS
HOUSING OPPORTUNITIES FOR PEOPLE WITH AIDS (HOPWA) PROGRAM LOAN
HOUSING TRUST FUND (HTF) PROGRAM LOAN**

WHEREAS, at the October 22, 2002, meeting, the board approved a motion authorizing the commitment for the Clare Apartments development for \$209,631 in HOPWA funds; and

WHEREAS, at the April 24, 2003, meeting, the board approved a motion authorizing the commitment for the Clare Apartments development for \$200,000 in HTF funds; and

WHEREAS, the \$200,000 HTF award was subsequently increased by \$20,000 to \$220,000 on August 10, 2004; and

WHEREAS, the development does not have the resources to repay the loan; and

WHEREAS, affordability will be preserved through the Housing Tax Credit program and a continued project-based Section 8 rental assistance contract; and

WHEREAS, the debt forgiveness is in conjunction with an upcoming rehabilitation and preservation of this development; and

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

NOW THEREFORE, BE IT RESOLVED:

THAT, the board hereby authorizes:

1. Forgiveness of the HOPWA loan in the amount of \$209,631 as of the date of this resolution.
2. Forgiveness of the HTF loan in the amount of \$220,000 as of the date of this resolution.

Adopted this 25th day of September 2025

CHAIR

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Item: Forgiveness, Preservation Affordable Rental Investment Fund (PARIF) Loans and Early Forgiveness, Housing Infrastructure Bond (HIB) Loan – Little Earth of United Tribes, D0871, Minneapolis

Action Item: 7.D
Date: 9/25/2025
Staff Contacts: Adam Himmel, 651.284.3171, adam.himmel@state.mn.us
Request Type: Approval, Resolution

Request Summary

Staff requests adoption of a resolution authorizing forgiveness of three PARIF loans and early forgiveness of an HIB loan that collectively total \$11,362,192 as part of the new financing structure to support the recapitalization, rehabilitation and preservation of Little Earth of United Tribes. The four loans include:

- \$2,300,000 PARIF loan
- \$2,500,000 PARIF loan
- \$2,500,000 PARIF loan
- \$4,062,192 HIB loan

Fiscal Impact

None. Minnesota Housing does not earn fee or interest income on these loans.

Agency Priorities

- | | |
|---|---|
| <input checked="" type="checkbox"/> Improve the Housing System | <input checked="" type="checkbox"/> Support People Needing Services |
| <input checked="" type="checkbox"/> Preserve and Create Housing Opportunities | <input checked="" type="checkbox"/> Strengthen Communities |
| <input type="checkbox"/> Make Homeownership More Accessible | |

Attachments

- Background
- Map and Picture
- Resolution

Background

A. Project Description

Little Earth of United Tribes is a 212-unit development built in 1973 and located in Minneapolis. The property is owned by Little Earth of United Tribes Housing Corporation and is managed by the Little Earth Residents Association. All 212 units benefit from project-based rental assistance through an existing Section 8 Housing Assistance Payments (HAP) contract. It is a requirement of Minnesota Housing's new funding that the HAP contract be continually renewed through the life of the loans.

While incremental rehabilitation projects have taken place at the property in the last 50 years, an extensive renovation project is necessary to address the current physical critical needs. At the December 14, 2023, meeting, the Minnesota Housing board approved the development for a deferred Housing Infrastructure Appropriation (HIA) loan in the amount of up to \$22,610,000 and a Preservation Affordable Rental Investment Fund (PARIF) loan in the amount of up to \$9,390,000 under Resolution No. MHFA 23-077. The new funding will support the rehabilitation of all 212 units. As part of this transaction, the developer has requested forgiveness of all existing debt from Minnesota Housing, Hennepin County and the City of Minneapolis.

B. Existing Debt Summary (as of July 24, 2025)

Lender	Program/Source	Note Rate	Maturity Date	Original Balance	Current Balance
City of Minneapolis	Community Development Block Grant (CDBG)	1%	9/24/2033	\$ 118,637	\$ 0
Minnesota Housing	PARIF	0%	9/24/2033	\$ 2,300,000	\$ 2,300,000
City of Minneapolis	HOME	0%	9/24/2033	\$ 500,000	\$ 0
Minnesota Housing	Urban Indian Housing Program (UIHP)	0%	4/4/2025	\$ 300,000	\$ 0
Hennepin County	Affordable Housing Incentive Fund (AHIF)	0%	9/24/2033	\$ 400,000	\$ 0
Minnesota Housing	PARIF	0%	9/12/2036	\$ 2,500,000	\$ 2,500,000
City of Minneapolis	Affordable Housing Trust Fund (AHTF)	1%	9/12/2036	\$ 1,135,000	\$ 285,000
Hennepin County	AHIF	0%	9/12/2036	\$ 800,000	\$ 0
City of Minneapolis	Empowerment Zone (EZ) Mortgage	1%	8/31/2036	\$ 222,333	\$ 0
Minnesota Housing	PARIF	0%	3/25/2039	\$ 2,500,000	\$ 2,500,000

Lender	Program/Source	Note Rate	Maturity Date	Original Balance	Current Balance
City of Minneapolis	HOME	1%	3/25/2039	\$ 750,000	\$ 0
Hennepin County	AHIF	0%	3/24/2039	\$ 740,000	\$ 0
Minnesota Housing	HIB	0%	12/23/2045	\$ 4,062,192	\$ 4,062,192
City of Minneapolis	AHTF	0%	12/23/2045	\$ 690,000	\$ 0
City of Minneapolis	EZ Mortgage (unsecured)	0%	8/31/2033	\$ 500,000	\$ 0
TOTAL				\$ 17,518,162	\$ 11,647,192

Individual categories may not sum to exact total due to rounding.

- The Minnesota Housing board previously forgave the UIHP loan in the amount of \$300,000 on March 27, 2025, under Resolution No. MHFA 25-018.
- The HIB loan was originally structured as a forgivable loan.
- The City of Minneapolis approved forgiving principal and accrued interest on six of its seven existing loans at the Minneapolis City Council meeting on July 24, 2025.
- The City of Minneapolis AHTF loan in the original amount of \$1,135,000 was structured as a combination of CDBG, HOME and Urban Revitalization Action Program (URAP)/ Neighborhood Revitalization Program (NRP) funds. The URAP/NRP \$285,000 portion is not forgivable. The Minneapolis City Council approved the following actions on the AHTF loan on July 24, 2025:
 - Partial forgiveness of the loan in the amount of \$850,000 (CDBG and HOME).
 - Full forgiveness of accrued interest in the approximate amount of \$211,639.
 - Reduction of interest rate to 0%.
 - Extension of maturity date to be coterminous with new City of Minneapolis, Hennepin County and Minnesota Housing debt.
- The Hennepin County Housing and Redevelopment Authority Board approved forgiveness of all its loans on February 4, 2025.

In total, the City of Minneapolis has forgiven \$4,031,200 and Hennepin County has forgiven \$1,940,000. If approved, Minnesota Housing will have forgiven \$11,362,192 of debt for this project.

Existing occupancy restrictions under Minnesota Housing loans are as follows:

- PARIF: Two hundred twelve units with incomes not exceeding 80% Statewide Median Income.
- HIB: One hundred fifty-nine units with incomes not exceeding 30% of Metro Median Income, adjusted for household sizes of five people or more, and rents at 50% Multifamily Tax Subsidy Projects (MTSP).

As part of the debt forgiveness, the existing affordability declarations will be terminated.

The new HIA and PARIF loans will have an affordability period of 50 years. The declarations will require that 22 units are set aside for people with a disability (PWD) and 22 units set aside for households that meet the definition of High Priority Homeless (HPH). All 212 units will be income and rent restricted at or below 60% MTSP. All 212 units will be further restricted to households with incomes at or below 30% MSTP. Due to the new declarations, no affordability will be lost.

C. Proposed New Sources and Uses

Source	Amount	Per Unit
Sales Tax Rebate	\$ 792,000	\$ 3,736
Current Reserves	\$ 750,720	\$ 3,541
City of Minneapolis AHTF	\$ 5,150,000	\$ 24,292
Hennepin County AHIF	\$ 1,682,675	\$ 7,937
Minneapolis Foundation Grant	\$ 750,000	\$ 3,538
Metropolitan Council Livable Communities Demonstration Account Grant	\$ 2,000,000	\$ 9,434
HUD Community Project Funding Grant	\$ 850,000	\$ 4,009
Insurance Settlement	\$ 704,111	\$ 3,321
Minnesota Housing HIA	\$ 22,610,000	\$ 106,651
Minnesota Housing PARIF	\$ 9,390,000	\$ 44,292
Total Permanent Sources	\$ 44,679,506	\$ 210,752

Individual categories may not sum to exact total due to rounding.

Use	Amount	Per Unit
Construction Costs	\$ 34,837,263	\$ 164,327
Environmental Abatement	\$ 150,000	\$ 708
Professional Fees	\$ 4,606,758	\$ 21,730
Developer Fee	\$ 2,575,000	\$ 12,146
Financing Costs	\$ 619,510	\$ 2,922
Reserves	\$ 1,890,975	\$ 8,920
Total Development Costs	\$ 44,679,506	\$ 210,752

Individual categories may not sum to exact total due to rounding.

D. Conclusion

Staff recommends forgiving the PARIF and HIB loans, and release of the affordability and occupancy restrictions provided under each loan for the following reasons:

No reasonable expectation of repayment (full or partial).

The as-is value of the property based on current operations is \$9,540,000. The outstanding current principal debt of \$11,647,192 results in a loan to value of 122%.

The restricted as-complete value of the property is \$16,980,000. Proposed new debt of \$38,832,675 results in a loan to value of 230%. If not forgiven, existing debt plus proposed new debt would result in a loan to value of 297%.

As proposed, there are no excess sources or sufficient positive cash flow to support repayment.

No additional affordability gained by extending existing restrictions.

The new proposed funding will preserve 212 units of federal rental assistance. The assistance ensures the tenants pay no more than 30% of their actual income toward rent.

The affordability period under the new loans will be for a term of 50 years. The declarations will require that 22 units are set aside for people with a disability (PWD) and 22 units set aside for households that meet the definition of High Priority Homeless (HPH). All 212 units will be income and rent restricted at or below 60% MTSP. All 212 units will be further restricted to households with incomes at or below 30% MTSP.

Meets Agency mission and strategic priorities.

The re-capitalization of this project provides the rehabilitation and preservation of permanent supportive housing with federal rental assistance.

Reduces administrative burden.

Debt forgiveness benefits the property and the Agency by removing additional layers of compliance requirements, which reduces administrative costs without materially changing the property's affordability.

Simplifies the transaction.

By forgiving the debt, the closing process is simpler and may lead to closing faster, which provides benefits to residents sooner.

Map of 2501 Cedar Ave S, Minneapolis



Picture of 2501 Cedar Ave S, Minneapolis



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

RESOLUTION NO. MHFA 25-xxx

**RESOLUTION APPROVING FORGIVENESS
PRESERVATION AFFORDABLE RENTAL INVESTMENT (PARIF) LOANS
HOUSING INFRASTRUCTURE BOND (HIB) LOAN**

WHEREAS, the board has previously authorized a commitment for the Little Earth of United Tribes development for \$2,300,000 of the Preservation Affordable Rental Investment Fund (PARIF) program by its Resolution No. MHFA 02-92; and

WHEREAS, the board has previously authorized a commitment for the development for \$2,500,000 of the PARIF program by its Resolution No. MHFA 05-28; and

WHEREAS, the board has previously authorized a commitment for the development for \$2,300,000 of the PARIF program by its Resolution No. MHFA 07-71 that was subsequently increased by \$200,000 to \$2,500,000 on July 22, 2008; and

WHEREAS, the board has previously authorized a commitment for the development for \$4,062,192 of the Housing Infrastructure Bond (HIB) program by its Resolution No. MHFA 14-047; and

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

WHEREAS, the board previously authorized the forgiveness of an Urban Indian Housing Program (UIHP) loan in the amount of \$300,000 on March 27, 2025, by its Resolution No. MHFA 25-018; and

WHEREAS, the debt forgiveness is in conjunction with the rehabilitation and preservation of this development; and

WHEREAS, the development does not have the resources to repay the loan; and

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

NOW THEREFORE, BE IT RESOLVED:

THAT, the board hereby authorizes:

1. Forgiveness of the PARIF loan in the amount of \$2,300,000 as of the date of this resolution; and
2. Forgiveness of the PARIF loan in the amount of \$2,500,000 as of the date of this resolution; and
3. Forgiveness of the PARIF loan in the amount of \$2,500,000 as of the date of this resolution; and
4. Early forgiveness of the HIB loan in the amount of \$4,062,192 as of the date of this resolution.

Adopted this 25th day of September 2025

CHAIR



Item: Approval, Amendment to the Community Stabilization: Distressed Multifamily Rental Building Program Guide

Action Item: 7.E
Date: 9/25/2025
Staff Contacts: James Lehnhoff, 651.296.3028, james.lehnhoff@@state.mn.us
Beverly Wilharm, 651.248.0077, bev.wilharm@state.mn.us
Request Type: Approval, Motion

Request Summary

Staff requests approval of an amendment to the Community Stabilization: Distressed Multifamily Rental Building Program Guide.

Fiscal Impact

This program is funded by state appropriations. Minnesota Housing will earn fee income when originating a Distressed Multifamily Rental Building loan and will retain appropriations to cover administrative costs for funding selections structured as grants.

Agency Priorities

- | | |
|---|---|
| <input checked="" type="checkbox"/> Improve the Housing System | <input type="checkbox"/> Make Homeownership More Accessible |
| <input checked="" type="checkbox"/> Preserve and Create Housing Opportunities | <input checked="" type="checkbox"/> Support People Needing Services |
| | <input checked="" type="checkbox"/> Strengthen Communities |

Attachments

- Background

Background

The Community Stabilization: Distressed Multifamily Rental Building Program (Program) is a one-time initiative funded with \$50 million in state appropriations to stabilize and recapitalize existing affordable rental housing with rent and income restrictions. This Program was established pursuant to [Minnesota Laws 2024, chapter 127, article 14, section 11](#).

The Minnesota Housing board approved the [Community Stabilization: Distressed Multifamily Rental Buildings Program Guide](#) (Program Guide) on April 24, 2025. The request for proposals was issued on August 25, 2025, with applications due on November 19, 2025.

In Appendix A: Terms and Definitions of the Program Guide, “Multifamily Rental Building” is currently defined as:

A single residential property with eight or more housing units that are available for rent.

This definition unintentionally excludes applications from ownership entities that hold more than one non-contiguous property. Such properties would otherwise be eligible to apply individually if each property had its own ownership entity.

To correct this unintended limitation, staff proposes amending the “Multifamily Rental Building” definition as follows:

Track Changes: A ~~single residential property~~ project with eight or more housing units that are available for rent.

Final: A residential project with eight or more housing units that are available for rent.

This correction allows ownership entities that hold more than one non-contiguous properties to apply, provided they have at least eight total units and meet all other eligibility requirements.



Item: Approval, Waiver to Extend the 2024-2025 Housing Tax Credit (HTC) Qualified Allocation Plan (QAP) Carryover 10% Test and Certified Public Accountant Certification Deadline – Restoration Glen, D8594, Rochester

Action Item: 7.F
Date: 09/25/2025
Staff Contacts: Jennifer Finnesgard, 651.296.0756, jennifer.finnesgard@state.mn.us
Kelly Winter, 651.297.5142, kelly.winter@state.mn.us
Request Type: Approval, Motion

Request Summary

Staff requests a waiver of the 2024-2025 Housing Tax Credit (HTC) Qualified Allocation Plan (QAP) deadline to complete the 10% test and submit the certified public accountant (CPA) certification from October 1, 2025, to December 1, 2025, for Restoration Glen.

Fiscal Impact

HTCs are a federal resource, and Minnesota Housing earns administrative fees for the costs to implement the program.

Agency Priorities

- | | |
|---|---|
| <input checked="" type="checkbox"/> Improve the Housing System | <input type="checkbox"/> Make Homeownership More Accessible |
| <input checked="" type="checkbox"/> Preserve and Create Housing Opportunities | <input checked="" type="checkbox"/> Support People Needing Services |
| | <input checked="" type="checkbox"/> Strengthen Communities |

Attachments

- Background
- Map and Picture

Background

Restoration Glen is a new construction project that will be located in Rochester. The project was selected for 9% HTCs in the 2023 Multifamily Consolidated RFP/2024 HTC Round 1 in Resolution No. MHFA 23-076. The project will consist of a total of 48 units, 12 of which will provide permanent supportive housing for single adults. The sponsor is Three Rivers Community Action, Inc.

Section 42 of the Internal Revenue Code (IRC) requires all 9% HTC projects to carryover or be placed in service by the end of the HTC calendar year (December 31). The IRC also requires an owner who receives a carryover allocation to expend more than 10% of the owner's reasonably expected basis in the project within one year after the date the allocation was made. This requirement is commonly referred to as the 10% test.

The 2024-2025 QAP requires owners to provide a CPA certification as evidence that the 10% test has been met as a part of the carryover application. If the final carryover basis and expenditures information is not available at the time the carryover application is due, the owner must submit a written estimate of the information prior to the carryover application deadline and submit the CPA certification by the following May. If necessary, an extension can be requested. Chapter 6.B. of the 2024-2025 QAP states that the maximum allowable extension is to October 1 (or the next business day, if not a business day). Chapter 2.BB of the 2024-2025 QAP also states the Minnesota Housing board is authorized to waive any conditions of the QAP that are not mandated by IRC Section 42 on a case-by-case basis for good cause shown. The October 1 deadline is a Minnesota Housing deadline, not mandated by IRC Section 42. As described below, staff believes the project has shown good cause for an extension past October 1.

The 2024 HTC Carryover Allocation Agreement for Restoration Glen was executed December 10, 2024. As part of the carryover application, the owner submitted the owner certification and agreed to submit the CPA certification by May 1, 2025. The owner subsequently requested an extension to submit the required certification by October 1, 2025, which was approved by Minnesota Housing staff on May 12, 2025. On September 23, 2025, the owner submitted an additional carryover extension request. The carryover extension letter from the developer states the project experienced delays in closing primarily due to losing IRC Section 45L tax credits, which caused a funding gap. The Section 45L program provided tax credits for energy efficiency, which ended due to recent changes in federal law. The project closed on September 18, 2025; however, they were subsequently notified by their accountant the costs associated with the closing were not enough to meet the 10% test. Construction on the project has started and the owner expects to incur the remaining expenses needed to meet the 10% test by early November.

Based on the above information, staff believes that the project has adequately demonstrated good cause because the development's closing has been delayed for reasons beyond the developer's control. The development has now closed and construction has begun; however, the extension is still needed to meet the 10% test.

Under IRC Section 42, the owner must meet the 10% test by December 10, 2025, which is one year from the date the 2024 HTC Carryover Allocation Agreement was executed. Extending the Minnesota Housing CPA certification deadline to December 1, 2025, will maximize the owner's timeline, and allow staff adequate time to review the final CPA certification by the IRC deadline. If the project is unable to

meet the 10% test deadline, they will lose their entire allocation of 2024 9% HTCs.

Map and Picture

Restoration Road, Rochester

1700 Restoration Rd SW, Rochester



9/23/2025, 3:05:51 PM

Override 1

Scale: 1:1,128
0 0.01 0.02 0.04 mi
0 0.01 0.03 0.05 km

Map: Microsoft; Sources: Esri, TomTom, Garmin, FOG, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community

Enter Applicant Name Here

Mapa: Microsoft | Fontes: Esri, U.S. Department of Commerce, Census Bureau, U.S. Department of Commerce (DOC), National Oceanic and Atmospheric Administration (NOAA), National Ocean Service (NOS), National Geographic Society (NGS), Esri Community Map Contributors, © OpenStreetMap, Microsoft





Item: FY25 4th Quarter Financial Results

Discussion Item: 8.A
Date: 09/25/2025
Staff Contacts: Debbi Larson, 651.296.8183, debbi.larson@state.mn.us
Kayla Vang, 651.296.3598, kayla.vang@state.mn.us
Request Type: No Action, Discussion

Request Summary

Staff will review financial results for the 4th quarter of the 2025 fiscal year.

Fiscal Impact

None.

Agency Priorities

- | | |
|--|---|
| <input type="checkbox"/> Improve the Housing System | <input type="checkbox"/> Make Homeownership More Accessible |
| <input type="checkbox"/> Preserve and Create Housing Opportunities | <input type="checkbox"/> Support People Needing Services |
| | <input type="checkbox"/> Strengthen Communities |

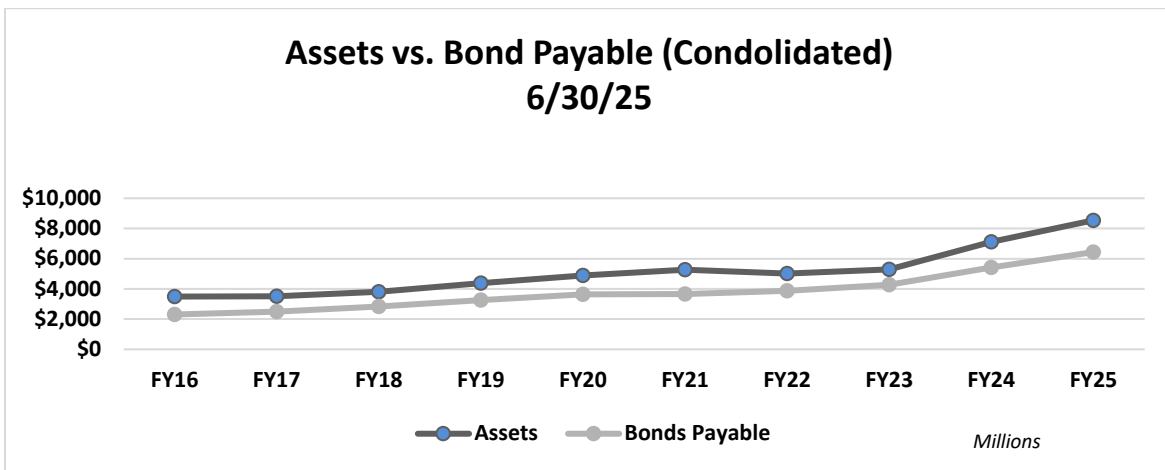
Attachments

- Noteworthy Items
- Financial Dashboard
- Selected Financial Statements - 4th Quarter FY 2025

**Minnesota Housing Finance Agency
FY 2025 4th Quarter Financial Results
Noteworthy Items**

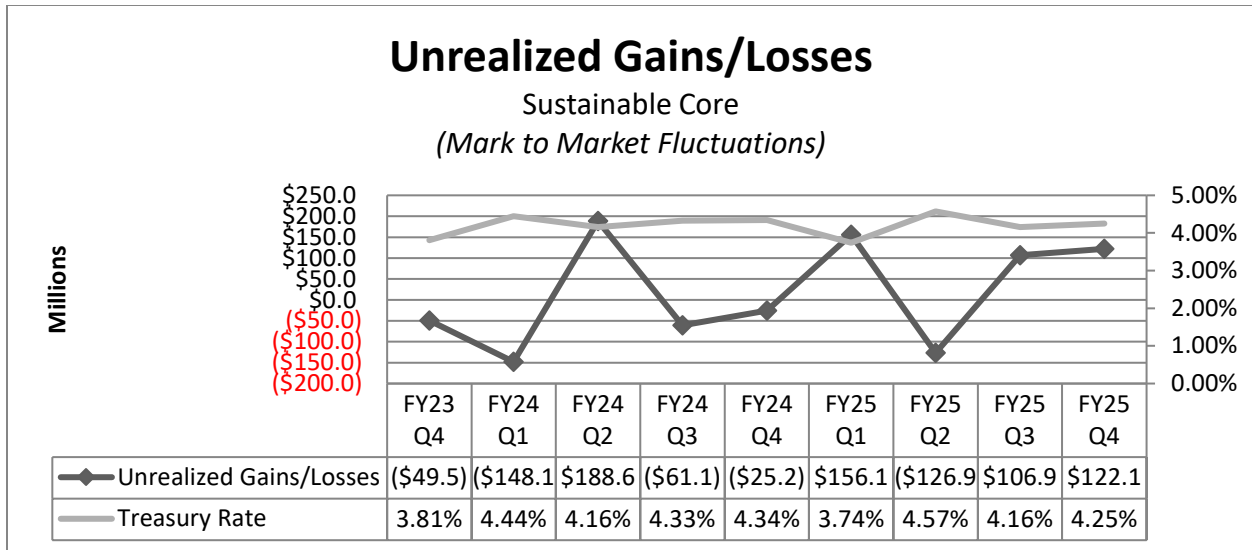
Balance Sheet

Total assets increased in the consolidated financials from the previous quarter by \$209.5 million and prior year by \$1.4 billion. \$1.3 billion of this increase compared to FY24 was within the sustainable core. In terms of the Mortgage-Backed Securities (MBS) portfolio, program securities have increased \$76.9 million compared to previous quarter and have increased \$911.5 million compared to FY24.



Overall, in FY25, non-securitized loan assets had a \$158.6 million increase over FY24. There were multiple drivers for the increase, including an increase in State Appropriated (\$42 million) and Rental Housing (\$117 million) loans.

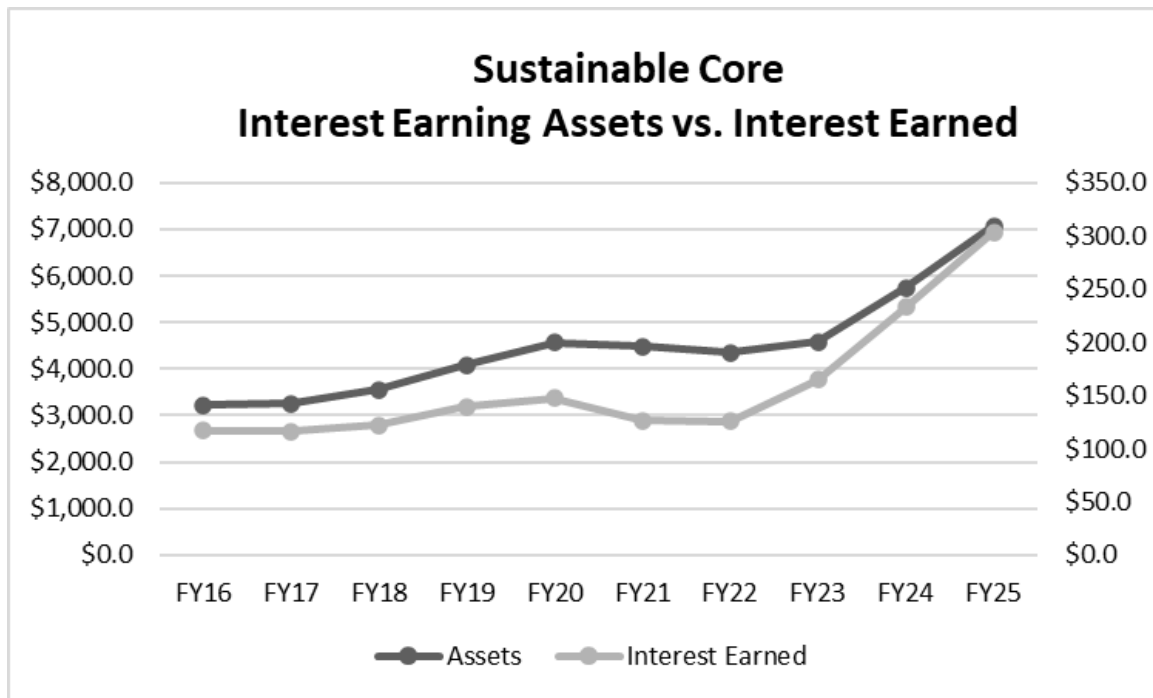
The chart below shows the changes in market interest rates and the impact on the market value of the securities in the sustainable core. While increases in interest rates reduce the market value of investments, the Agency buys and holds investments to maturity thereby not realizing the losses recorded on the balance sheet. Additionally, increased interest rates provide additional interest revenue for the Agency.



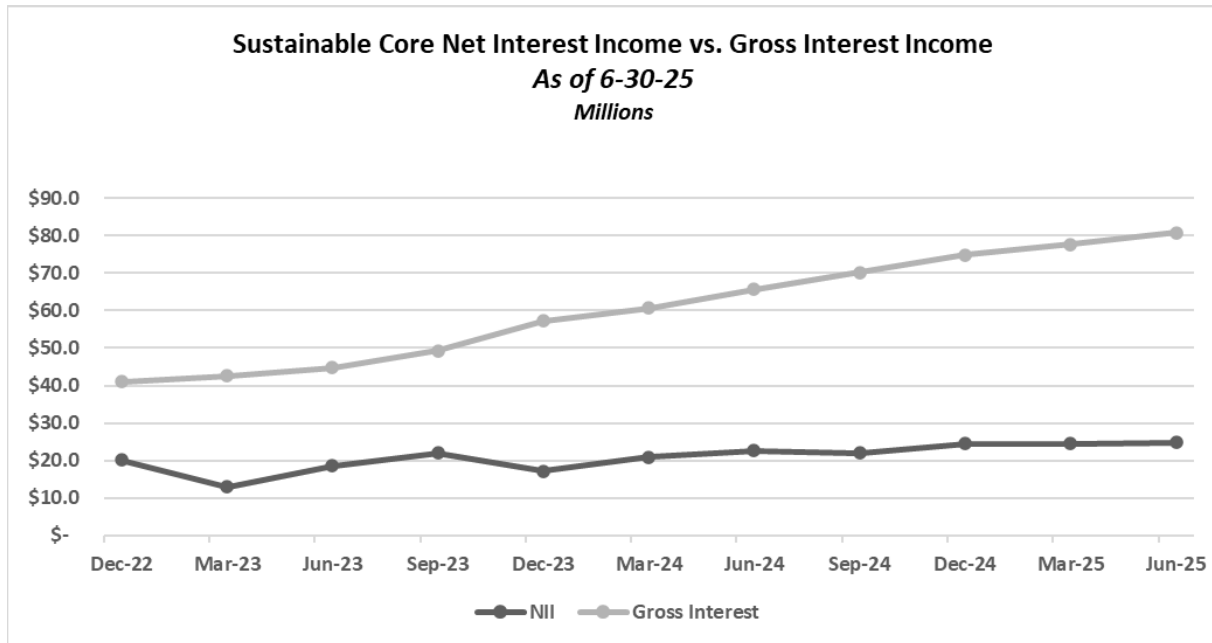
Operating Results

In the Sustainable Core, Q4 FY25 net interest income was \$24.8 million, YTD FY25 net interest income was \$95.8 million, compared to \$82.2 million YTD FY24.

Gross Interest revenue for the Sustainable Core, YTD FY25, was \$303.6 million, compared to \$232.8 million in FY24. Along with the changing interest rate environment, interest bearing assets in the Sustainable Core have increased 23.1% over FY24 both contributed to the increased interest revenue.



As shown on the graph below the spread between gross and net interest earnings has grown, primarily as the Agency’s cost of capital has increased in line with market interest rates.



Along with the changing interest rate environment, interest bearing assets in the sustainable core have increased 23.1% over FY24, which contributed to the increase in interest revenue.

YTD other revenue increased 15.1% over prior year and operating expenses (salaries and general operating expenses) were slightly lower when compared to the prior year.

BALANCE SHEET
Quarterly Financial Dashboard - Selected Reporting
As of June 30, 2025 - (\$ million)

	Quarter End	Prior Quarter End	Change from Prior Quarter	Change From Year Ago	Change From Year Ago
CONSOLIDATED					
Total Assets	8,543.3	8,333.7	209.6	7,133.0	1,410.3
<i>Program Securities</i>	5,060.8	4,983.9	76.9	4,149.3	911.5
<i>Loans, net</i>	1,292.7	1,263.7	29.0	1,134.1	158.6
<i>Other investments and cash</i>	2,096.9	1,988.3	108.6	1,752.3	344.6
Total Liabilities	6,839.3	6,599.8	239.5	5,677.8	1,161.5
Total Net Position	1,649.4	1,680.9	(31.5)	1,389.4	260.0
CONSOLIDATED EXCLUDING APPROPRIATED					
Total Assets	7,233.7	6,974.7	259.0	5,884.5	1,349.2
Net Position	850.9	816.7	34.2	660.3	190.6
SUSTAINABLE CORE					
Total Assets	7,065.9	6,829.7	236.2	5,741.7	1,324.2
<i>Program Securities</i>	5,060.8	4,983.9	76.9	4,149.3	911.5
<i>Loans, net</i>	1,020.6	985.5	35.1	900.4	120.2
<i>Other investments & cash</i>	904.2	774.7	129.5	607.5	296.7
Total Liabilities	6,328.0	6,127.4	200.6	5,185.1	1,142.9
<i>Bonds payable, net</i>	5,956.1	5,798.6	157.5	4,919.4	1,036.7
Net Position	683.3	649.5	33.8	490.8	192.5

STATEMENT OF OPERATIONS
Quarterly Financial Dashboard - Selected Reporting
As of June 30, 2025 - (\$ million)

	This Quarter	Prior Quarter	Change from Prior Quarter	FYTD	Last Year FYTD	Change
CONSOLIDATED						
Operating Revenue	200.9	198.5	2.4	1,031.4	1,454.4	(423.0)
Operating Expenses	204.0	184.7	19.3	786.3	683.3	103.0
Non-Operating Revenue/(Expenses)	(25.9)	37.3	(63.2)	14.9	(101.4)	116.3
Net	(29.0)	51.1	(80.1)	260.0	669.7	(409.7)
SUSTAINABLE CORE						
Interest revenue	80.8	77.7	3.1	303.6	232.8	70.8
Other revenue	23.2	22.9	0.3	88.5	76.9	11.6
Unrealized gain (loss)	15.4	77.6	(62.2)	121.8	(45.7)	167.5
TOTAL REVENUE	119.4	178.2	(58.8)	513.9	264.0	249.9
Interest Expense	56.0	53.2	2.8	207.8	150.6	57.2
Operating Expenses(1)	11.9	14.4	(2.5)	52.5	50.7	1.8
Other Expenses	15.2	12.5	2.7	61.1	49.2	11.9
TOTAL EXPENSE	83.1	80.1	3.0	321.4	250.5	70.9
Revenue over Expense	36.3	98.1	(61.8)	192.5	13.5	179.0
Net Interest Income	24.8	24.5	0.3	95.8	82.2	13.6
<i>Annualized Net Interest Margin (2)</i>	<i>1.43%</i>	<i>1.46%</i>		<i>1.50%</i>	<i>1.59%</i>	
<i>Annualized Gross Interest Margin (3)</i>	<i>4.65%</i>	<i>4.63%</i>		<i>4.74%</i>	<i>4.51%</i>	

(1) Salaries, benefits and other general operating; includes Year End Pension Adjustment

(2) Annualized Net Interest Income/Average assets for period

(3) Annualized Gross Interest/Average assets for period

Minnesota Housing Finance Agency
Fund Financial Statements
Statement of Net Position (in thousands) - UNAUDITED
Proprietary Page 95 of 138
As of June 30, 2025 (with comparative totals as of
June 30, 2024)

	Bond Funds					Appropriated Funds				Total as of June 30, 2025	Total as of June 30, 2024
	General Reserve	Rental Housing	Resi- dential Housing Finance	Homeownership Finance Bonds	Multifamily Housing Bonds	HOMES SM	State Appro- priated	Federal Appro- priated			
Assets											
Cash and cash equivalents	\$ 97,469	\$ 96,011	\$ 600,905	\$ 45,890	\$ 2,338	\$ -	\$ 616,188	\$ 35,430	\$ 1,494,231	\$ 748,080	
Investments-program mortgage-backed securities	-	-	4,265,049	795,777	-	-	-	-	5,060,826	4,149,290	
Investment securities-other	12,655	17,185	67,882	-	-	3,308	501,640	-	602,670	1,004,329	
Loans receivable, net	-	288,337	848,048	-	12,404	-	140,763	3,105	1,292,657	1,134,149	
Interest receivable on loans and program mortgage-backed securities	-	1,164	21,895	2,652	45	-	42	4	25,802	20,705	
Interest receivable on investments	360	374	2,545	138	8	10	4,463	10	7,908	7,207	
Interest rate swap agreements	-	-	40,447	-	-	-	-	-	40,447	48,457	
FHA/VA insurance claims, net	-	-	(11)	-	-	-	-	-	(11)	(2)	
Real estate owned, net	-	-	474	-	-	-	-	-	474	591	
Capital assets, net	4,269	-	1,454	-	-	-	-	621	6,344	8,180	
Other assets	3,297	6	1,260	15	-	-	6,718	667	11,963	12,040	
Total assets	118,050	403,077	5,849,948	844,472	14,795	3,318	1,269,814	39,837	8,543,311	7,133,026	
Deferred Outflows of Resources											
Deferred loss on refunding	-	-	-	-	-	-	-	-	-	-	
Deferred loss on interest rate swap agreements	-	-	6,860	-	-	-	-	-	6,860	61	
Deferred pension expense	7,064	-	-	-	-	-	-	-	7,064	8,421	
Total deferred outflows of resources	7,064	-	6,860	-	-	-	-	-	13,924	8,482	
Total assets and deferred outflows of resources	\$ 125,114	\$ 403,077	\$ 5,856,808	\$ 844,472	\$ 14,795	\$ 3,318	\$ 1,269,814	\$ 39,837	\$ 8,557,235	\$ 7,141,508	
Liabilities											
Bonds payable, net	\$ -	\$ 210,010	\$ 4,858,697	\$ 871,635	\$ 12,040	\$ 3,698	\$ 483,841	\$ -	\$ 6,439,921	\$ 5,412,688	
Interest payable	-	3,874	99,939	1,955	30	10	8,122	-	113,930	82,476	
Interest rate swap agreements	-	-	6,860	-	-	-	-	-	6,860	61	
Net pension liability and OPEB	2,768	-	-	-	-	-	-	-	2,768	8,963	
Accounts payable and other liabilities	9,976	65,780	94,823	50	-	-	10,595	5,434	186,658	87,969	
Interfund payable (receivable)	4,184	-	(7,244)	-	-	-	2,495	565	-	-	
Funds held for others	84,513	-	-	-	-	(390)	-	18	84,141	78,833	
Lease Liability	3,490	-	-	-	-	-	-	-	3,490	4,927	
Subscription Liability	12	-	1,487	-	-	-	-	-	1,499	1,923	
Total liabilities	104,943	279,664	5,054,562	873,640	12,070	3,318	505,053	6,017	6,839,267	5,677,840	
Deferred Inflows of Resources											
Deferred gain on interest rate swap agreements	-	-	40,447	-	-	-	-	-	40,447	48,457	
Deferred revenue-service release fee	-	-	15,790	3,096	-	-	-	-	18,886	19,186	
Deferred discount loan interest	-	-	152	-	-	-	-	-	152	-	
Deferred pension credit	9,040	-	-	-	-	-	-	-	9,040	6,623	
Total deferred inflows of resources	9,040	-	56,389	3,096	-	-	-	-	68,525	74,266	
Total liabilities and deferred inflows of resources	\$ 113,983	\$ 279,664	\$ 5,110,951	\$ 876,736	\$ 12,070	\$ 3,318	\$ 505,053	\$ 6,017	\$ 6,907,792	\$ 5,752,106	
Commitments and contingencies	-	-	-	-	-	-	-	-	-	-	
Net Position											
Restricted by bond resolution	-	123,716	355,641	17,397	2,725	-	-	-	499,479	460,896	
Restricted by covenant	10,364	-	649,521	-	-	-	-	-	659,885	558,005	
Restricted by law	-	-	-	-	-	-	1,163,365	33,580	1,196,945	1,063,895	
Unrestricted by State Appropriation-backed Debt	-	-	-	-	-	-	(381,473)	-	(381,473)	(355,809)	
Unrestricted by bond resolution	-	(303)	(259,272)	(49,661)	-	-	-	-	(309,236)	(359,737)	
Unrestricted by covenant	-	-	-	-	-	-	-	-	-	-	
Unrestricted by law	-	-	-	-	-	-	(17,131)	(381)	(17,512)	20,822	
Net Investment in Capital Assets	767	-	(33)	-	-	-	-	621	1,355	1,330	
Total net position	11,131	123,413	745,857	(32,264)	2,725	-	764,761	33,820	1,649,443	1,389,402	
Total liabilities, deferred inflows of resources, and net position	\$ 125,114	\$ 403,077	\$ 5,856,808	\$ 844,472	\$ 14,795	\$ 3,318	\$ 1,269,814	\$ 39,837	\$ 8,557,235	\$ 7,141,508	

This information on the funds of the Agency for the twelve-month period ended June 30, 2025 was prepared by the Agency, and, in the opinion of the Agency, includes all accounting adjustments necessary for a fair statement of the financial position and results of operations of those funds for the twelve-month period ended June 30, 2025, subject to year-end adjustments. However, this presentation excludes management's discussion and analysis, the agency-wide financial statements, and the notes to the financial statements which are required by generally accepted accounting principles. This information has not been reviewed by independent auditors and is not accompanied by any opinion from them. This information should be read in conjunction with the Agency's audited financial statements as of June 30, 2024 and for the fiscal year then ended.

Statement of Revenues, Expenses and Changes in Net Position (in thousands)

Proprietary Funds

Twelve Months Ended June 30, 2025 (with comparative totals for
Twelve Months Ended June 30, 2024)

	Bond Funds					Appropriated Funds		Total for the Twelve Months Ended June 30, 2025	Total for the Twelve Months Ended June 30, 2024	
	General Reserve	Rental Housing	Resi- dential Housing Finance	Homeownership Finance Bonds	Multifamily Housing Bonds	HOMES SM	State Appro- priated			Federal Appro- priated
Operating Revenue										
Interest earned on loans	\$ -	\$ 13,259	\$ 29,567	\$ -	\$ 549	\$ -	\$ 1,157	\$ 22	\$ 44,554	\$ 41,898
Interest earned on investments-program mortgage-backed securities	-	-	199,680	31,428	-	-	-	-	231,108	164,797
Appropriations received	-	-	-	-	-	-	327,885	316,185	644,070	1,161,417
Administrative reimbursement	62,238	-	-	-	-	-	-	-	62,238	53,341
Fees earned and other income	18,650	863	5,787	1,033	-	-	23,068	-	49,401	32,925
Total operating revenues	80,888	14,122	235,034	32,461	549	-	352,110	316,207	1,031,371	1,454,378
Operating Expenses										
Loan administration and trustee fees	-	176	3,753	364	4	-	118	-	4,415	3,957
Administrative reimbursement	-	1,879	32,257	5,928	89	-	19,756	2,329	62,238	47,792
Salaries and benefits	42,334	-	-	-	-	-	-	-	42,334	43,202
Other general operating	8,814	6	3,703	19	-	-	617	147	13,306	10,123
Appropriations disbursed	-	-	-	-	-	-	211,992	306,156	518,148	455,526
Reduction in carrying value of certain low interest rate deferred loans	-	1,063	(1,443)	-	-	-	85,821	53,280	138,721	121,317
Provision for loan losses	-	2,481	2,982	-	(1)	-	1,698	(59)	7,101	1,428
Total operating expenses	51,148	5,605	41,252	6,311	92	-	320,002	361,853	786,263	683,345
Operating income (loss)	29,740	8,517	193,782	26,150	457	-	32,108	(45,646)	245,108	771,033
Nonoperating Revenues (Expenses)										
Interest earned on investments-other	1,170	2,142	25,066	1,839	101	124	57,171	2,748	90,361	87,111
Appropriations received	-	-	-	-	-	-	37,053	-	37,053	35,204
Net appreciation/depreciation in fair value on investments	-	623	100,831	20,409	-	-	248	-	122,111	(45,932)
Interest	(223)	(7,828)	(174,923)	(24,365)	(365)	(124)	(13,975)	-	(221,803)	(165,372)
Financing, net	-	(832)	(11,785)	-	-	-	(172)	-	(12,789)	(12,399)
Appropriations disbursed	-	-	-	-	-	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	947	(5,895)	(60,811)	(2,117)	(264)	-	80,325	2,748	14,933	(101,388)
Income (Loss) Before Transfers and Contributions	30,687	2,622	132,971	24,033	193	-	112,433	(42,898)	260,041	669,645
Other changes										
Non-operating transfer of assets and program contributions between funds	(27,394)	(47,854)	81,912	(6,664)	-	-	-	-	-	-
Non-operating expenses	(2,494)	-	2,494	-	-	-	-	-	-	-
Change in net position	799	(45,232)	217,377	17,369	193	-	112,433	(42,898)	260,041	669,645
Net Position										
Total net position, Beginning as presviously reported	10,332	168,645	530,974	(49,633)	2,532	-	652,328	76,718	1,391,896	719,757
Adjustments (Note 18)	-	-	(2,494)	-	-	-	-	-	(2,494)	-
Total net position - Beginning, as restated	10,332	168,645	528,480	(49,633)	2,532	-	652,328	76,718	1,389,402	719,757
Total net position, end of period	\$ 11,131	\$ 123,413	\$ 745,857	\$ (32,264)	\$ 2,725	\$ -	\$ 764,761	\$ 33,820	\$ 1,649,443	\$ 1,389,402

This information on the funds of the Agency for the twelve-month period ended June 30, 2025 was prepared by the Agency, and, in the opinion of the Agency, includes all accounting adjustments necessary for a fair statement of the financial position and results of operations of those funds for the twelve-month period ended June 30, 2025, subject to year-end adjustments. However, this presentation excludes management's discussion and analysis, the agency-wide financial statements, and the notes to the financial statements which are required by generally accepted accounting principles. This information has not been reviewed by independent auditors and is not accompanied by any opinion from them. This information should be read in conjunction with the Agency's audited financial statements as of June 30, 2024 and for the fiscal year then ended.

Total net position, beginning of period adjusted to GASB 68.

As of June 30, 2025 (with comparative totals for June 30, 2024)

	Bond Funds							General Reserve &	General Reserve &	Residential Housing	General Reserve &	General Reserve &
	General Reserve	Rental Housing	Residential Housing Finance		Homeownership Finance Bonds	Multifamily Housing Bonds	HOMES SM	Bond Funds Excluding Pool 3 Total As Of June 30, 2025	Bond Funds Excluding Pool 3 Total As Of June 30, 2024	Finance Pool 3 Total As Of June 30, 2025	Bond Funds Total As Of June 30, 2025	Bond Funds Total As Of June 30, 2024
Assets												
Cash and cash equivalents	\$ 97,469	\$ 96,011	\$ 483,537	\$ 79,300	\$ 45,890	\$ 2,338	\$ -	\$ 804,545	\$ 510,718	\$ 38,068	\$ 842,613	\$ 513,277
Investments-program mortgage-backed securities	-	-	4,265,049	-	795,777	-	-	5,060,826	4,149,290	-	5,060,826	4,149,290
Investment securities-other	12,655	17,185	2,664	63,859	-	-	3,308	99,671	96,755	1,359	101,030	104,879
Loans receivable, net	-	288,337	229,226	490,640	-	12,404	-	1,020,607	900,431	128,182	1,148,789	1,032,500
Interest receivable on loans and program mortgage-backed securities	-	1,164	19,996	1,867	2,652	45	-	25,724	20,629	32	25,756	20,663
Interest receivable on investments	360	374	1,700	686	138	8	10	3,276	2,705	159	3,435	2,761
Interest rate swap agreements	-	-	40,447	-	-	-	-	40,447	48,457	-	40,447	48,457
FHA/VA insurance claims, net	-	-	(11)	-	-	-	-	(11)	(2)	-	(11)	(2)
Real estate owned, net	-	-	568	(94)	-	-	-	474	589	-	474	589
Capital assets, net	4,269	-	-	1,454	-	-	-	5,723	8,042	-	5,723	8,042
Other assets	3,297	6	266	989	15	-	-	4,573	4,040	5	4,578	4,042
Total assets	118,050	403,077	5,043,442	638,701	844,472	14,795	3,318	7,065,855	5,741,654	167,805	7,233,660	5,884,498
Deferred Outflows of Resources												
Deferred loss on refunding	-	-	-	-	-	-	-	-	-	-	-	-
Deferred loss on interest rate swap agreements	-	-	6,860	-	-	-	-	6,860	61	-	6,860	61
Deferred pension expense	7,064	-	-	-	-	-	-	7,064	8,421	-	7,064	8,421
Total deferred outflows of resources	7,064	-	6,860	-	-	-	-	13,924	8,482	-	13,924	8,482
Total assets and deferred outflows of resources	\$ 125,114	\$ 403,077	\$ 5,050,302	\$ 638,701	\$ 844,472	\$ 14,795	\$ 3,318	\$ 7,079,779	\$ 5,750,136	\$ 167,805	\$ 7,247,584	\$ 5,892,980
Liabilities												
Bonds payable, net	\$ -	\$ 210,010	\$ 4,792,683	\$ 66,014	\$ 871,635	\$ 12,040	\$ 3,698	\$ 5,956,080	\$ 4,919,411	\$ -	\$ 5,956,080	\$ 4,919,411
Interest payable	-	3,874	98,258	1,681	1,955	30	10	105,808	74,305	-	105,808	74,305
Interest rate swap agreements	-	-	6,860	-	-	-	-	6,860	61	-	6,860	61
Net pension liability and OPEB	2,768	-	-	-	-	-	-	2,768	8,963	-	2,768	8,963
Accounts payable and other liabilities	9,976	65,780	1,358	93,238	50	-	-	170,402	76,724	227	170,629	77,064
Interfund payable (receivable)	4,184	-	(120)	(7,124)	-	-	-	(3,060)	20,069	-	(3,060)	(6,993)
Funds held for others	84,513	-	-	-	-	-	(390)	84,123	78,697	-	84,123	78,697
Lease Liability	3,490	-	-	-	-	-	-	3,490	4,927	-	3,490	4,927
Subscription Liability	12	-	-	1,487	-	-	-	1,499	1,923	-	1,499	1,923
Total liabilities	104,943	279,664	4,899,039	155,296	873,640	12,070	3,318	6,327,970	5,185,080	227	6,328,197	5,158,358
Deferred Inflows of Resources												
Deferred gain on interest rate swap agreements	-	-	40,447	-	-	-	-	40,447	48,457	-	40,447	48,457
Deferred revenue-service release fee	-	-	14,447	1,343	3,096	-	-	18,886	19,186	-	18,886	19,186
Deferred discount loan interest	-	-	-	152	-	-	-	152	-	-	152	-
Deferred pension credit	9,040	-	-	-	-	-	-	9,040	6,623	-	9,040	6,623
Total deferred inflows of resources	9,040	-	54,894	1,495	3,096	-	-	68,525	74,266	-	68,525	74,266
Total liabilities and deferred inflows of resources	\$ 113,983	\$ 279,664	\$ 4,953,933	\$ 156,791	\$ 876,736	\$ 12,070	\$ 3,318	\$ 6,396,495	\$ 5,259,346	\$ 227	\$ 6,396,722	\$ 5,232,624
Commitments and contingencies												
Net Position												
Restricted by bond resolution	-	123,716	355,641	-	17,397	2,725	-	499,479	460,896	-	499,479	460,896
Restricted by covenant	10,364	-	-	481,943	-	-	-	492,307	388,439	167,578	659,885	558,005
Restricted by law	-	-	-	-	-	-	-	-	-	-	-	-
Unrestricted by State Appropriation-backed Debt	-	-	-	-	-	-	-	-	-	-	-	-
Unrestricted by bond resolution	-	(303)	(259,272)	-	(49,661)	-	-	(309,236)	(359,737)	-	(309,236)	(359,737)
Unrestricted by covenant	-	-	-	-	-	-	-	-	-	-	-	-
Unrestricted by law	-	-	-	-	-	-	-	-	-	-	-	-
Net Investment in Capital Assets	767	-	-	(33)	-	-	-	734	1,192	-	734	1,192
Total net position	11,131	123,413	96,369	481,910	(32,264)	2,725	-	683,284	490,790	167,578	850,862	660,356
Total liabilities, deferred inflows, and net position	\$ 125,114	\$ 403,077	\$ 5,050,302	\$ 638,701	\$ 844,472	\$ 14,795	\$ 3,318	\$ 7,079,779	\$ 5,750,136	\$ 167,805	\$ 7,247,584	\$ 5,892,980

This information on the funds of the Agency for the twelve-month period ended June 30, 2025 was prepared by the Agency, and, in the opinion of the Agency, includes all accounting adjustments necessary for a fair statement of the financial position and results of operations of those funds for the twelve-month period ended June 30, 2025, subject to year-end adjustments. However, this presentation excludes management's discussion and analysis, the agency-wide financial statements, and the notes to the financial statements which are required by generally accepted accounting principles. This information has not been reviewed by independent auditors and is not accompanied by any opinion from them. This information should be read in conjunction with the Agency's audited financial statements as of June 30, 2024 and for the fiscal year then ended.

Minnesota Housing Finance Agency

Supplementary Information (Unaudited)

Statement of Revenues, Expenses and Changes in Net Position (in thousands)

General Reserve & Bond Funds

Twelve Months Ended June 30, 2025 (with comparative totals for the twelve months ended June 30, 2024)

	Bond Funds						General Reserve & Bond Funds Excluding Pool 3	General Reserve & Bond Funds Excluding Pool 3	Residential Housing Finance Pool 3	General Reserve & Bond Funds	General Reserve & Bond Funds	
	General Reserve	Rental Housing	Residential Housing Finance		Homeownership Finance	Multifamily Housing	HOMES SM	Total for Twelve Months Ended June 30, 2025	Total for Twelve Months Ended June 30, 2024	Total for Twelve Months Ended June 30, 2025	Total for Twelve Months Ended June 30, 2025	Total for Twelve Months Ended June 30, 2024
Operating revenues												
Interest earned on loans	\$ -	13,259	\$ 8,873	\$ 20,361	\$ -	\$ 549	\$ -	\$ 43,042	\$ 40,699	\$ 333	43,375	\$ 40,987
Interest earned on investments-program mortgage-backed securities	-	-	199,680	-	31,428	-	-	231,108	164,797	-	231,108	164,797
Appropriations received	-	-	-	-	-	-	-	-	-	-	-	-
Administrative reimbursement	62,238	-	-	-	-	-	-	62,238	53,341	-	62,238	53,341
Fees earned and other income	18,650	863	3,591	2,146	1,033	-	-	26,283	23,635	50	26,333	23,649
Total operating revenues	80,888	14,122	212,144	22,507	32,461	549	-	362,671	282,472	383	363,054	282,774
Operating expenses												
Loan administration and trustee fees	-	176	2,068	1,653	364	4	-	4,265	3,816	32	4,297	3,835
Administrative reimbursement	-	1,879	26,622	3,901	5,928	89	-	38,419	31,469	1,734	40,153	33,204
Salaries and benefits	42,334	-	-	-	-	-	-	42,334	43,202	-	42,334	43,202
Other general operating	8,814	6	88	1,231	19	-	-	10,158	7,531	2,384	12,542	9,575
Appropriations disbursed	-	-	-	-	-	-	-	-	-	-	-	-
Reduction in carrying value of certain low interest rate deferred loans	-	1,063	(110)	(316)	-	-	-	637	(430)	(1,017)	(380)	9,770
Provision for loan losses	-	2,481	2,018	727	-	(1)	-	5,225	2,274	237	5,462	2,559
Total operating expenses	51,148	5,605	30,686	7,196	6,311	92	-	101,038	87,862	3,370	104,408	102,145
Operating income (loss)	29,740	8,517	181,458	15,311	26,150	457	-	261,633	194,610	(2,987)	258,646	180,629
Nonoperating Revenues (Expenses)												
Interest earned on investments-other	1,170	2,142	16,566	7,541	1,839	101	124	29,483	27,352	959	30,442	28,156
Appropriations received	-	-	-	-	-	-	-	-	-	-	-	-
Net appreciation/depreciation in fair value on investments	-	623	98,105	2,686	20,409	-	-	121,823	(45,663)	40	121,863	(45,684)
Interest	(223)	(7,828)	(169,723)	(5,200)	(24,365)	(365)	(124)	(207,828)	(150,579)	-	(207,828)	(150,579)
Financing, net	-	(832)	(11,758)	(27)	-	-	-	(12,617)	(12,126)	-	(12,617)	(12,126)
Appropriations disbursed	-	-	-	-	-	-	-	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	947	(5,895)	(66,810)	5,000	(2,117)	(264)	-	(69,139)	(181,016)	999	(68,140)	(180,233)
Income (Loss) Before Transfers and Contributions	30,687	2,622	114,648	20,311	24,033	193	-	192,494	13,594	(1,988)	190,506	396
Other changes												
Non-operating transfer of assets and program contributions between funds	(27,394)	(47,854)	2,106	79,806	(6,664)	-	-	-	(15,000)	-	-	-
Non-operating expenses	(2,494)	-	-	2,494	-	-	-	-	2,076	-	-	2,076
Change in net position	799	(45,232)	116,754	102,611	17,369	193	-	192,494	670	(1,988)	190,506	2,472
Net Position												
Total net position, beginning of period	10,332	168,645	(20,385)	381,793	(49,633)	2,532	-	493,284	490,120	169,566	662,850	657,884
Adjustments (Note 18)	-	-	-	(2,494)	-	-	-	-	-	-	-	-
Total net position - Beginning, as restated	10,332	168,645	(20,385)	379,299	(49,633)	2,532	-	493,284	490,120	169,566	662,850	657,884
Total net position, end of period	\$ 11,131	\$ 123,413	\$ 96,369	\$ 481,910	\$ (32,264)	\$ 2,725	\$ -	\$ 685,778	\$ 490,790	\$ 167,578	\$ 853,356	\$ 660,356

This information on the funds of the Agency for the twelve-month period ended June 30, 2025 was prepared by the Agency, and, in the opinion of the Agency, includes all accounting adjustments necessary for a fair statement of the financial position and results of operations of those funds for the twelve-month period ended June 30, 2025 subject to year-end adjustments. However, this presentation excludes management's discussion and analysis, the agency-wide financial statements, and the notes to the financial statements which are required by generally accepted accounting principles. This information has not been reviewed by independent auditors and is not accompanied by any opinion from them. This information should be read in conjunction with the Agency's audited financial statements as of June 30, 2024 and for the fiscal year then ended.



Item: Public Comments about the Draft 2026-2027 Affordable Housing Plan

Information Item: 8.B
Date: 09/25/2025
Staff Contacts: John Patterson, 651.296.0763, john.patterson@state.mn.us
Request Type: No Action, Discussion

Request Summary

Staff are providing for the board's review and discussion the full public comments that we received about our Draft 2026-2027 Affordable Housing Plan (AHP), a summary of the comments, and our responses to the key issues raised in the comments. Based on the public comments and the board's own review of the draft AHP, staff would like the board's feedback before finalizing the plan, which staff will bring to the board next month for approval.

Fiscal Impact

None.

Agency Priorities

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

Attachments

- Summary of Public Comments about Minnesota Housing's Draft 2026-2027 Affordable Housing Plan
- Full Public Comments on Draft 2026-2027 Affordable Housing Plan

Summary of Public Comments about Minnesota Housing's Draft 2026-2027 Affordable Housing Plan

The following is a summary of the 13 public comments that we received about our 2026-2027 Affordable Housing Plan (AHP). For context, we received 10 and 18 comments respectively for the previous two AHPs. In the board materials, we also provide the full comments.

Some of the comments are very specific to individual programs or Agency operations and are too specific for the Affordable Housing Plan and not included in this summary. For example, the Greater Minnesota Partnership requested that we once again pursue a modest legislative tweak to better align the State Housing Tax Credit Program with the Workforce Housing Development Program. While we won't incorporate these types of comments into the AHP, we are passing the full comments onto Agency staff for consideration for more specific Agency work. As a result of the comments, the Agency will be making changes to the AHP as noted in the following responses to the comments.

Funding Levels

- **Restore funding from Agency earnings that the Agency has paused or limited to address the availability of cash on hand. Too much priority is placed on preserving agency operations and balance sheet. (MN Housing Partnership and MN Housing Stability Coalition). Specifically:**
 - **Manufactured home community acquisition (CoNorth and MICAH)**
 - **Asset Management (MN Housing Stability Coalition, MN Housing Partnership, and MN Consortium of Community Developers)**
 - **Homeownership Capacity (while this program is funded at the same level as the previous AHPs, MICAH recommends an increase)**

Response: We know the full continuum of housing needs across Minnesota are significant and outpace the resources available from the private, public and philanthropic sectors. The Agency would like to provide more of its Agency-generated resources to meet the state's critical housing needs, but like other lending entities, the availability of current resources remains constrained due to several factors.

Based on an extensive assessment that we carried out in partnership with our financial advisor (CSG) and thoroughly reviewed by our Finance Team (comprised of Agency staff, along with external financial advisors, investment bankers, bond attorneys and other finance partners), we developed and are implementing a multi-year strategy to address our liquidity constraints (availability of cash on hand) that balances making funds available for affordable housing and ensuring the long-term financial health of the Agency and the programs we fund. We have reviewed this assessment with our board of directors on multiple occasions, and the board has

approved program changes. Ultimately our fiduciary responsibility to maintain a strong balance sheet allows us to secure bond resources with better terms and generate earnings, which helps the Agency finance more affordable housing overtime.

In paring back discretionary funding from our Housing Investment Fund (Pool 2) and Housing Affordability Fund (Pool 3), the reduction is shared across homeownership, rental, and manufactured home community programs. The availability of alternative funding sources was also a consideration in our decision making. For example:

- Minnesota Housing was likely the only state housing finance agency in the country financing the acquisition of manufactured home communities, which was beneficial and had a positive impact, but funding from other lenders is available. In addition, a portion of the \$10 million one-time grant from 2024-2025 funds that was legislatively named to CoNorth (formerly the Northcountry Cooperative Foundation) for financing the acquisition of manufactured home communities under the Manufactured Home Park Cooperative Purchase Program is still available to support lending in the short-term.
- Asset Management loans for rental properties have received limited Housing Affordability Fund (Pool 3) funding in previous years, which is now paused, but the Community Stabilization program has \$50 million of state funds available on a one-time basis for recapitalizing distressed rental properties under the 2026-2027 AHP to help meet this type of need in the short-term. The work on this program, as well as the Preservation Framework that we are developing, could help identify needs and inform future direction for this type of lending.
- **Manufactured housing received a disproportionate reduction in funding, particularly given its cost-effectiveness in providing affordable homeownership opportunities to lower-income households. The draft AHP proposes to reduce the Manufactured Home Community Redevelopment Grants program from \$17,071,000 to \$2,238,000 – an 86% cut. (CoNorth)**

Response: Between the 2024-2025 and 2026-2027 AHPs, estimated funds available for Manufactured Home Community Redevelopment Grants declined from \$17.1 million to \$2.2 million, as noted in CoNorth’s comments. This program is funded with state appropriations. During its 2025 session, the Legislature returned the funding to the base level of \$2 million for two years after a one-time increase to \$17 million.

This grant program is not the only resource available for manufactured home community infrastructure. The 2025 legislature also made available \$3.0 million under the newly created Cooperative Manufactured Housing Infrastructure Grant program that will be available in 2026. In addition, redevelopment of manufactured home communities is an eligible use of Housing Infrastructure resources (bonds and appropriations), but this program also finances single-family and multifamily development and is not exclusively available for manufactured home communities.

Across all the Agency's programs serving manufactured homes and communities, we saw a historic increase in funding under the 2024-2025 AHP, and we are now returning to more traditional funding levels for state appropriated programs, which are insufficient. Of the funds previously awarded by the Agency to manufactured home/community grantees, over \$26 million remained unexpended as of mid-September 2025.

- **Enhance and strengthen the Agency's commitment to homeownership programs, including new construction, which would include using HOME funds for single-family developments. (Habitat for Humanity of MN)**

Response: We know the lack of housing supply, particularly single-family homes, is a big challenge facing the state. To address this, we increased the use of both Economic Development and Housing Challenge (EDHC) funds and Housing Infrastructure resources for single-family activities over the past few years, recently made selections for the \$40 million Homeownership Investment Grants program and will fully utilize Workforce and Affordable Homeownership Development resources in the 2025 Single-Family Consolidated RFP. With more limited state and federal funding, we know resources available through our various single-family development programs are not enough.

The state will soon begin the process of creating a new five-year Consolidated Plan that is required by U.S. Department of Housing and Urban Development (HUD) to access resources. The Agency plans to explore utilizing HOME funds for single-family activities through this process. HOME funds come with some burdensome regulatory requirements, which have limited its use historically for single-family activities. Over a decade ago, we decided to use complex HOME resources to fund larger rental developments that often have the capacity to effectively manage these requirements.

- **Prioritize producing entry-level ownership products affordable below 70% of AMI. These solutions remain underdeveloped and underfunded in the draft plan. (Homeownership Center)**

Response: We agree that more resources are needed across a wide range of incomes for homeownership. Given that the need is great and that resources only go so far, the Impact Fund RFP (which awards EDHC and Housing Infrastructure resources for single-family development) finances the construction and rehabilitation of homes that are affordable at or below 115% of the area median income (AMI) but prioritizes serving homebuyers at 80% of AMI or below. For example, affordability gap assistance (which subsidizes the difference between the sales price of a home and an affordable mortgage amount for the household) is only available to homebuyers with income at or below 80% of AMI and may be provided as a zero-interest, deferred, forgivable loan. If the long-term affordability is ensured through placement in a community land trust, the affordability gap may be provided as a grant.

In the Impact Fund RFP, assessing development costs is part of our selection process, and we encourage the development of lower-cost single-family properties. The field of innovative construction techniques is advancing, which can be supported through the Impact Fund.

The Impact Fund is successful in serving lower-income homebuyers/owners. In 2024, the median income of the homebuyers/owners served by EDHC was \$51,025, and the median income for Housing Infrastructure resources was \$56,530, which are respectively 46% and 51% of the HUD's 2024 statewide median family income in Minnesota (\$111,800). We need more funding to serve more households.

Additionally, approximately \$21 million of one-time Homeownership Investment Grant funding was awarded to proposals that will support ownership options for households at or below 80% of area median income in June 2025.

- **Restore and expand dedicated funding for first-generation homebuyers and culturally competent housing counseling. The discontinuation of the stand-alone First-Generation Homebuyer Loan Program offered by Minnesota Housing and the limited funding for the Community fund after 2025 is a step backward. Embedding only a limited component in Deferred Payment Loan Plus is insufficient to meet the scale of the gap. (Homeownership Center and MN Consortium of Community Developers)**

Response: We agree the First-Generation Homebuyer programs (one run through Minnesota Housing and the other through Midwest Minnesota Community Development Corporation) have been highly successful toward reducing barriers to homeownership. Based on the success of first-generation targeting, we have now incorporated a first-generation component into our ongoing downpayment assistance programming, but the appropriation level from the state is not at the scale needed to significantly close the homeownership gap in Minnesota.

- **Prioritize preservation in our funding and implement the Preservation Framework that is being developed. In addition, community stabilization and strengthening supporting housing are ongoing needs, but the legislature did not make additional funds available for those two programs for 2026 and 2027. (MN Consortium of Community Developers, MN Housing Partnership, and MN Housing Stability Coalition)**

Response: Staff at Minnesota Housing have begun working on the preservation framework that was required by the 2025 legislature. The framework will be a collaborative effort with Agency staff, funders and critical partners. We will highlight the importance of the framework in the revised and final AHP.

While there are no new funds for the Community Stabilization and Strengthen Supportive Housing programs, there are funds from the previous AHP (a large share of which are part of currently open RFPs) and are included in the 2026-2027 AHP. These resources will play a key role in our preservation work for the next two years, and the preservation framework will outline other activities and approaches to community stabilization and strengthening supportive housing.

We know preservation activities are critical and that current resources are not enough to meet the wide range of needs. In the Qualified Allocation Plan (QAP), which lays out how we score and select housing developments for not only Low-Income Housing Tax Credits but also funding from all the programs operating through our Multifamily Consolidated RFP, preservation is the highest pointing selection criterion (up to 45 points). The second highest criterion is 37 points, and 15 of the 23 criteria provide less than 15 points. Our 2024 RFP funded 959 rental units – 523 new construction and 436 rehabilitation. Of the 436 rehabilitation units, 316 had existing rental assistance.

We know those preservation points do not fit every type of preservation need or activity across the state and that more is needed.

- **Maximize the increase in Low-Income Housing Tax Credits (LIHTC) and make Minnesota an attractive state for LIHTC investors by revising the QAP. Also, prioritize preservation in the QAP. (MN Housing Partnership and MN Housing Stability Coalition)**

Response: We agree that we should continue to explore options to improve the impact and reach of LIHTCs and that maintaining strong relationships with investors is a critical activity. “Build and leverage resources” is one of the Agency’s values laid out in our 2025-2027 Strategic Plan. In addition, we monitor and engage around investor interest in Minnesota.

As noted in our response to the previous comment, preservation is a high priority in the current QAP.

- **Award the funds from the 2023 Legislative session that have not yet gone out. (MICAH)**

Response: While we have some work left to do, nearly all the \$1.3 billion from the 2023 session have been committed to projects and activities. The Go Big funding for 2024-2025 required over 30 new programs and legislatively-named grants, which was a large-scale undertaking. We have launched nearly all the new programs (with some already closing out), but we have a few more to go. Deploying these resources is a high priority.

- **Explain how the Agency will move toward having “everyone thrive, not some” when we have a tight and limited fiscal situation (HOME Line)**

Response: We agree that current funding levels makes achieving that goal much more challenging. The AHP outlines the proactive steps we will take towards that goal with limited resources. We won’t achieve the goal with current funding levels, but we can take steps towards achieving it.

Engagement

- **When carrying out program and system improvements, make sure to explicitly include the expertise of the practitioners who operate the system. (MN Housing Partnership and MN Housing Stability Coalition)**

Response: We agree. The AHP discussion of our human-centered-design approach specifically identifies our partners who run and operate the programs that we finance as one type of customer. The homeowners, renters and people experiencing homelessness who use those programs are another type. Both types of customers and their expertise are critical to human-centered-design work. When revising the AHP, we will look for ways to make sure that this point is clear.

- **Reach out to Greater Minnesota, particularly small rural communities, when making programs more accessible and easier to use. (Greater MN Cities, Greater MN Partnership, and MN Housing Partnership)**
 - **Identify communities that have never applied for funds in the past or have applied but not been successful in receiving an award.**
 - **Get input on application and program design and implementation from communities that have not applied or been unsuccessful in receiving funds.**

Response: This is an important issue to us. We regularly assess where we do and do not award funds geographically. A number of our programs, including the Greater Minnesota Workforce Housing Development program and those run through the Multifamily Consolidated RFP, award selection points to communities that have not been selected for funding in recent years. Nevertheless, more can be done, and it is a great suggestion to use this information to identify potential partners/customers who are not receiving our funding to get insights into how to make our program more accessible and easier to use. We will incorporate this approach into the AHP. This is very much in line with our goal of continuing to create a more effective housing system where everyone thrives, not just some.

With the creation of new local government housing programs, including Bring It Home Rental Assistance, Local Housing Aid Grants (Tier 2 Cities), and Greater Minnesota Housing Infrastructure, we have created a new Local Government Housing team, who have been engaging local communities across the state. We will leverage their connection and work on this engagement.

- **When working on sustainability and energy goals (e.g., green community overlays), account for factors that complicate this work in Greater Minnesota, including the availability of supplies and workforce to implement new technologies. (Greater MN Cities and Greater MN Partnership)**

Response: We understand and value the importance of this comment. These issues have also been raised internally. As we undertake this work, we look for ways to work with the industry to meet state laws regarding carbon free electricity by 2040, near net zero commercial new construction by 2036, near net zero residential new construction by 2038, and the general goal to achieve net zero emissions statewide by 2050. We do this by providing flexible options and paths for developers to meet these objectives through building standards and RFP pointing incentives where developers can choose paths that fit best for the specific development.

New Initiatives and Legislation

- **Support establishing a recurring, dedicated funding stream for housing (MN Housing Partnership, and CoNorth, which specifically reference funding for manufactured housing)**

Response: We know more state resources are needed to address the wide range of housing needs across Minnesota. While the AHP lays how the Agency expects to deploy existing resources to meet the state's housing needs, our Policy and Community Development staff engages with a wide range of partners ahead of and during each legislative session regarding funding and policy changes that could improve affordable housing outcomes.

- **Clarify Minnesota Housing's position and approach regarding state-level land use reform and regulatory changes. (Habitat for Humanity of MN and MN Consortium of Community Developers) Support key policy initiatives, such as the Yes to Homes!, to expand the diversity of housing types constructed statewide. (Homeownership Center)**

Response: We have existing scoring criteria for funding selections that incentivizes local units of government to contribute to and encourage affordable housing development in their communities, and the Agency will be providing additional incentives through specific funding programs to communities that have specific land use and zoning policies due to legislation passed in the 2025 state legislative session. Providing incentives in development programs and RFPs are the most direct way we, as a housing finance agency, can encourage changes that lead to more affordable housing. We also understand that land-use, zoning and other regulations can have a direct impact on the cost, affordability and availability of affordable housing. Minnesota Housing has not signed on to the state-level land use reform and regulatory changes, also known as Yes to Homes!, in part, because several of the proposals venture outside the primary scope and role of the Agency.

- **Clarify Minnesota Housing's role in increasing and enforcing tenant rights and protections to address the state's housing needs (HOME Line)**

Response: While we have been supportive of specific tenant right issues that relate to placing housing resources, such as source of income protections (making it illegal to deny someone rental housing because they would use a rental assistance voucher to help pay their rent), Minnesota Housing typically does not engage in topics or proposals that venture outside the primary scope and role of the Agency.

Planning for the Future

- **Plan for emerging challenges (MN Consortium of Community Developers and MN Housing Stability Coalition)**

Response: The housing landscape is constantly changing and evolving, which has a significant impact on the people living in affordable housing, partners who develop, own and manage housing, and Agency staff delivering programs. While not specifically identified in the AHP, being "nimble,

flexible and responsive” is an Agency value highlighted in our 2025-2027 Strategic Plan. To stay on top of emerging issues:

- Our policy staff rigorously track potential legislation and federal policy changes,
 - We regularly connect with our national partners and staff at other state housing finance agencies,
 - Our program and community engagement staff regularly meet with local partners and community members,
 - Our research staff continuously update and monitor economic, housing and other data, and
 - The Agency’s leadership team connects multiple times a week to stay on top of and discuss emerging issues.
- **Outline the Agency’s high-level staffing plan. The Agency staffed up significantly to administer the Go Big Funding. The plan should address the increased capacity and how those resources are being used to address all the goals of the plan. Specifically, can any of those staffing resources be dedicated toward enhanced technical assistance capacity to support projects experiencing financial distress through the RFA and other processes? (MN Housing Stability Coalition)**

Response: Providing a staffing plan is not the purpose the AHP. For clarification, even though we have now awarded the vast majority of the Go Big funding, we still have years and years of grant and loan monitoring and compliance related to those funds. Thus, the need for staff to work on the Go Big activities will not diminish for some time.

Other Comments

- **Establish more accessibility for people with disabilities, particularly in small towns (Dawn C.)**

Response: The State of Minnesota is currently updating its Olmstead Plan, which is the state’s interagency plan to meet the integration mandate of the Americans with Disabilities Act (ADA) as clarified by the 1999 Olmstead Supreme Court decision. The obligation is to have people with disabilities live, learn, work and enjoy life in the most integrated setting. This comment is at the center of Minnesota Housing’s and the enterprise’s (all agencies’) approach. Minnesota Housing and other state agencies are actively working to increase accessibility, integration and choice for people with disabilities.

- **Address Homelessness (Dawn C.)**

Response: Similarly, Minnesota has an interagency plan to prevent and end homelessness, called the Crossroads to Justice Plan, in which Minnesota Housing plays a central role.

- **What does "Climate Change" have to do with affordable housing? I am open to hearing the rationale. (John S.)**

Response: As the draft AHP describes, the residential sector is a significant contributor to greenhouse gas emissions and climate change. Sustainability and energy efficiency in the residential sector can go a long way in reducing greenhouse gas emissions and limiting the impact of climate change. Affordable housing needs to be part of the solution. In addition, we are now seeing the housing cost of climate change and the increased frequency of severe weather events (tornados, hurricanes, hailstorms, flash floods, droughts, wildfires, etc.). The cost of property hazard insurance is rapidly increasing, making housing less affordable. To address these costs, we need to make our housing more resilient to these events. Structural resilience also helps reduce longer-term operating and repair costs. Addressing and adapting to climate change must be a critical piece of any affordable housing strategy.

- **The Grounded Solutions Network supports the draft AHP, particularly the Agency’s continued support of cooperatives and community land trusts.**

Response: We appreciate the support.

Minnesota Housing
Full Public Comments on Draft 2026-2027 Affordable Housing Plan
September 18, 2026

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DEDICATED TO A STRONG GREATER MINNESOTA

September 12, 2025

Commissioner Jennifer Ho
 Minnesota Housing
 400 Wabasha St. N., Suite 400
 St. Paul, MN 55102

Re: Public Comments to Minnesota Housing 2026-2027 Draft Affordable Housing Plan

Dear Commissioner Jennifer Ho,

The Coalition of Greater Minnesota Cities (CGMC) thanks you and the Minnesota Housing Finance Agency for the opportunity to offer comments regarding your 2026-2027 Draft Affordable Housing Plan. The CGMC is comprised of more than 110 cities located outside the Twin Cities metropolitan area. Our members are located in all corners of the state, from Luverne to Winona to Grand Marais to Roseau to East Grand Forks and many points in between. Moorhead and Mankato are our largest cities, and Nashwauk and Keewatin are the smallest. Our member cities are dedicated to a strong and thriving Greater Minnesota, and our organization is focused on developing viable, progressive communities for families and businesses.

One thing almost all of our members have in common is that they need more housing – at all price points and styles. Last summer, we surveyed our member cities about the current housing crisis. They reaffirmed what many already knew—Greater Minnesota is facing a housing market failure. The biggest challenge that many cities in Greater Minnesota face is that it costs more to build a unit of housing—whether that be a single-family home, a duplex, or a multifamily building—than that unit can be sold or rented for.

We appreciate that, over time, housing programs specifically addressing Greater Minnesota have been created, but we are concerned that the draft plan does not specifically address the unique challenges that we face. As MHFA finalizes this plan, we urge you to reflect on the headwinds that Greater Minnesota faces in constructing affordable and other housing. Our specific feedback on the draft plan is outlined below:

Reach Out to Greater Minnesota to Make Programs Accessible

We applaud the stated goal of the plan to “Make Our Programs More Accessible and Easier to Use” by reducing barriers, simplifying programs, and increasing flexibility. To achieve that goal,

engagement with Greater Minnesota communities should be a priority, including communities that have never applied in the past. We would also urge the Agency to analyze where program funds have been awarded and not awarded. This analysis could help identify whether there are current barriers to funding our communities and whether increased flexibility could address geographic and other disparities in both applications and awards.

Balancing Climate Change Goals with Affordability and Other Concerns

Our organization and its members have long been supportive of policies, tools, and resources that will help our communities, their residents, and businesses address climate change and extreme weather. Many of our members voluntarily participate in the [Green Step Cities](#) programs to help achieve sustainability and quality-of-life goals, taking actions that focus on cost savings and energy use reductions. Multiple CGMC member cities have adopted climate action plans, resiliency plans, or other policies to address the impacts of climate in their cities.

While working towards their sustainability and energy goals, our cities must also balance other challenges, such as the lack of workforce and affordable housing, and the availability of supplies, technology, and workforce to implement those goals. It is imperative that, as MHFA develops its overlays, such other factors be considered in your analysis.

The draft plan states that over the next two years, the Agency will be taking steps to “decarbonize, electrify and make the homes we finance resilient to the impacts of a changing climate.” Earlier this week, MHFA filed comments with the Public Utilities Commission in a Natural Gas Docket, urging that the PUC eliminate the current gas line extension policies.¹ We are concerned that the MHFA may be weighing climate change concerns over affordability, availability, and other housing challenges to the detriment of Greater Minnesota communities.

Therefore, as MHFA moves forward with developing its overlays related to climate change, it is imperative that the process be transparent and that the Agency fully engage impacted stakeholders, including communities in Greater Minnesota, even before releasing the drafts. The Agency should perform cost-benefit analysis on any new development requirements, analyzing the available workforce and supplies to implement new technologies, and specifically considering affordability as well as geographic differences. Because these overlays will have such a dramatic impact on the availability of housing funds, the Agency should also undertake a more formal and lengthier comment period as it works on the final plan.²

We also urge the Agency to adopt an iterative approach when addressing climate change throughout housing policy due to technological, supply, and workforce challenges. Some proponents of electrification urge policy change as a price signal to encourage technological advancement. Even if our climate goals could be achieved in that manner, it will take years, if not decades. Our cities are facing a housing crisis—of both affordability and availability—now.

¹ MHFA Supplemental Comments of Assistant Commissioner Ryan Baumtrog [20259-222821-01](#).

² We are concerned that the comment period for this draft was too short, particularly given that the Labor Day holiday fell during the middle of that period.

We do not want to further disadvantage our communities that desperately need new housing by imposing new requirements that cannot be easily and affordably achieved in the shorter term. Therefore, we urge the state to move cautiously, balancing the immediate need for housing with other policy goals.

Thank you again for the opportunity to comment on Minnesota Housing's 2026-27 Draft Affordable Housing Plan. If you have any questions, please contact me at councilkjohnson@saintpetermn.gov or our attorney, Elizabeth Wefel, at ewefel@flaherty-hood.com or 651-259-1924.

Respectfully submitted,

A handwritten signature in cursive script that reads "Keri J". The signature is written in black ink and is positioned above the typed name and title.

Keri Johnson, St. Peter City Council Member
President, Coalition of Greater Minnesota Cities

Coalition of Greater Minnesota Cities
c/o Flaherty & Hood, P.A.
525 Park Street, Suite 470
St. Paul, MN 55103

To: Minnesota Housing Finance Agency

Re: 2026–2027 Affordable Housing Plan (AHP) – Public Comment

Date: September 11, 2025

On behalf of CoNorth (formerly Northcountry Cooperative Foundation), thank you for the opportunity to provide comment on the draft 2026–2027 Affordable Housing Plan. We strongly support Minnesota Housing’s mission to ensure all Minnesotans have access to safe, stable, and affordable homes. However, we are deeply concerned about the disproportionate reduction in funding for manufactured housing in the proposed plan.

Manufactured Housing: A Proven and Cost-Effective Strategy

The 2024–2025 AHP demonstrated that targeted investment in manufactured housing and communities yields strong results:

- More than 2,700 lots were preserved or improved in 2024 alone, far exceeding projections.
- Actual infrastructure investments averaged only \$4,200 per lot, compared to the \$13,000 per-lot estimate, proving manufactured housing is one of the most cost-efficient housing preservation tools in Minnesota.

These outcomes show that manufactured housing preservation is a high-impact use of limited housing dollars.

Disproportionate Funding Reductions in 2026–2027

The draft AHP proposes to reduce the Manufactured Home Community Redevelopment Grants program from \$17,071,000 to \$2,238,000– an 86% cut. This is one of the steepest reductions of any category in the plan. By comparison:

- Workforce and Affordable Homeownership Development Program is reduced by 79%.
- Rental Production funding is reduced by 37%.
- Housing Stability programs reduced by 23%.
- Homebuyer Financing reduced by 11%.
- Rental Assistance and Home Improvement programs increase.

In short, manufactured housing has gone from being one of the best success stories of the past biennium to one of the most drastically underfunded areas in the upcoming plan.

Implications for Equity and Stability

This sharp rollback is inconsistent with Minnesota Housing's stated equity and climate goals:

- **Equity:** Manufactured housing is disproportionately home to low-income families, seniors, and households of color. Drastic cuts will worsen disparities the Agency has pledged to reduce.
- **Resident Empowerment:** The pause in Manufactured Home Community Financing and the substantial reduction of the Manufactured Home Community Redevelopment Grants program undermines the creation and preservation of Resident-Owned Communities (ROCs), a proven model for long-term affordability and community stability.
- **Climate Resilience:** Manufactured housing redevelopment funds support storm shelters, water and sewer upgrades, and other resilience measures. Cutting these resources undermines Minnesota's climate adaptation strategy.

Recommendations

We urge Minnesota Housing to:

- **Restore Manufactured Home Community Redevelopment Grant program funding** - Allocate at least the 2024-2025 level (~\$17 million) to maintain momentum in this highly effective housing preservation strategy.
- **Reinstate Community Financing for Manufactured Home Communities** - Reinforce pathways for cooperative ownership, which prevent predatory sales and permanently preserve housing affordability.
- **Integrate Manufactured Housing into Climate Strategy** - Recognize manufactured home community redevelopment and infrastructure upgrades as components of the Agency's climate resilience and decarbonization goals.
- **Establish Recurring, Dedicated Manufactured Housing Funding** - Avoid biennial volatility by creating a permanent funding stream for MHC preservation and resident ownership.

Conclusion

Manufactured housing is a critical piece of Minnesota's affordable housing landscape. The 2024-2025 plan proved how far these dollars can stretch. Scaling back to 2026-2027 levels would



squander that progress and deepen inequities for thousands of Minnesotans who rely on this housing.

We respectfully urge the Agency to restore manufactured housing as a core strategy in the Affordable Housing Plan, not a peripheral one.

Sincerely,

A handwritten signature in black ink, appearing to read 'Victoria Clark-West', with a long horizontal line extending from the top of the signature.

Victoria Clark-West
Executive Director
CoNorth

From: Dawn C.
Sent: Thursday, August 28, 2025 4:51 PM
To: MN_MHFA MN Housing
Subject: AHP Comments

There is a great need to establish more accessibility for disabled persons. There is a huge lack of a handicap parking, sidewalk ramps, automatic doors, etc in small cities. I'm not sure where the disconnect is in these small towns. Asking for help from agencies is also ineffective, no responses, so what does a disabled person do? Apartment buildings need to be held accountable for fixing, adjusting, and having handicap parking.

It's astonishing to me that nobody thinks about the elderly or disabled folks in these smaller towns. Also, the one building in the town I live in is handicap accessible but is income restricted. What does the other people do that going qualify? We need places to live that help us live a more meaningful and productive life.

Homelessness is a huge issue. We need to build tiny home camps or a big enough building to keep people clean, warm, and a bite to eat. Winters must be horrible or when it's extremely hot. We cannot just keep ignoring people on the streets. MN needs to help. Every community needs to start keeping leftovers instead of throwing away food in the dumpsters. There is so much waste, it's ridiculous. We could feed a lot of homeless with that.

We have to do better. What are we doing with vacant buildings or motels that are just sitting collecting dust? Those could be utilized for housing, and/or soup kitchens.

I mean we have shelters, let's do more. Even if it's just a place to sleep and shower, wash clothes.

People will donate clothes, toiletries, etc and even food.

My two cents on those two subjects.

Thank you for reading.

Sent from my iPhone



September 11, 2025

Re. Public Comments to Minnesota Housing 2026-2027 Draft Affordable Housing Plan

Dear Commissioner Jennifer Ho,

Thank you for the opportunity to comment on Minnesota Housing's 2026-2027 Draft Affordable Housing Plan. The work of Minnesota Housing over the next two years is crucial as communities in Greater Minnesota continue to struggle with housing shortages that have limited their economic opportunities. Solving the housing shortage in Greater Minnesota continues to be more challenging because the costs of building in Greater Minnesota is equal to or greater than the metro area, but the return for developers is lower.

Thankfully, over time, we have created some housing programs specifically focused on addressing Greater Minnesota's housing challenges including supports for workforce housing development and housing infrastructure in addition to Minnesota Housing's statewide housing programs. And while I appreciate that this Plan can only reflect some of the state's housing needs, the amount of unmet demand for housing in many Greater Minnesota communities and the headwinds that has on local economies is an issue that persists in every Greater Minnesota economic conversation but remains unreflected in either the Agency's Key Housing Issues & Trends or in this Plan. I would urge the Agency to specifically outline Greater Minnesota's unique housing challenges in this Plan as well as in other key research and reports.

After reviewing the draft 2026 – 2027 Strategic Plan I have the following feedback:

Make Our Programs More Accessible and Easier to Use. One of your stated goals of the Plan is to "Make our Programs More Accessible and Easier to Use." According to the draft Plan, this goal includes reducing and eliminating barriers, simplifying and streamlining programs and processes and increasing flexibility in program eligibility and use of funds. We applaud this goal and strongly encourage the Agency to conduct outreach with Greater Minnesota communities for this feedback. Communities that have never applied for Minnesota Housing resources are as likely to provide constructive feedback about program challenges than communities that are familiar with the Agency's programs and procedures and should be equally tapped. I would also encourage the Agency to review how and where statewide funding is awarded and not awarded and identify when state requirements and processes might be holding Greater Minnesota communities back from applying or being awarded funding as a component of that outreach. Finally, I would identify the mismatches between Agency programs and current housing needs and consider whether increased program flexibility could help meet those needs. For

example, in what ways do programs not support 2-to-30-unit buildings which might be more appropriate in some Greater Minnesota locations and communities.

Address climate change. Climate change and the investments the Agency can support to make homes safer, healthier and more affordable to live in are laudable and could have positive long-term impacts on Minnesotans. However, as the Agency updates the Single-Family and Multi-Family Overlays and Guides to Enterprise Green Communities, it will be important to incorporate input from Greater Minnesota communities into those updates and considerations should include:

- Available workforce to implement new technologies.
- The cost-benefit analysis of any additional development requirements, balancing affordability with energy efficiency.
- Opportunities to promote and support innovation in housing production with an eye toward faster and less expensive methods that are also more energy efficient.

Additional Notes for the 2026-2027 Plan. In the draft Plan, the State Housing Tax Credit program is flagged as having been very popular with the Agency estimating that if the program is fully subscribed, it can provide a maximum overall contribution of \$11.6 million annually and would assist in the development of roughly 580 housing units. The Agency had proposed a modest tweak to the program during the 2025 legislative session that would have better aligned this program with the Workforce Housing Development Program. In light of the Agency's constricted resources and this program's popularity, I would urge the Agency to again propose revisions to this program to maximize its application in Greater Minnesota in the 2026 legislative session.

Thank you again for the opportunity to comment on Minnesota Housing's 2026-27 Draft Affordable Housing Plan. Please let me know if you have any questions about any of the feedback provided.

Thank you,



Darielle Dannen, Executive Director
Greater Minnesota Partnership

From: Colby Sledge
Sent: Friday, September 12, 2025 10:51 AM
To: MN_MHFA MN Housing
Subject: AHP Comments

To Whom It May Concern:

On behalf of Grounded Solutions Network, a national nonprofit organization with more than 275 members dedicated to housing with lasting affordability, we want to thank Minnesota Housing for its continued support of lasting affordability models such as cooperatives and community land trusts.

By making these models eligible for several different funds and programs, such as the Workforce and Affordable Homeownership Development Program, the Local Public Housing Program, Housing Infrastructure Bonds, Cooperative Manufactured Housing Infrastructure Grants, and NOAH Multifamily Rental Housing Loans, the Agency is reaffirming Minnesota's commitment to creating and preserving housing that gives Minnesotans—particularly those who have been historically shut out from the traditional housing market—the opportunity to attain the American Dream of homeownership.

We at Grounded Solutions Network support Minnesota Housing's Affordable Housing Plan, and look forward to continuing our efforts alongside both the Agency and our members in the years ahead.

Sincerely,

Colby Sledge
Local Policy Principal
Grounded Solutions Network

Colby Sledge
Local Policy Principal

Pronouns: he/him/his

Location: Nashville, TN Time Zone: CT



PO Box 70724 Oakland, CA 94612
503-493-1000 x17
www.GroundedSolutions.org



Dedicated to building a world where everyone has a **safe, stable, and affordable** place to call home

12 September 2025

Minnesota Housing
400 Wabasha Street North, Suite 400
Saint Paul, MN 55102

RE: Public Comment on the 2026-2027 Affordable Housing Plan

Dear Minnesota Housing,

Habitat for Humanity of Minnesota (Habitat Minnesota) appreciates the opportunity to provide comments on the 2026-2027 Affordable Housing Plan (AHP) Draft. We commend Minnesota Housing for its continued commitment to addressing the state's significant and persistent housing challenges, including a substantial affordable housing shortage and housing disparities. We recognize the Agency's efforts to navigate the return to more traditional funding levels of \$3.66 billion for the 2026-2027 biennium, following the Go Big funding of the previous biennium.

Habitat for Humanity of Minnesota supports the mission of Minnesota Housing to foster housing stability and affordability across the state. As an organization dedicated to building and preserving homeownership opportunities, we offer our comments with a particular focus on enhancing affordable homeownership and new construction initiatives. We believe that a stronger emphasis and increased investment in homeownership, coupled with Minnesota Housing taking a leadership role in policy reform and exploring flexible funding uses, are essential to achieving a truly effective and equitable housing system where all Minnesotans can thrive.

Minnesota continues to face significant housing shortages and disparities, notably reflected in the fact the Minnesota has the 11th largest homeownership gap between white households and Indigenous, Black, and households of color. Homeownership is a crucial pathway to stability and generational wealth building for families. We urge Minnesota Housing to re-evaluate and strengthen its commitment to homeownership programs within the 2026-2027 AHP.

Homebuyer Financing and Home Refinancing

We acknowledge Minnesota Housing's focus on advancing affordable homeownership through its first mortgage and down payment assistance programs and know the Agency celebrates its efforts in creating affordable homeownership through these investments. Habitat Minnesota would like to encourage Minnesota Housing to explore how the Agency can leverage its mortgage financing programs to advance affordable homeownership targeted at households earning less than 80% of the Area Median Income. Some other HFAs across the country provide first mortgage financing for affordable homeownership models, like community land trusts and Habitat for

Humanity's homeownership programs. Could the Agency leverage its mortgage financing in a more targeted way to create affordable products that support increasing access to homeownership for low-and-moderate income households in a more targeted manner through lower interest rates, and more flexible underwriting options with partner programs that demonstrate long-term ownership success?

State-Level Land Use Reform & Regulatory Changes

The 2026-2027 Affordable Housing Plan clearly outlines Minnesota Housing's priorities amid significant funding challenges, including lower state appropriations, federal policy uncertainty, and limited Agency-generated resources. Given the housing shortage and the projected reduction in the number of homes built and households served due to these constraints, this comment seeks clarification on Minnesota Housing's broader strategy for state-level land use reform and regulatory changes to increase the supply of affordable housing. While the plan details internal program improvements, it does not explain how the agency will leverage its influence to advance reforms, such as zoning changes, that affect housing development and affordability. We appreciate Minnesota Housing's success in securing \$1.3 billion in 2024-2025 and its leadership on core housing programs. Could the agency share its plans for promoting policy changes that enable more housing development statewide, especially given the limited funding available to address Minnesota's persistent housing challenges?

HOME Funds for Homeownership

The 2026-2027 AHP estimates \$37,260,000 in federal HOME Investment Partnership (HOME) Program funds, primarily for the new construction, rehabilitation, or acquisition/rehabilitation of permanent affordable rental housing.

While we understand the critical need for rental housing, we urge Minnesota Housing to allocate a portion of HOME funds toward homeownership activities statewide. Currently, Minnesota's state HOME allocation is directed to multifamily rental housing, while homeownership resources are almost entirely dependent on state appropriations or locally administered federal funds in metro areas. This leaves large parts of Greater Minnesota underserved and limits pathways to homeownership for low-income households.

HUD rules allow and encourage states to use HOME dollars for down payment assistance, construction or rehab of affordable homes, and homebuyer education. Minnesota can effectively utilize HOME allocations to support affordable homeownership opportunities, particularly in rural and underserved communities.

Balancing Accessibility and Oversight

We note Minnesota Housing's stated commitment to making programs more accessible and easier to use, which includes explicitly aiming to simplify and streamline programs and processes, as well as increase flexibility in program eligibility and the use of funds. This objective, along with the application of a human-centered design approach to program improvement, clearly demonstrates an internal focus on efficient resource allocation. Given the current focus on grant reporting and heightened oversight, how is the Agency collaborating with the Office of Grants Management to balance compliance with these broader goals? What role could the Agency take in convening a

state-level conversation that centers these goals, with fraud-mitigation, to deploy resources urgently to create housing faster and more efficiently?

Habitat for Humanity of Minnesota appreciates Minnesota Housing's continued partnership and leadership in addressing the state's housing needs. As the Agency finalizes the 2026-2027 Affordable Housing Plan, we urge a renewed focus on homeownership, leveraging mortgage financing programs for households below 80% AMI, flexible use of federal resources such as HOME funds, and leadership on land use reform to expand housing opportunities statewide. By strengthening these areas, Minnesota Housing can help create a more equitable housing system where all Minnesotans have a safe, stable, and affordable place to call home.

We appreciate your consideration of these comments and look forward to continued partnership in advancing affordable housing solutions for all Minnesotans.

Sincerely,



Cristen Incitti, President & CEO
Habitat for Humanity of Minnesota
cristen.incitti@habitatminnesota.org



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Office Phone: 612.728.5770
Office Fax: 612.728.5761
www.homelinemn.org

September 12, 2025

Minnesota Housing
400 Wabasha Street North, Suite 400
St. Paul, MN, 55102

RE: 2026-2027 Affordable Housing Plan Comments

To Whom It May Concern:

HOME Line appreciates the opportunity to comment on Minnesota Housing's 2026-2027 Affordable Housing Plan. We are a nonprofit Minnesota tenant advocacy organization that provides free and low-cost legal, organizing, education, and advocacy services so tenants throughout Minnesota can solve their own rental housing problems.

To begin, what role does Minnesota Housing play in preventing displacement, evictions, and discrimination that Minnesota renters experience in all forms of rental housing (not limited to specific affordable/subsidized programs), as well as substandard conditions and mismanagement in all forms of rental housing? More broadly, does the agency see a role in increasing and enforcing tenant rights and protections to address the state's housing needs? If so, HOME Line believes specific measures to achieve these goals deserve a section within the topic of housing stability.

Twice the Affordable Housing Plan makes the point that "Minnesota Housing's base budget, including appropriations for Housing Infrastructure Bond debt service, is 0.4% of the overall state budget. For comparison, the Department Health and Human Services accounts for 35.9% and the E-12 Education accounts for 38.4%." Is this simply an illustrative point to contextualize why the Agency is focusing on its "core work?" Or is it making a point about how the Agency will seek to preserve its current funding or expand funding to meet what will be an increased need due to the difficult financial times Minnesota faces?

Related to the prior point, it would also be useful to understand what the agency means to "help everyone thrive, not just some" when based on difficult financial times, that's just not possible. HOME Line agrees with the short description on page 3 that it will:

- Center the people and places most impacted by housing instability at the heart of decision making,
- Listen and share the power you have, and
- Honor, respect and strengthen communities.

We also agree with “acknowledg[ing] and understand[ing] the intentional harms of the past, how they came to be and show up today, and our responsibility to correct them and remove barriers.”

However, these points are rather vague, not explaining how in our current financial environment the Agency will bring us closer to the goal of “help[ing] everyone thrive.” What measures listed within the report specifically connect to or address these laudable statements.

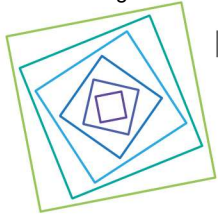
The agency plans on serving 61,000 households with available funding. It would be helpful to include a stacked bar charts to show the number of households served at different income levels by various programs (e.g., rental assistance, first-time homebuyer loans). Also, addressing the point in the previous paragraphs, page 15 acknowledges that the Agency will be returning “to a more traditional level” of number of households served. That noted, what specific steps will you take to help everyone thrive in the future.

Looking at the median income level served with LIHTC funds (\$25,075, page 19), how many of those households also receive rental assistance? HOME Line organizes with tenants who entered LIHTC housing when it was affordable to them. However, because, for those without a subsidy, rent increases vastly outpaced their income adjustments, their once affordable homes became unaffordable.

Lastly, the Affordable Housing Plan mentions the “Chart Book: Key Housing Issues & Trends” a few times. Thank you for this extremely helpful reference booklet. That noted, in what specific ways will you use this resource to inform the Minnesota Legislature how to make its funding decisions and to help direct the Agency’s allocations?

We appreciate your consideration.

Sincerely,
Michael Dahl
Public Policy Director



MINNESOTA HOMEOWNERSHIP CENTER

September 12, 2025

Minnesota Housing Finance Agency
400 Wabasha Street North, Suite 400
Saint Paul, MN 55102

Re: Public Comment on the 2026–2027 Affordable Housing Plan

Dear Commissioners and Staff:

On behalf of the Minnesota Homeownership Center (the Center), I submit these comments on the 2026–2027 Affordable Housing Plan (AHP). The Center is Minnesota’s leading nonprofit intermediary advancing equitable access to sustainable homeownership, with over 30 years of experience connecting households, housing advisors, and industry partners across the state. The Homeownership Advisor’s Network of 31 non-profit organizations we train and support with technology solutions supported more than 7,500 households with pre-purchase advising and education or foreclosure prevention services in 2024, and our more recent work providing strategic support for First Generation homebuyer down payment assistance.

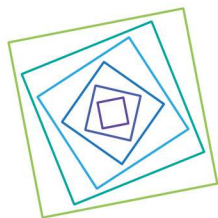
We commend Minnesota Housing for sustaining core investments in homeownership financing, rental assistance, and housing stability despite significant reductions in state appropriations. We particularly appreciate the Agency’s continued focus on reducing racial homeownership disparities and incorporating the voices of communities with lived experience.

However, our market data and direct work with households reveal critical gaps that require sharper alignment between resources and demonstrated needs:

1. Affordability Mismatch in Homeownership Supply

Our organization recently completed a homeownership market analysis, utilizing the most recent available American Community Survey data from 2023 and comparing it to the 2023 home sales market. Key findings from that analysis:

- The median income of Minnesota renters across all racial groups is \$60,000 or less ($\leq 70\%$ AMI), supporting a sustainable monthly housing payment of about \$1,500 at 30% of income or \$2,500 at 50% of income.
- Using today’s interest rates, a \$1,500-\$2,500 housing payment could qualify a household for a mortgage ranging from \$160,000 to \$300,000.
- Yet, in 2023, less than 3,500 homes sold below \$150,000 and less than 25,000 homes sold below \$300,000 – far below the need of the 385,000 Minnesota renters with incomes below 70% AMI.



MINNESOTA HOMEOWNERSHIP CENTER

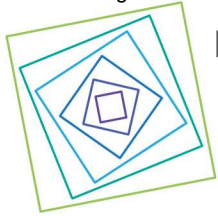
- A key contributor to lack of access is the absence of supply diversity: single family detached homes with a median value of \$355,000 were 78% of all homes sold are the dominant housing type in all of Minnesota, while more affordable unit types were underproduced, such as:
 - Townhomes: median value of \$300,000, 15% of sales
 - Condos: median value of \$200,000, 6% of sales
 - Manufactured homes: median value of \$121,000, 1 % of sales
- Minnesota Housing's chartbook recognizes a need for **40,000 new ownership units from 2025–2028** to make up for past underbuilding, compared to just 5,000 needed rental units in the same period.

Recommendation: Prioritize Minnesota Housing resources to produce entry-level ownership products accessible to renters below 70% AMI, such as condominiums, townhomes, manufactured homes, shared equity homes, or starter homes priced below \$300,000. These solutions remain underdeveloped and underfunded in the draft plan. The 2026–2027 AHP allocates only \$17 million for single-family production and rehabilitation – importantly missing the benefits of multi-family ownership production for access - and \$5.2 million to support manufactured housing, a fraction of what is needed to address the lack of access to affordable homeownership options for current renters. We particularly encourage prioritizing multi-family ownership development in population centers such as the Twin Cities Metro, Rochester, St Cloud, and Duluth.

2. Racial Disparities in Access to Homeownership

- To close Minnesota's racial homeownership gap, over 112,000 BIPOC renter households would need to purchase homes.
- A Minneapolis Federal Reserve study from 2021 highlighted the lack of financial assets for Black (\$0) and Hispanic (\$18,000) households, compared to Asian (\$358,000) and white (\$211,000) households.
- The first generation down payment assistance programs by Minnesota Housing saw an over 80% rate of service to BIPOC households, and the community fund is reaching over 90% BIPOC households.

Recommendation: Restore and expand dedicated funding for first-generation homebuyers and culturally competent housing counseling. The discontinuation of the stand-alone First-Generation Homebuyer Loan Program offered by Minnesota Housing and the limited funding for the Community fund after 2025 is a step backward. Embedding only a limited component in Deferred Payment Loan Plus is insufficient to meet the scale of the gap. We are also seeing that



MINNESOTA HOMEOWNERSHIP CENTER

households, particularly first generation buyers, are increasingly in need of multi-year, deeper advising supports to achieve and sustain homeownership, yet funding for this critical work has remained flat while costs to deliver services continue to increase.

3. Policy

- The affordability crisis in Minnesota is worsening, and financial resources alone are insufficient to address the divide.

Recommendation: We encourage Minnesota Housing to lend its support to key policy initiatives, such as Yes to Homes! to expand the diversity of housing types constructed statewide and Homeownership Association/Common Interest Community reform to enhance consumer protections, that could unlock market development of entry level homeownership opportunities.

Conclusion

Minnesota faces one of the nation's most persistent racial homeownership gaps and affordability crises. The Center urges Minnesota Housing to sharpen the AHP's focus on expanding entry-level homeownership, preserving naturally affordable homes, and scaling targeted investments in first-generation and BIPOC households.

We stand ready to partner with the Agency in advancing these priorities, drawing on our proven programs, data, and statewide network. Thank you for the opportunity to comment on this critical plan.

Sincerely,

Roxanne Young Kimball

Roxanne Young Kimball
President and CEO
Minnesota Homeownership Center

From: sue watlov phillips
Sent: Friday, September 12, 2025 8:36 AM
To: MN_MHFA MN Housing
Subject: AHP Comments from MICAH

Good Morning,

Thank you for the opportunity to comment on the AHP plan

1. MN Housing did not implement several programs identified in the last plan which are identified in this plan including: Lead Safe Homes, Bring It Home Rental assistance and the HOME ARP funds, we hope these are high priorities to implement immediately.

2. Pages Six and Fifteen: MICAH strongly supports centering all programs on people being served, Hiring and paying consultants, listening and power sharing to make all programs user friendly and meets needs and wants of people.

Page Thirty four: MICAH understands the challenges with HR1 passage and also the increase availability of LIHTC. We are hopeful MN Housing can identify creative ways to have investors involved in the program to expand the potential resources we have through LIHTC

Page Thirty: MICAH strongly supports the Homeownership Capacity Program formerly known as the Enhanced Homeownership Program. We strongly recommend more use of Pool 3 funds to help us address the disparity gap in Homeownership in MN

Page Fifty four: MICAH strongly supports the use of Pool 2 and 3 to help fund manufactured home communities and are pleased to see MN Housing's change in positions to be more supportive of our 180,000 manufactured homes since 2020.

Page Sixty nine: In 1991, we passed the original POPH program targeted at transitional housing. We would like to see more resources going to Transitional Housing programs.

Page Eighty: The Challenge fund include funding for school districts to have students build homes to sell. Will you be continuing this work?

Page eighty five: Lead Safe Homes: we want to see this program implemented immediately to protect our children from Lead Poisoning.

Other Comments:

1. MN Housing needs to continue to diversify its staff to meet the diversity of populations served by these programs and continue to pay consultants from people with lived experience from a diversity of communities to be decision makers in the implementation of these programs.
2. A significant amount of MN Housing funds go into bailing out supportive housing programs. How are you ensuring programs funded have the capital and operating reserves to ensure their viability
3. MICAH continues to have great concerns about accessibility and utilization of Homeownership program by diverse communities. We will continue to work with you to make these programs work for all populations.
4. When the plan is completed, we hope you use the excellent format that you used on the previous plan for public distribution.

Sincerely,

Sue Watlov Phillips, M.A.

Executive Director, MICAH

Minnesota Housing
400 Wabasha St N UNIT 400
St Paul, MN 55102



Dear Commissioner Ho,

September 12, 2025

The Minnesota Consortium of Community Developers (MCCD) and our members are grateful for the opportunity to share feedback on the 2026-2027 Affordable Housing Plan. We truly appreciate your thoughtful approach to balancing needs across the entire housing continuum and expanding access to affordable housing across the state.

MCCD is an association of nonprofit community development organizations and Community Development Financial Institutions (CDFIs) committed to expanding the wealth and resources of communities through housing opportunities and economic development initiatives. MCCD's mission is to work collectively to expand economic prosperity by investing in and stewarding community development resources. We know that to achieve this mission, we must shift policies and investments to address the harms and inequities faced by BIPOC and other marginalized communities.

Multifamily Housing

We appreciate that Minnesota Housing's 2026-2027 strategic plan identified "Lead and Act on Critical Housing Issues" as one of its seven core activities. Our members have identified preservation of existing state funded projects as the most critical issue facing affordable multifamily providers at the moment. Without recapitalization and reinvestment in our state's affordable housing, we risk displacing residents who are currently stably housed. Increased investment in preservation aligns with the state's goals of equity and long-term housing stability, especially in communities where affordable housing shortages are most acute.

Below are MCCD's main recommendations for multifamily housing in the 2026-2027 AHP:

- **Prioritize Preservation:** In addition to focusing on funding, we ask that the Agency implement the Preservation Framework in the plan and ensure tools like asset management loans are funded rather than paused.
- **Maximize Resources:** We support the Agency's careful approach to the expansion of LIHTC by the federal government. We ask that the Agency consider increased LIHTC capacity and other federal and state resources be prioritized for the preservation of existing projects and ensure Minnesota projects remain competitive for investment.
- **Continue to Collaborate with Partners:** We appreciate our ongoing partnership with Minnesota Housing and specifically the inclusion of incorporating the voices of partner organizations in decision-making processes named in the AHP. MCCD and our members endeavor to be good stewards of resources and strive to collaborate with the Agency to ensure quality service delivery and mission alignment.
- **Plan for Emerging Challenges:** We encourage the Agency to allow for a proactive strategy to address emergent housing issues, especially related to the homelessness crisis and the need for housing preservation support.

Single-Family Housing

MCCD appreciates the Agency's focus on creating a more effective housing system where everyone thrives, specifically with the focus on reducing barriers to homeownership for BIPOC

households. We believe that the Agency's work on downpayment assistance has been one of the most transformative changes Minnesota has pursued and encourage you to prioritize the Community-Based First-Generation Homebuyers Assistance Program. It served the highest percentage of BIPOC households as shown in the demographic breakdown provided by the Agency and could be beneficial in increasing the number of BIPOC households utilizing the Start Up and Step Up programs.

Given the next biennium's financial and budgetary constraints, we believe that the Agency could play an important role in state land use and zoning reform as this effort is focused on policy change. Passing state-wide zoning reform will help unlock affordability, drive down housing costs, and increase housing options, which are all integral to a healthy housing ecosystem, especially when there are fewer financial resources for the Agency to deploy.

We support the Agency's inclusion of addressing climate change as one of its chief focuses. Frequent and intense storms caused by climate change are causing property insurance premiums to skyrocket, and in many cases, our members are being denied coverage. While climate change is just one of the reasons this is happening, we ask that the Agency work with the Department of Commerce and other partners to find solutions to the property insurance crisis.

Thank you for considering these comments. We appreciate Minnesota Housing's efforts to strengthen our housing system, especially amid increasing federal uncertainty. We look forward to continued partnership and collaboration with the Agency to ensure every person and family in Minnesota has a safe and stable home.

Please contact Kelly Law, Senior Policy and Field Building Advisor at MCCD, at 612-865-3170 or klaw@mccdmn.org, should you need any further information now or in the future.

Sincerely,

Elena Gaarder

Elena Gaarder
Chief Executive Officer, MCCD

Kelly Law

Kelly Law
Senior Policy and Field Building Advisor, MCCD



September 12, 2025

AHP Comments
Mn.housing@state.mn.us

Re: 2026-27 Affordable Housing Plan Comments

To whom it may concern.

On behalf of the Minnesota Housing Partnership (MHP), thank you for the opportunity to provide comments on Minnesota Housing's 2026-2027 Affordable Housing Plan. As an overall comment, we highlight the Agency's recognition of the substantial federal policy and budget uncertainty and note the critical importance of including in the AFP a strategy to partner with housing advocates to identify trends and co-create solutions to respond to emerging issues.

We offer the following additional feedback:

- We encourage inclusion of activities to support ongoing opportunities for small rural communities in Greater Minnesota, particularly those under 5,000 in population, to be competitive for funding. We ask that Minnesota Housing continue regular efforts to review the distribution of funds in Greater Minnesota – to ensure that funding reaches both small rural communities as well as larger markets such as Duluth, Rochester, Mankato, and along major highway corridors.
- We recommend a greater focus on preservation, including implementation of the forthcoming framework to preserve regulated affordable housing and sustain the affordable housing development organizations that support the core infrastructure of affordable homes in Minnesota.
- We support the included activities of “co-creating solutions with communities” and “expanding partners with whom we work.” We encourage Minnesota Housing to continue to use community expertise – including the expertise of affordable housing developers, owners, and other industry experts – to evaluate and update and improve systems. We also recommend implementation of community satisfaction metrics to evaluate and provide constructive feedback on the agency's program implementation and outreach.
- We highlight the need, also emphasized by the Housing Stability Coalition, to maximize increased Low-Income Housing Tax Credits (LIHTC), make Minnesota an attractive state for LIHTC investors, and encourage Minnesota Housing to prioritize preservation with LIHTC resources, including preservation of rural rental Section 515's.
- We encourage Minnesota Housing to include a goal to explore opportunities to reduce development costs, increasingly important in times of limited resources. Activities could include re-examining

1



design guidelines and other program requirements, also aligned with the Agency's goal of reducing program complexity and increasing accessibility.

- We recommend further conversation about the impacts of a pause on zero-interest deferred lending and urge reconsideration of this strategy; we are concerned about the impacts of this policy change for the broader affordable housing infrastructure and priorities of our state, and that too much priority is placed on preserving agency operations and balance sheet.
- Finally, we encourage the Agency to support bold new policy and funding solutions to advance the objectives of the Affordable Housing Plan and Strategic Plan. New state sources of dedicated, predictable revenue for home and statewide zoning reform are two such strategies that have engendered significant statewide momentum, and will make significant progress in our collective goal that every Minn

Minnesota Housing Partnership (MHP). MHP convenes, guides and mobilizes diverse partners working to improve conditions of home and community, from private developers and tribal leaders to elected officials. We provide capacity building and technical assistance in rural areas and Native nations, produce original research, and advocate for policies that advance affordable housing and strengthen communities.

Sincerely,

A handwritten signature in black ink, appearing to read "Elizabeth Glidden", written over a light blue horizontal line.

Elizabeth Glidden
Minnesota Housing Partnership

Minnesota Housing Finance Agency
 400 Wabasha Street North, #400
 St. Paul, MN 55102
 September 12, 2025

Dear Minnesota Housing:

On behalf of the Minnesota Housing Stability Coalition, we are writing to offer comments on the Draft 2026-2027 Affordable Housing Plan. Thank you for the opportunity to do so.

About the Minnesota Housing Stability Coalition

The Minnesota Housing Stability Coalition formed in the fall of 2023 to address the significant threats to the stability of low-income residents, individual rent-restricted properties, and entire affordable housing portfolios that resulted from the historic rise in inflation, dramatic increases in interest rates, elevated operating and security costs, and reductions in rent collection since the COVID-19 pandemic. Since then, we've convened and interviewed hundreds of people from more than 50 organizations statewide to better understand the problem and identify systems solutions to support the tens of thousands of Minnesota residents who depend on affordable rental housing. Together, we are charting a path forward to stabilize residents and the affordable rental housing industry. We represent many of the state's nonprofit affordable housing providers – from those managing tens of thousands of units to smaller organizations with many fewer units across buildings situated in both the metro and Greater Minnesota.

The issues impacting the affordable rental housing industry are complex and rooted in longstanding affordable housing finance practices. In recent years, these longstanding issues have been exacerbated by external forces completely out of the control of housing providers. These include dramatic escalation of operating costs, pandemic-related increases in rent arrears, significant challenges with public safety, and unprecedented uncertainty in federal funding streams and policies. Through it all, housing and service providers have risen to the challenge and taken heroic steps to protect the dignity and stability of their residents. But heroic actions can only preserve the industry for so long. If these organizations are not stabilized, we risk losing decades of public investments into the affordable housing sector – which translates to the loss of homes, increased homelessness, and untold levels of suffering and trauma.

A third-party comprehensive financial analysis of nearly 26,000 units of regulated affordable housing across the state shows high levels of distress that are pervasive across the industry. No housing subsector or geographic region is immune. The Minnesota affordable housing industry is conservatively estimated to have **lost at least \$50 million between 2018-2023**. This is a systemic problem that we need to solve with systemic solutions.

Numerous Coalition members have served as appointed members of both last year's [Task Force on Long-Term Sustainability of Affordable Housing](#) and this year's [Simplifying Supportive Resources Working Group](#), both convened by the legislature. Through their participation, they also brought the voices of the larger Coalition. The Task Force culminated in a Final Report of Recommendations, which includes both legislative and administrative changes. [The Coalition is actively working to support the implementation of the recommendations included in the Final Report](#) and to advance a legislative agenda that addresses root causes and solutions to the challenges facing the affordable housing system.

Feedback on the Draft 2026-2027 Affordable Housing Plan

Thank you for the opportunity to comment on the 2026-2027 Affordable Housing Plan. We commend Minnesota Housing on the quality of the plan, especially the plain language readability of it. We recognize and appreciate the work that went into creating a succinct and accessible plan. At the same time, there are important, substantive issues and nuances missing that we believe should be added to ensure a strong affordable housing system in Minnesota. These include:

1) Add a section for the implementation of the Preservation Framework.

While the bulk of the writing of the Preservation Framework will be done in 2025, the implementation of the plan will begin in 2026 and therefore the AHP should reference the implementation of the Preservation Framework as crucial, to-be-determined work over the next two years. This is a top priority for many affordable housing organizations in the state.

2) Clarify the Agency's intent to continue offering asset management loans.

The draft plan appears to prioritize using discretionary funds to strengthen the agency's balance sheet, rather than offer asset management loans. We strongly oppose this approach and view it as short-sighted when many nonprofit providers of affordable housing are confronting severe financial distress that may result in the loss of affordability on existing homes. The Agency should reconsider any plans to forego offering these loans and should clarify that asset management loans will continue to be a priority for the Agency. As we all know, preserving what we have is far less expensive than trying to replace affordable homes once they are lost.

3) Offer more information regarding the ongoing needs of the Community Stabilization Program and the Strengthen Supportive Housing Program.

The language in the current draft indicates that the Community Stabilization Program was a single appropriation and the program is now complete. It also describes the Strengthen Supportive Housing program as one-time funding. Though it is true that funding is not recurring for either program, the needs of the programs are ongoing. We recommend adding additional information about what options could be available for organizations who would otherwise benefit from these funds if they were available. This would be a good place to reference back to the Preservation Framework, which aims to address many of the challenges that these programs were designed to address. Additionally, the Agency should conduct evaluations of both the Community Stabilization Program and the Strengthen Supportive Housing Program to understand their impact and inform the work of future preservation efforts.

4) Explicitly and intentionally engage people with experience operating the affordable housing system.

The plan appropriately prioritizes engaging people with the lived experience of housing instability. This is a group of individuals who can clearly identify where the system is failing and help create a vision for the type of system we should build that will work for those it seeks to serve. Similarly, we need the voice of practitioners whose careers and vocations are devoted to operating the system. Without explicitly and intentionally including their voices in the planning, we will miss valuable systems insights and will not be able to accomplish the goals that this plan sets forth. This outreach should include a strategy to solicit housing operators' experience applying to and using each of the Agency's programs in order to better inform successful program implementation.

5) Convene and provide guidance to cities, counties, and local housing authorities regarding use of LAHA, SAHA, and Bring It Home vouchers.

We recognize that cities and counties have ultimate discretion in the use of their Local Affordable Housing Aid (LAHA) and Statewide Affordable Housing Aid (SAHA) dollars. At the same time, we often

hear from city and county leaders that it would be helpful to receive some state guidance or recommendations. Specifically, guidance is desired on how best to use these funds to increase the stability of the existing housing stock and increase the pipeline of new housing in a way that takes maximum advantage of Minnesota Housing’s priorities and processes, while also positioning local housing authorities to optimally administer the state’s new Bring It Home vouchers. A statewide strategy on these uses would seem more successful than leaving every jurisdiction to develop its own independent approach.

6) Outline the Agency’s high-level staffing plan.

The Agency staffed up significantly to administer the Go Big Funding. The plan should address the increased capacity and how those resources are being used to address all the goals of the plan. Specifically, can any of those staffing resources be dedicated toward enhanced technical assistance capacity to support projects experiencing financial distress through the RFA and other processes?

7) Make Minnesota an attractive state for LIHTC investors.

In the discussion of the Low-Income Housing Tax Credit (LIHTC) (pages 6-7), the plan references the increased federal budget allocations but then goes on to state that “most projects will continue to need the same amount or more of deferred loan resources to fill funding gaps.” We recommend that Minnesota Housing review its QAP with an eye toward ensuring that Minnesota is an attractive state for LIHTC investors. Given current distress in the industry, the significant uncertainty, and the real potential for substantial future cuts, we strongly advise the Agency to prioritize LIHTC funds for preservation of existing affordable housing assets. What else can the Agency do to maximize the impact of the increased LIHTC funds?

8) Outline a strategy to respond to emergent housing issues.

Minnesota Housing’s 2024-2027 Strategic Plan identifies seven core activities, one of which is: *Lead and Act on Critical Housing Issues*. There should be an additional section added to the “Our Work for the Next Two Years” section (beginning on page 8) that outlines a strategy for the Agency to respond to emergent issues in the housing sector. These could include shifting market conditions, growing economic challenges, uncertainty at the federal level, state budget challenges, etc.

Thank you for the opportunity to share our views with you. Please reach out to us with any questions.

Sincerely,

Andrea Brennan
Ellen Sahli

Co-Convenors
Minnesota Housing Stability Coalition

Minnesota Housing Stability Coalition Members

Accessible Space, Inc.
Aeon
Agate Housing and Services
Alliance Housing
American Indian Community Development Corporation (AICDC)
Avivo
Beacon Interfaith Outreach
Catholic Charities Twin Cities
Center City Housing
Clare Housing
Common Bond Communities
CSH
Family Housing Fund
Greater Twin Cities United Way
Greater Minnesota Housing Fund
Hope Community
Housing In Action
Interfaith Outreach
LISC Twin Cities
Minnesota Housing Partnership
Minnesota Consortium of Community Developers
Model Cities
Our Saviour's Community Services
Peris Housing
Project for Pride in Living
Redesign Inc
RS Eden
Simpson Housing
Southwest Minnesota Housing Project
Trellis
Touchstone
Twin Cities Housing Development Corporation
Volunteers of American MN

From: John S.
Sent: Thursday, August 28, 2025 9:24 PM
To: MN_MHFA MN Housing
Subject: AHP Comments

What does "Climate Change" have to do with Affordable Housing? Are there not enough other budgets out there that might be more appropriate for that? I'd rather see us focus on housing related issues.

I am open to hearing the rationale.

JS