



# Minnesota Housing Overview & Updates

Alyssa Wetzel-Moore, Community Development Director

# Our Mission: The Core Purpose

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

# Housing Spectrum



**Homelessness  
Prevention**



**Rental  
Housing**



**Homeownership**

# Agency Structure

## Single Family (Homeownership)

First Mortgage  
Downpayment  
Assistance  
Home Improvement  
Single Family  
Construction  
Homebuyer  
Education  
Manufactured  
Home Communities

## Multifamily (Rental)

Multifamily  
Construction,  
Rehabilitation, and  
Preservation  
Housing Tax Credits  
Greater Minnesota  
Workforce Housing

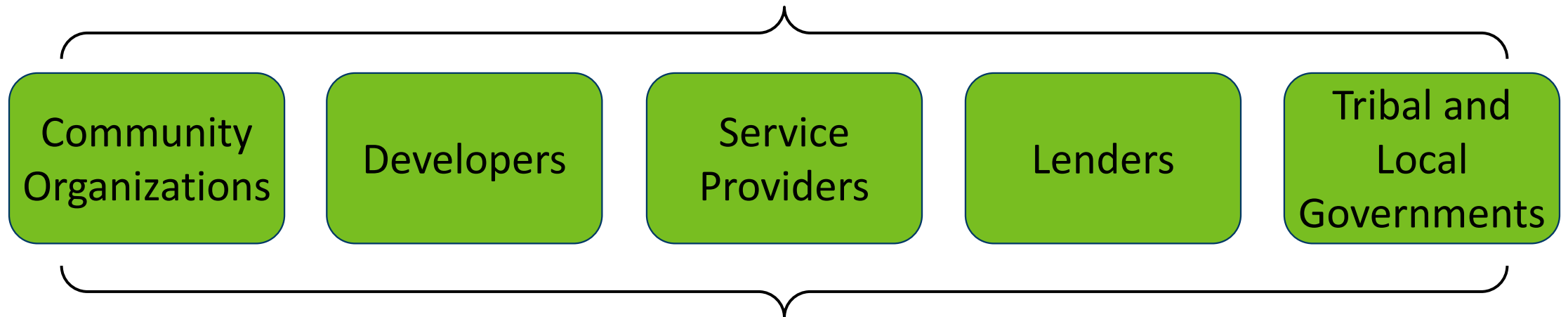
## Housing Stability

Homelessness  
Prevention  
Supportive Housing  
Targeted Rent  
Assistance

## Local Government Housing Programs

Bring It Home  
Rental Assistance  
Local and  
Statewide Aid  
Greater  
Minnesota  
Infrastructure  
Local Housing  
Trust Funds

## Minnesota Housing



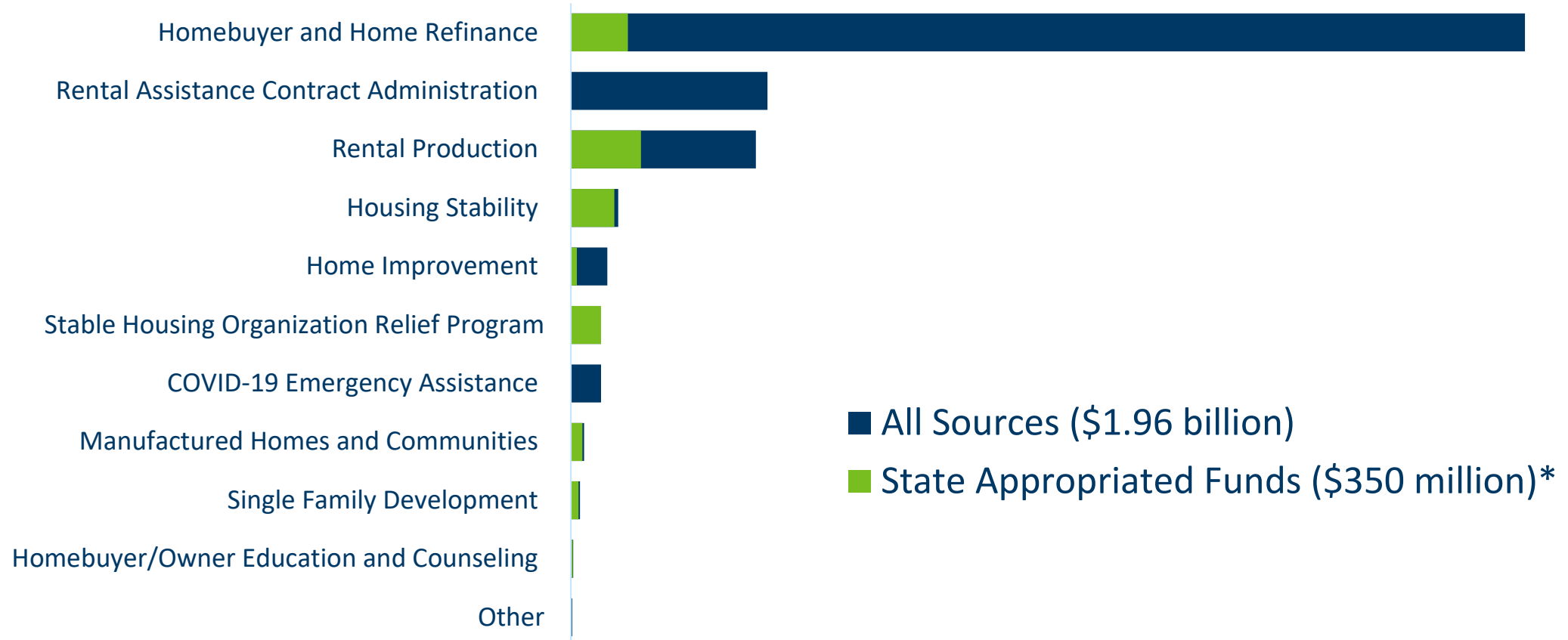
Minnesotans

# Minnesota Housing Does Not:

- ✗ Build or develop housing
- ✗ Own properties
- ✗ Regulate housing or development
- ✗ Mediate landlord-tenant disputes, or enforce MN Stat. 504B
- ✗ Help people find housing
- ✗ Set or enforce local housing, zoning or land-use policies
- ✗ Administer Section 8 Housing Choice Vouchers

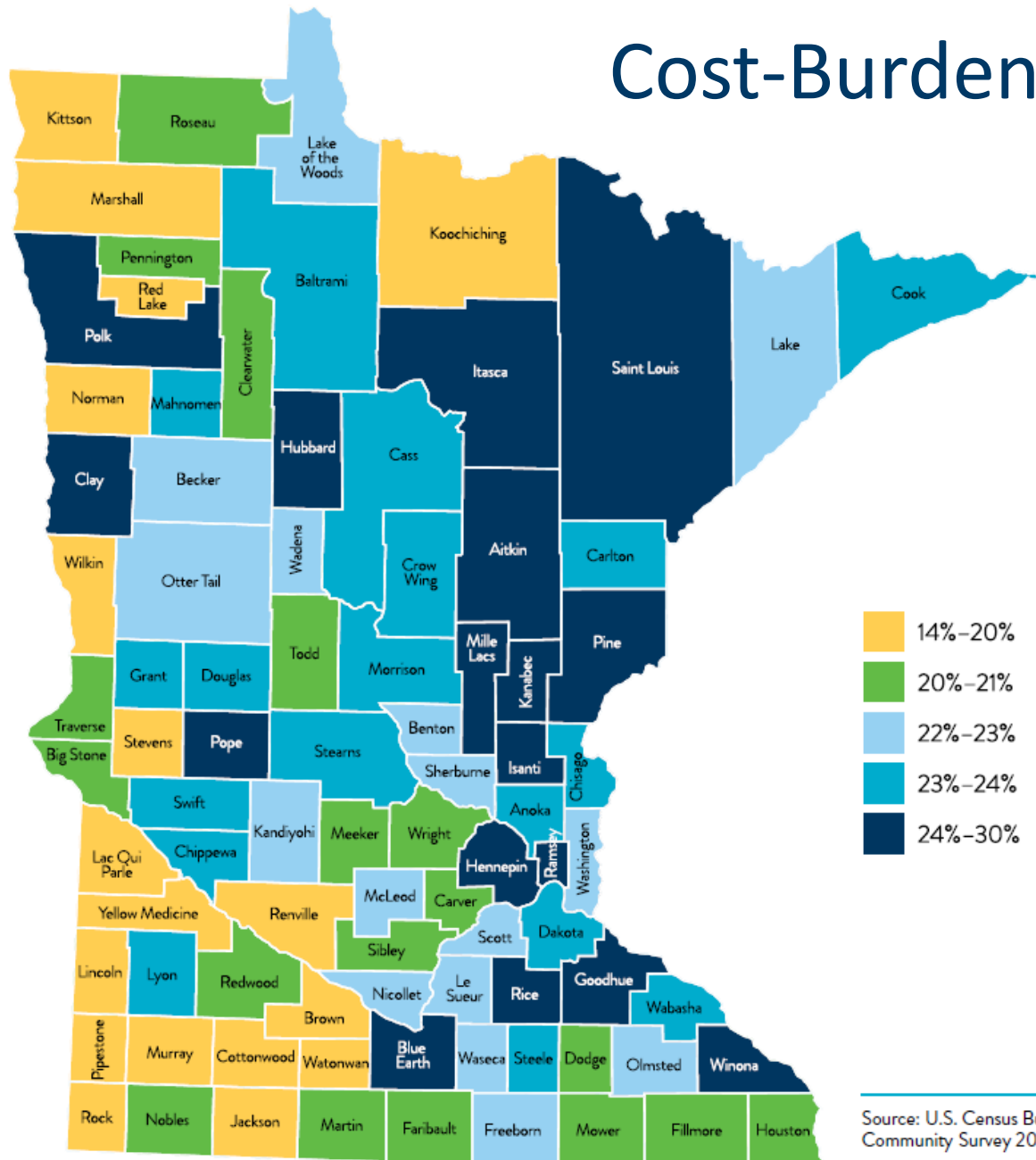
# FY 2024 Program Expenditures Totaled \$1.96 billion

## Minnesota Housing served more than 73,600 households in FY 2024



\*appropriated funds come from multiple years

# Cost-Burdened Households - 2023

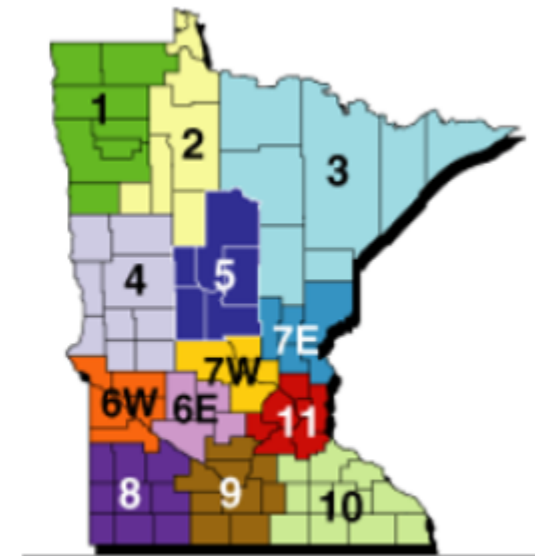


Source: U.S. Census Bureau, American Community Survey 2017–2023.



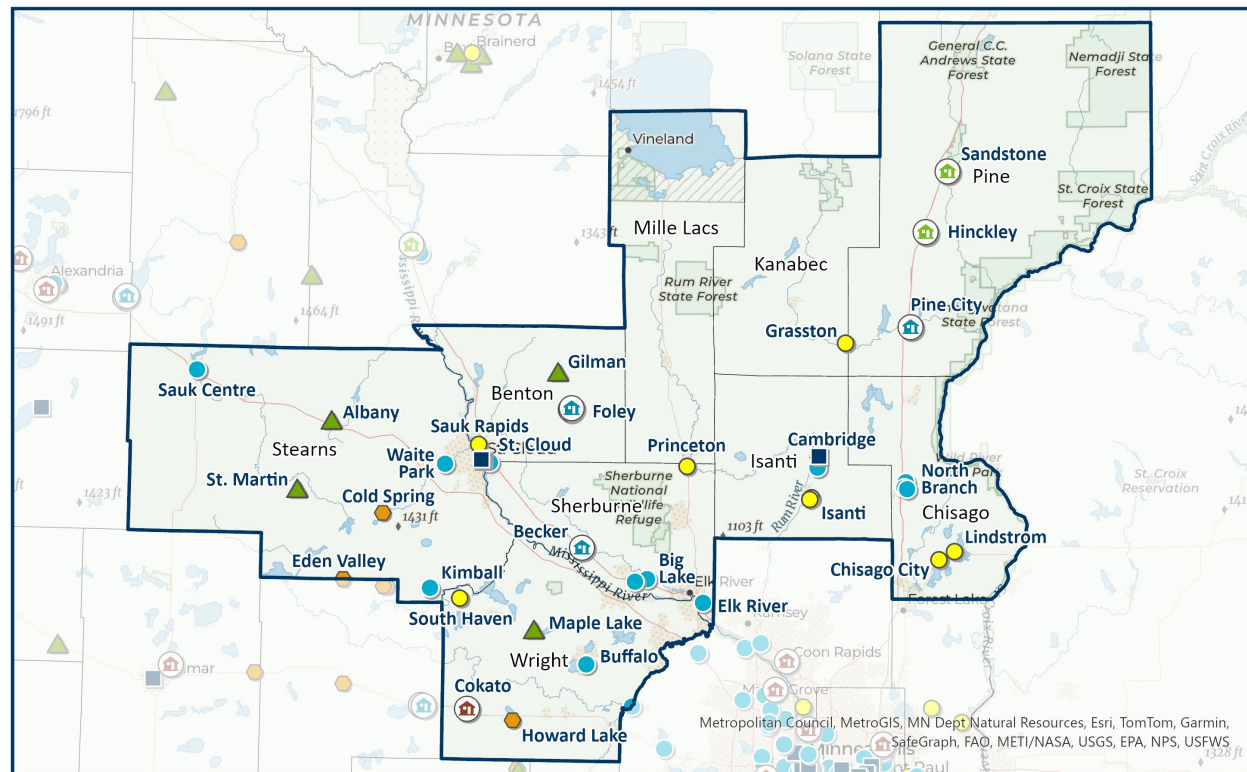
# Projected Growth in the Region

Economic Development Region	2024 Population	2035 Population	2050 Population	% Growth 2035	% Growth 2050
1	81,578	73,668	59,476	-10%	-27%
2	86,032	84,886	80,077	-1%	-7%
3	324,708	319,498	300,107	-2%	-8%
West Central	241,594	257,615	271,281	7%	12%
5	175,977	192,883	210,231	10%	19%
8	116,214	113,989	106,541	-2%	-8%
9	239,254	246,653	248,231	3%	4%
10	525,268	547,207	558,714	4%	6%
7-County Metro	3,191,646	3,325,116	3,395,259	4%	6%
6E	119,494	122,914	123,307	3%	3%
6W	43,690	44,710	44,538	2%	2%
7E	175,546	188,516	200,002	7%	14%
7W	456,994	499,094	541,917	9%	19%
Minnesota	5,777,995	6,016,749	6,139,681	4%	6%



# Selections in the Area

## Minnesota Housing Competitive Funding Selections (2020 - 2025)



- Multifamily Consolidated RFP/HTC
- Publicly Owned Housing Program (POHP)
- Workforce Housing Development Program
- ▲ Rental Rehabilitation Deferred Loan (RRDL) Program
- Manufactured Housing Program
- Local Housing Trust Fund Grants Program
- Greater Minnesota Small Cities (Tier II Cities) Housing Aid Grant Program
- Greater Minnesota Housing Infrastructure Program

# Minnesota Housing Legislative and Federal Updates

## Minnesota's Legislative Sessions have a two-year cycle:

- Odd-numbered years consider “major financial planning of the state” determine the budget and policy issues
- Even-numbered years focus on policy issues and bonding
  - Even-numbered years are shorter sessions
- In the past 10 years, bonding bills can happen any year
  - Includes Housing Infrastructure Bonds

2026 will focus on policy changes and bonding

# Engaging with the Legislature

**Find your  
Representative**



- Contacting legislators doesn't need to be tied to a particular request.
- You can thank them for previous support of housing.
- Practice telling the stories about successes & the need for housing in your neighborhood.
- If there are events in the district, show up and introduce yourself. They want to meet the people they represent.
- A quick note to your legislators can have major impact. It can be any time of year. (A hand-written note is nice.)
- They need stories to tell, too. A big win is when a legislator shares a story from their district that they may have learned from you!
- If there's a big vote coming up, a phone call to the office is a good way to get attention – someone will tally the calls for and against. You don't have to say much – just that you're calling them to encourage them to “support Bill XYZ”, or “more funding for housing.”

# Governor's Policy Priority Process

- Minnesota Housing Policy Staff collect feedback and engage a variety of groups throughout the year
- Proposals include alignment with One Minnesota goals, climate goals, suggested language, and what engagement took place
- Recommendations sent to the Governor in September.
- The Governor's policy agenda is set in late fall, and bill language is sent for drafting so it's ready to introduce when the session begins.

# Minnesota Housing Policy: Other Roles

- If an issue is not included in the Governor's platform, we do not promote it. However, we can provide technical assistance for other housing-related legislation.
  - Language review - make sure the bill accomplishes what is intended
  - Compatibility with existing statutes
  - Program design for implementation

# Federal Updates - HUD

- Cuts to HUD staff:
  - Response times to questions and release of funds has been dramatically increased for some programs
- Impacts to Continuum of Care (COC) Regions
  - COCs is a group with broad regional representation that is responsible for regional planning and coordination for housing and services for people facing or at risk of homelessness.
  - Permanent Housing Funding Caps: HUD plans to cut funding for permanent housing under the Continuum of Care (CoC) program from \$3.3 billion to \$1.1 billion, reducing the share allocated to permanent housing from 87% to 30%. This shift could jeopardize housing stability for over 170,000 individuals nationwide, including those in Minnesota.





# Minnesota Housing Development Resources

## **Affordable Rental Development:** Income Levels Vary by Program

- New construction
- Adaptive reuse/conversion of existing building (school, hospital, etc.)

## **Workforce Housing:**

- Rental housing development that's affordable to local workforce
- Market rate rental housing development in Greater Minnesota
  - Typically has fewer units

## **Senior Housing:**

- Age-Restricted - 55 years of age or older
- Incentivize serving lower-income seniors

# Preservation and Rehab of Affordable Rental Housing

## **Funds to rehab existing affordable rental housing**

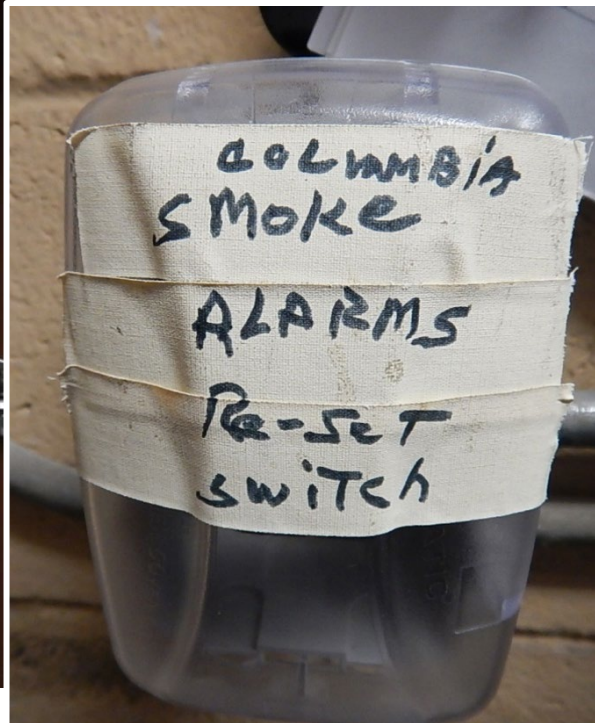
- Available through the Multifamily Consolidated RFP

## **Funds to rehab aging public housing**

- These are some of the most affordable housing options in rural communities
  - Preservation for federally-funded housing:
    - Publicly Owned Housing Program
    - Rural Rental Rehabilitation Deferred Loan Program

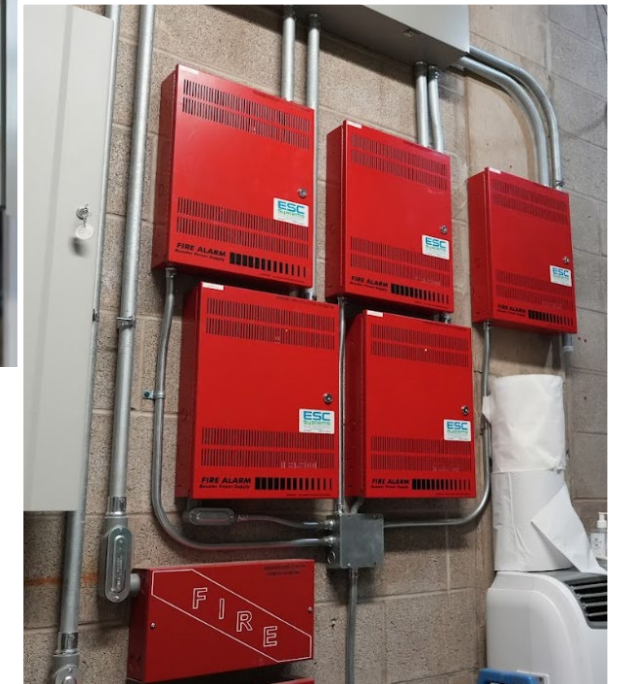


# Virginia – Columbia/Rouchleau Apartments (before)



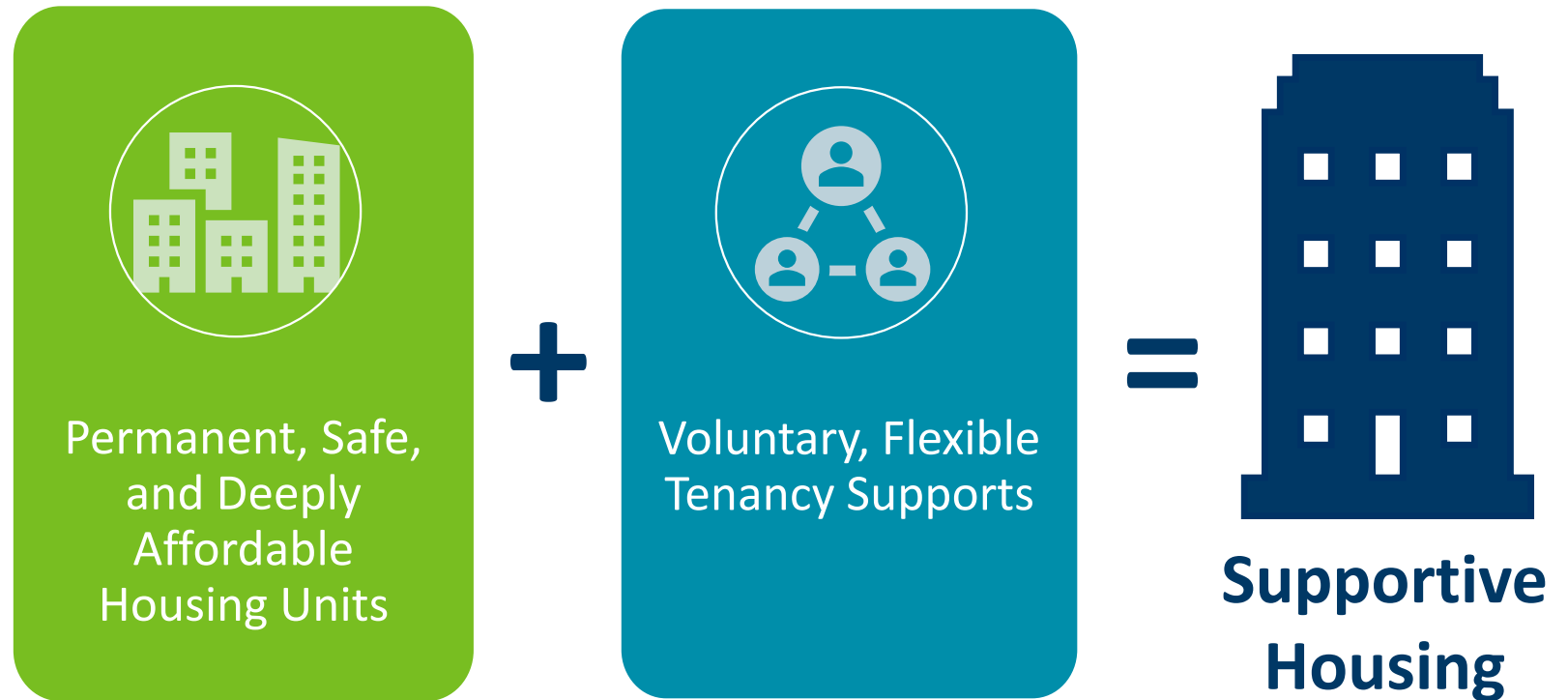


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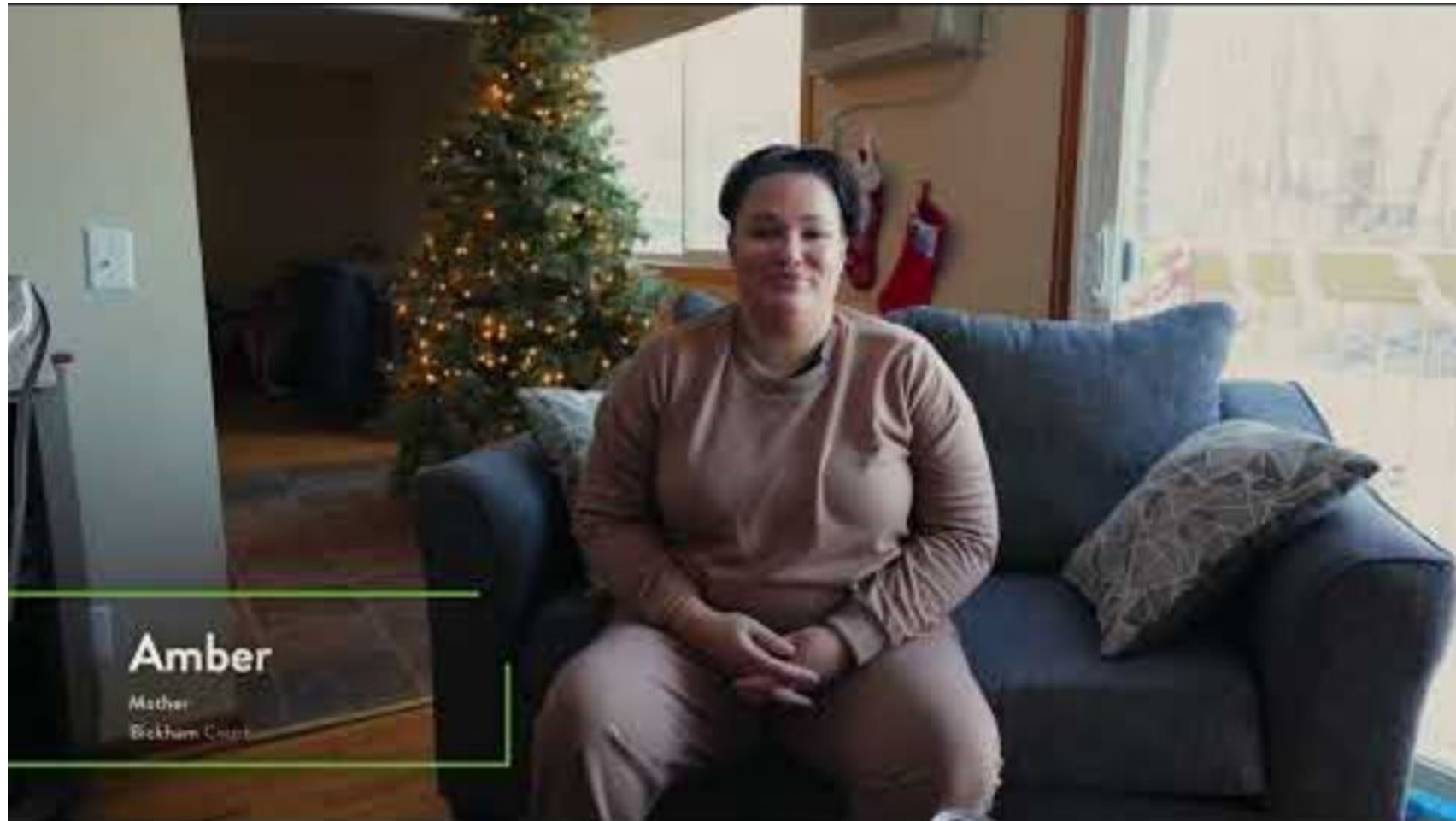


# Supportive Housing

Supportive Housing is a proven, effective option on the homeless services continuum that combines **permanent, affordable housing and services** for people with histories of housing instability, trauma, systemic exclusion, disabilities and chronic health conditions.



# Video: Bickham Court Apartments



# Homeownership Development Resources

## **Single Family Development Uses: Up to 115% Area Median Income**

- Acquire Land and Property
- Build new housing
- Purchase and rehab homes for resale
- Cover gaps between the cost to build and the cost to sell
- Cover gaps between the appraisal cost and what the homebuyer can afford
- Community Land Trusts
  - Nonprofit or local government owns the land in a trust to ensure permanent affordability
  - Homeowner purchases the home, not the land. Split the equity when they sell.
  - Must be sold to an income-qualifying buyer





# Manufactured Housing

# Manufactured Housing Resources

## Grants and financing to fund Manufactured Housing Infrastructure Needs

- Acquisition
- Conversion to cooperative ownership
- Manufactured Home Relocation Trust Fund:
  - Funds paid to homeowners in manufactured housing communities for relocation costs related to the closure of a community
  - Manufactured home homeowners apply through an appointed neutral third party







# State Housing Tax Credit

# State Housing Tax Credit (SHTC)

**Purpose:** Helps finance multifamily and single-family housing throughout Minnesota

**Funded by eligible Minnesota taxpayer contributions:**

- Individual contributions: minimum \$1,000/maximum \$2 million
- Tax credit of 85% of contribution to reduce their tax obligation
- Can designate to specific project or general contribution pool
- Available through RFP

**Maximum Total Annual Contributions: \$9.9 million**





## Local Government Housing Programs

# Local Government Targeted Resources

## **Statewide Affordable Housing Aid**

Affordable housing development projects and support organizations and individuals in maintaining stable, affordable housing.

## **Housing Trust Fund**

State match of local housing trust fund (competitive process).

## **Greater Minnesota Housing Infrastructure**

## **State-funded housing vouchers ("Bring It Home")**

4,000 - 5,000 for cost-burdened renters or funding affordable units (project-based)



# Statewide Affordable Housing Aid and Small Cities (Tier II) Requirements

## Use of Funds:

Any funds distributed under this program must be spent on a qualifying project.

- See Minnesota Housing's [Frequently Asked Questions](#) for more information on the housing aid programs, reporting and compliance.
- Additional requirements detailed in Minnesota Statutes 477A.35

## Qualifying Projects:

- Emergency Rental Assistance
- Financial Support to Non-Profit Affordable Housing Providers
- Construction, acquisition, rehabilitation, demolition or removal of existing structures, construction financing, permanent financing, interest rate reduction, refinancing to provide affordable housing to those who earn less than 115% of AMI (homeownership) and 80% AMI (rental)
- Financing the operations and management of financially distressed residential properties (2024)
- Funding of supportive housing (2024)
- Costs of operating emergency shelter facilities, including services (2024)



# Local Housing Trust Funds

## Purpose

Incentivize local governments to create or fund Local Housing Trust Funds.

- Grants and loans for development, rehab or financing of housing
- Match other funds for housing projects
- DPA, HO counseling and rental assistance

## Funding

- Matching up to 100% of new public revenue (up to \$150,000)
- Additional funds available to match 50% of new public revenue (between \$150,000 and \$300,000)



**\$5.8 million**



# Greater Minnesota Housing Infrastructure

**Purpose:** Assist counties and cities with infrastructure costs to support new single family, multifamily and manufactured housing developments.

**Funding:** Up to 50 percent of the capital costs of public infrastructure necessary for an eligible workforce housing development project.

- **Grants limited to:**
  - \$40,000 per lot for 1-4 units
  - \$180,000 per lot for multifamily (5+ units/building)
  - \$60,000 per manufactured housing lot
    - Cities and counties limited to \$500,000 over a two-year period; no maximum for manufactured housing.



**\$8 million**

# Resources for Individuals

## Homebuyers and Homeowners

- Short- and long-term homebuyer education and financial coaching
- Visit [Find a Lender](#):
  - Mortgages
  - Rehab loans
  - Downpayment Assistance
- Temporary Mortgage payment assistance: [Contact the Provider in your Area](#)

## Renters

- Temporary supportive services and financial assistance: [Contact the Provider in your Area](#)
- Rental Assistance, if experiencing or at risk of homelessness :  
[Coordinated Entry System in your Area](#)

# Stay in Touch

- [Visit www.mnhousing.gov](http://www.mnhousing.gov)
- [Sign up for email updates](#)
- Questions:
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  - Housing Stability: [Supportive.Housing@state.mn.us](mailto:Supportive.Housing@state.mn.us)
  - Local Government: [Annie.Reierson@state.mn.us](mailto:Annie.Reierson@state.mn.us) (Grant Programs)  
[Dani.Salus@state.mn.us](mailto:Dani.Salus@state.mn.us) (Bring It Home)
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  - Multifamily: [Sara.Bunn@state.mn.us](mailto:Sara.Bunn@state.mn.us)
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# Questions?

# Thank you!

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