

# MINNESOTA'S



## COVID-19 RECOVERY BUDGET

### HOUSING

**Total Investment:** \$129.6 million – General Fund  
\$100 million – Housing Infrastructure Bonds

#### INCREASE HOME STABILITY



##### Provide Housing Stability to Families with Children

In 2019, more than 9,000 students experiencing homelessness were enrolled in 1,172 schools, 309 school districts and 77 of Minnesota's 87 counties. **Homework Starts with Home** is an evidence-based initiative that provides assistance to highly mobile families with school-aged children. An additional \$1 million will serve about 185 additional families, providing housing stability and improved school attendance.



##### Prevent Family Homelessness

More than 3,400 families experience homelessness on any given night in Minnesota. When families become homeless or are at imminent risk of homelessness, the **Family Homeless Prevention and Assistance Program** steps in to provide support services, short-term rent assistance, security deposits, utility assistance and more. This helps make homelessness rare, brief and one-time. A \$4 million increase will serve an estimated 2,000 additional households around the state through counties, tribal nations and nonprofit organizations.



##### Support People with Serious Mental Illness

A \$500,000 increase to the state's rental assistance program, **Bridges**, will help people with serious mental illness live in integrated settings in their communities with housing stability that improves access to supportive mental health services. The resources will provide rental assistance to an estimated 70 additional households and help Minnesotans with a mental illness stay out of homelessness and institutions, including correctional facilities.

#### BUILD MORE HOMES



##### Create Workforce Housing Opportunities

The affordability of homes has been a competitive advantage for Minnesota and our employers, but a growing shortage of homes and other market conditions are pushing prices beyond the reach of many individuals and families. With a \$4 million increase to the **Economic Development and Housing Challenge program**, 60 to 100 new rental housing and single-family housing opportunities will be developed across the state.

The program also helps communities redevelop existing homes to create housing that better serves low- to moderate-income homeowners, homebuyers and renters.

A \$1.5 million increase to the **Workforce and Affordable Homeownership Program** will create an additional 40 to 50 new ownership opportunities. The funding for this program may be used for the development of homeownership opportunities and can be used for development costs, rehabilitation, land development and residential housing. Funding is prioritized where there is permanent affordability, such as community land trusts.

## SUPPORT AND STRENGTHEN HOMEOWNERSHIP



### Set Future Homebuyers Up for Success

Minnesota has one of the nation's highest rates of homeownership, while at the same time it has the worst disparity in homeownership rates between white households and households of color. The **Homeownership Assistance Fund** is working to close that gap by helping households with down payment and closing cost assistance. An increase of \$1.5 million will help around 175 first-time homebuyers.

### Provide More Foreclosure Counseling

The first several months of the pandemic have had severe consequences for the state's economy and has disproportionately impacted households with low and moderate incomes. While there has been some recovery, we need to prepare to deal with the fallout long after the pandemic is over. Many homeowners are behind on their mortgage payments or have deferred their payments. A \$500,000 increase for the **Homebuyer Education, Counseling, and Training (HECAT)** program will help build the capacity of nonprofit home advisors and serve an estimated 2,500 households.

## PRESERVE THE HOMES WE HAVE



### Help Low-Income Families Stay in their Homes

Living in a manufactured home community is often an affordable housing option; however, the deteriorating infrastructure of these parks makes the housing situation precarious. A \$1 million increase will fund more infrastructure needs in manufactured home parks across the state. The grants provided through the **Manufactured Home Park Redevelopment Program** will fund infrastructure improvements including streets, sewer, water and lighting, as well as storm shelters.

## BONDING BILL



### Preserve and Expand Access to Affordable Housing for all Minnesotans

The preservation of existing housing and creation of new homes for Minnesotans across all incomes and in all areas of the state is a priority for Governor Walz and Lt. Governor Flanagan. \$100 million for Housing Infrastructure Bonds (HIB) will leverage additional private development funds and preserve federal dollars for rental assistance while creating or preserving housing. The types of housing that can be financed with HIB include: permanent supportive housing, homeownership opportunities, senior housing, rehab of existing housing and a new eligible use focused on new construction with rents affordable to those making the least.

<b>Program Name</b>	<b>Description</b>	<b>FY 2022-2023 Gov Rec</b>
<b>Economic Development and Housing Challenge (Challenge)</b>	Funds both multifamily rental and single-family homeownership new construction and redevelopment. Leverages federal, private and local government funds.	\$29.850 million total +\$4 million in Gov Rec
<b>Greater Minnesota Workforce Housing Program</b>	Provides competitive financial assistance to build market-rate and mixed-income residential rental properties in Greater Minnesota	\$6 million total +\$2 million in Gov Rec
<b>Housing Trust Fund</b>	Provides rental assistance for individuals and families, many of whom have previously experienced homelessness.	\$23.292 million
<b>Family Homeless Prevention</b>	Provides short-term assistance to families at risk of homelessness. Types of assistance may include one-time rental payments, assistance with first or last month's rent, or one-time mortgage payments.	\$24.538 million +\$4 million in Gov Rec
<b>Homework Starts with Home</b>	Provides rent and other housing assistance to families with school-aged children that lack housing stability.	\$4.5 million +\$1 million in Gov Rec
<b>Preservation (PARIF)</b>	Assists with repair, rehabilitation and stabilization of federally assisted rental housing that is at risk of aging out of federal assistance programs.	\$8.436 million
<b>Bridges</b>	Provides rental assistance for families in which at least one adult household member has a serious mental illness.	\$9.176 million +\$500,000 in Gov Rec
<b>Rental Rehabilitation Loans</b>	Rehabs naturally occurring affordable and federally subsidized rental housing in Greater Minnesota.	\$5.486 million -\$2.0 million in Gov Rec
<b>Rehab Loans (Single Family)</b>	Helps low-income homeowners make basic health and safety improvements to their homes.	\$5.544 million
<b>Homeownership Assistance Fund (HAF)</b>	Provides funding for the agency's down payment and closing cost assistance program. Serves low-to moderate-income first-time homebuyers across the state.	\$3.270 million +\$1.5 million in Gov Rec
<b>Homeownership Education, Counseling and Training Fund (HECAT)</b>	Provides both pre-purchase homebuyer counseling and foreclosure prevention counseling services.	\$2.214 million +\$500,000 in Gov Rec
<b>Capacity Building</b>	Provides support to organizations for regional coordination and housing planning.	\$1.290 million
<b>Build Wealth</b>	Direct appropriation	\$1 million
<b>Manufactured Home Park Infrastructure Grants</b>	Provides grants for manufactured home park acquisition, improvements and infrastructure.	\$3 million +\$1 million in Gov Rec
<b>Workforce Homeownership Program</b>	Provides development resources to increase the supply of homeownership opportunities.	\$2 million +\$1.5 million in Gov Rec
<b>TOTAL</b>		<b>\$129.596 million</b> <b>+\$14 million in Gov Rec</b>