

Agency Purpose

The Minnesota Housing Finance Agency (Minnesota Housing) finances and advances affordable housing opportunities for low and moderate income Minnesotans to enhance quality of life and foster stronger communities.

At a Glance

Development and Redevelopment

- Financed more than 1,300 home purchases;
- Financed more than 1,400 new construction housing units;
- Invested more than \$40 million to assist communities hit by the foreclosure crisis; and
- Administered \$8.1 million in housing tax credits for more than 1,300 units of housing.

Homelessness Prevention and Supportive Housing

- 11,227 households received homeless prevention assistance;
- 2,624 households received state funded rental assistance; and
- 497 housing units for very low-income households were constructed or rehabbed with Housing Trust Fund (HTF) monies.

Homeownership Assistance

- 492 households received Homeownership Assistance Fund (HAF) assistance;
- 40% of first-time homebuyers with a Minnesota Housing mortgage received HAF assistance; and
- Average HAF assistance is \$3,289.

Preservation

- 560 federally-assisted housing units preserved through the Affordable Rental Investment Fund – Preservation (PARIF);
- For every \$1 invested in rental housing preservation, \$5.70 in federal assistance is retained; and
- 392 households received assistance to rehab or preserve their home.

Resident and Organizational Support

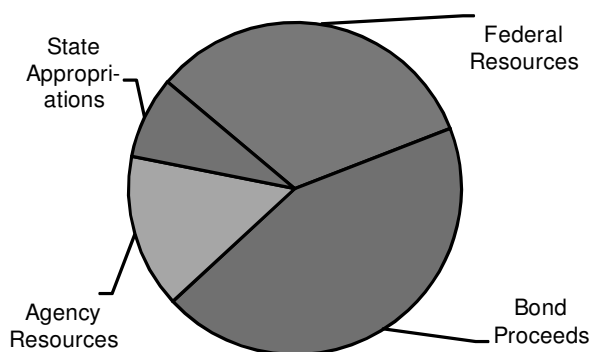
- 24,899 households received foreclosure prevention assistance or homebuyer training services; and
- 16,000 Minnesota households received mortgage foreclosure intervention and counseling assistance.

Administration

- All state-funded appropriations fund program expenditures; none is spent on administration.
- Standard and Poor’s Ratings Services affirmed an “AA+” rating and Moody’s Investors Service affirmed an “Aa1” rating;
- Disbursed \$190 million for more than 28,000 homeowners or homebuyers; and
- Disbursed \$254 million for nearly 50,000 rental units or tenant households.

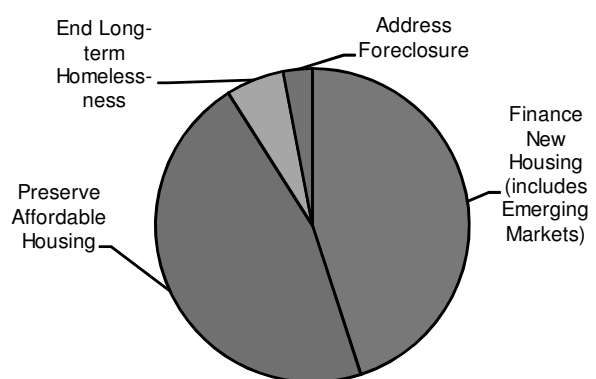
All figures are for Federal Fiscal Year 2009

**Minnesota Housing Resources
2010-2011**



Source: Minnesota Housing data

**Uses of Funding by Strategic
Priority, 2010-2011**



Source: Minnesota Housing data

Strategies

Minnesota Housing has five strategic priorities:

- Finance new affordable housing opportunities.
- Preserve existing affordable housing.
- Address the foreclosure crisis through prevention and recovery.
- End long-term homelessness.
- Increase emerging market homeownership.

To accomplish its strategic priorities, Minnesota Housing funds housing activity in five broad areas:

Development and Redevelopment Programs fund the new construction and rehabilitation of rental housing, and homes for ownership for families with a range of incomes.

Homeless Prevention and Supportive Housing Programs fund housing development, rental assistance, and homeless prevention activities for very low-income families and individuals who often face other barriers to stability, economic self-sufficiency, and independent living.

Homeownership Assistance Programs fund home purchase and home improvement loans for families and individuals with a range of incomes not served by the private sector alone.

Preservation of Housing Programs seek to preserve the stock of affordable housing that is in danger of being lost due to opt-outs for market reasons, physical deterioration, or both.

Resident and Organization Support Programs provide operating funds for organizations that develop affordable housing, offer homebuyer training, education, and foreclosure prevention assistance, or coordinate regional planning efforts.

Operations

Management and control of the agency is vested in the board of directors. The board is comprised of six citizen members appointed by the governor and one ex-officio member, the state auditor. The board directs the policies of the agency and adopts an affordable housing plan, approves funding decisions, adopts finance policies, and selects the finance team.

The agency staff includes 215 full-time equivalent employees in four major divisions: housing finance and operations; housing programs (including multifamily and homeownership); and housing policy. More than half of all the employees are professional level employees.

The **finance and operations** staff is responsible for the management of the assets and liabilities of the agency, which includes a portfolio of housing related loans and other investments totaling \$3.4 billion, and a portfolio of debt totaling \$2.47 billion. The staff manages the process of raising capital through periodic debt issuances. Staff in this division also prepares financial forecasts, budgets, and fiscal year-end audited financial reports for all funds and accounts. Staff is responsible for the accurate and timely reporting of all accounting and financial information necessary to comply with disclosure requirements and board policies. This division also includes the staff managing the agency's information systems and human resources staff.

The staff of the **multifamily housing program division** manages the process of assisting in the financing of new construction, rehabilitation, and preservation of rental housing. This staff oversees the provision of tenant support services, rental assistance, and homeless prevention activities. The staff is also responsible for the oversight of the management of the agency's portfolio of rental housing, monitoring compliance with state and federal requirements, and administering the Section 8 contracts of 32,000 units of rental housing that include the contracts on 18,000 units previously administered by Housing and Urban Development (HUD).

The **homeownership housing program division** staff manages programs to assist with the financing of home purchases and home improvements. It also manages the process of assisting in the financing of new home

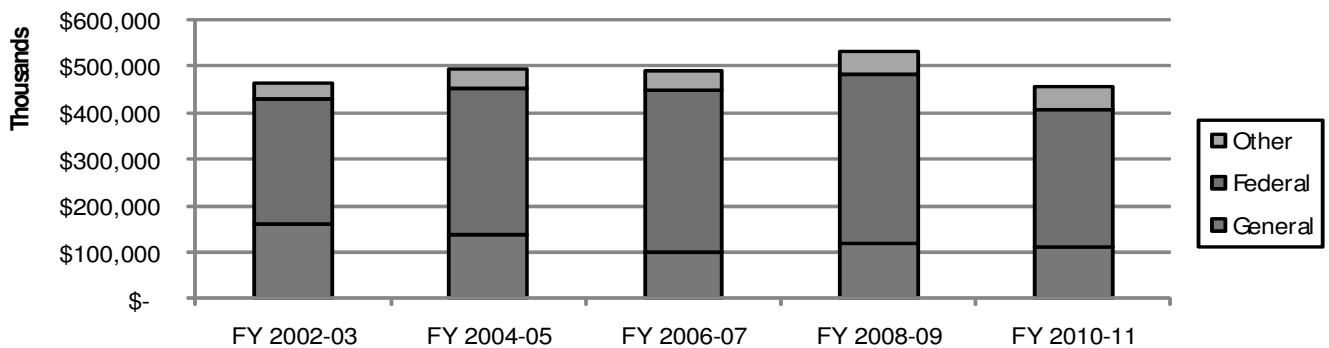
construction for ownership and neighborhood revitalization. The staff oversees the provision of homeownership education services. The staff also administers programs that provide post-purchase support and foreclosure prevention for homeowners.

The **housing policy division** includes governmental affairs, research, and policy.

The agency’s assistance is delivered through local lenders, community action programs, local housing and redevelopment authorities, and for-profit and nonprofit developers. Minnesota Housing joins with other public and private funders to make available development and redevelopment funds in a comprehensive, single application, one-stop selection process.

Budget Trends Section

Total Expenditures by Fund



* FY 2010-11 is estimated, not actual. Source data for the previous chart is the Minnesota Accounting and Procurement System (MAPS) as of 08/22/10.

External Factors Impacting Minnesota Housing- Trends impacting the agency include the high unemployment rate and uncertain economy, which leads to housing instability; continued high levels of foreclosures; bond market uncertainty that may impact the agency’s ability to offer mortgages to first-time homebuyers at advantageous rates; changing demographics that may reduce the first-time homebuyer pool; declining rental vacancy rates; overbuilt single family home stock; tax credit investors’ preference for particular development types and locations; and continued mismatch between housing, jobs and transportation.

Contact

Assistant Commissioner of Housing Policy
 Phone: (651) 296-9820
<http://www.mnhousing.gov>