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https://www.mnhousing.gov/

AT A GLANCE

- Provided more than $1.8 billion in housing assistance, serving nearly 73,000 households.
- Have Aa1 and AA+ credit ratings with Moody's and Standard & Poor's.
- Financed loans to nearly 3,400 first-time homebuyers, financed homebuyer education and counseling for more than 9,000 households and provided home improvement resources for nearly 1,200 homes.
- Created, rehabilitated or refinanced over 3,000 units of rental housing and assisted nearly 54,000 renters.
- Committed over $1 billion in state housing resources in the last three years.
- Over the past three years, 47% of competitive assistance has been provided to Greater Minnesota.
- These investments strengthen communities across Minnesota by increasing access to homes that are affordable and reducing pressures that drive homelessness and higher public costs.

All numbers are for Federal Fiscal Year 2025

PURPOSE

Success in life starts at home for all ages and all people. When we have safe, secure places to live, parents earn more, kids learn better, health and well-being improve, and communities prosper. Our homes are the foundation of our communities. A lack of housing that is affordable not only strains household budgets, but increases homelessness costs, slows workforce growth and limits economic competitiveness.

In Minnesota, the creation of housing has not kept up with needs, leading to housing challenges and a housing shortage of an estimated 65,000 homes. High housing costs and limited availability of homes create persistent challenges that make it difficult for individuals and families to find and maintain housing stability. Across the state, a shortage of affordable housing limits economic growth—from small cities in Greater Minnesota and regional centers to larger metropolitan areas. Communities struggle to attract and retain workers when housing options are limited or out of reach.

These challenges are not shared equally across different races and ethnicities. People of color and Indigenous communities are more likely to face housing instability, be evicted and experience homelessness than white households. Other housing indicators include:

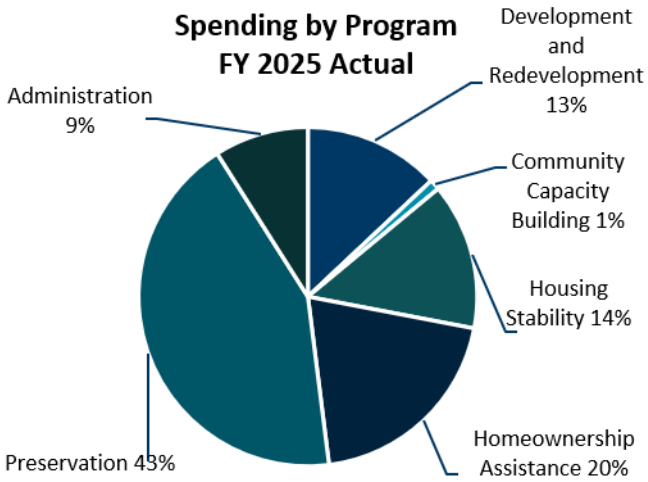
- An estimated 210,000 renter households making 50% area median income or less spend more than 30% of their income on housing.
- Minnesota has the 6th largest disparity in homeownership rates in the country for households of color and Indigenous households, and the largest gap between white and Black homeownership among peer metropolitan areas. This persists despite Minneapolis- St. Paul (MSP) having also seen the largest increase in Black homeownership among peers over the most recent ten-year period.[1]
- About 20,000 people face homelessness each night.

[1] https://www.minneapolisfed.org/article/2026/twin-cities-region-misses-its-housing-marks

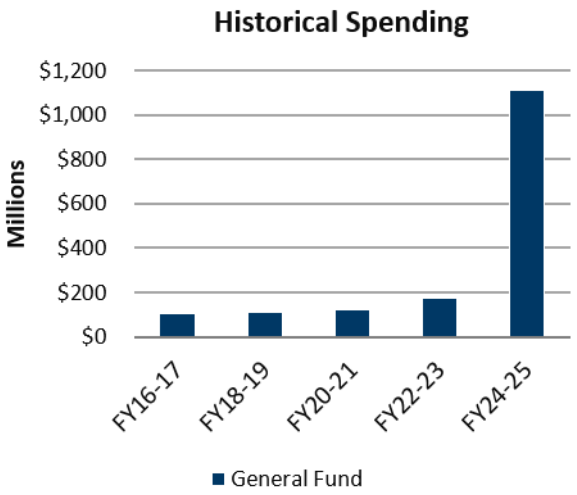
Our vision is that all Minnesotans live and thrive in a stable, safe and accessible home they can afford in a community of their choice. To work towards this vision, Minnesota Housing collaborates with individuals, communities and partners to finance rental housing and homeownership opportunities throughout the entire state, and administer programs that help more people afford a place to live. Housing stability is important for every family, and housing stability is important to making progress on state goals related to education, health and the economy.

More detailed information on the agency's Strategic Plan as well as other agency plans detailing our work and how we measure progress can be found on our website.

BUDGET



Source: Budget Planning & Analysis System (BPAS)

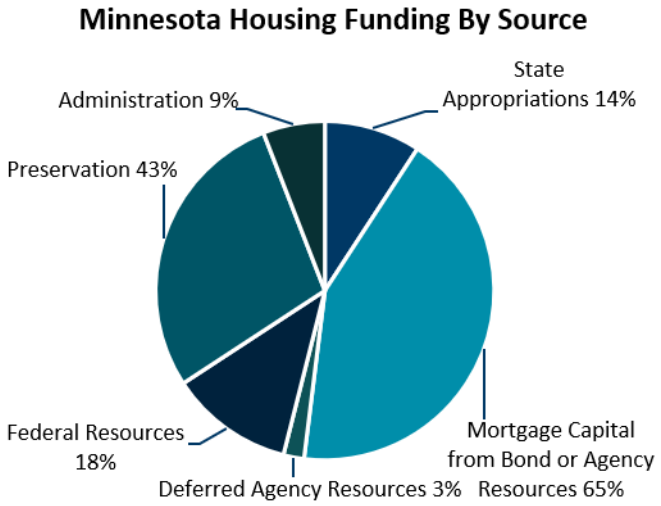


Source: General Fund Balance Statement

We finance our programs through a combination of bond proceeds, federal resources, state appropriations, state capital investments and agency resources. We do not rely on state appropriations to fund our on-going operating expenses, allowing state appropriations to go directly to programs. We issue tax exempt and taxable debt, using the proceeds to finance loans for rental developments and loans to low- to moderate-income homebuyers. We then pay for our operating expenses using the spread that remains from loan repayments after we have repaid our bond holders.

We have an independent Board of Directors, which has management and control of our activities and legally, the Board is the agency. The Board is comprised of six citizen members appointed by the Governor, with the state auditor as an ex-officio member. The Board directs our policies, approves all funding decisions and holds monthly public meetings.

Our bond issuer ratings are AA+ and Aa1 from Standard and Poor's Rating Services and Moody's Investor Services, Inc. Our credit ratings are separate from and not directly dependent on ratings on debt issued by the State



Source: Minnesota Housing 2026-27 Affordable Housing Plan

STRATEGIES

Housing stability is at the core of Minnesota Housing's mission that emphasizes thriving communities, equity and inclusion and children and families. We support our mission by providing a wide range of rental, homeownership and homelessness assistance programs.

Our focus with scarce resources is on serving households that make the least with a goal to serve communities most impacted by housing instability. Since housing outcomes are not equal across different races and ethnicities, we are working to target resources and remove systemic barriers and policies that perpetuate housing instability for people of color and indigenous communities. We are also focusing more on financing climate-resilient housing and energy efficiency improvements across homeownership and rental housing and addressing the unique housing needs in Greater Minnesota. In recent years we've provided more financing and infrastructure resources to manufactured home communities

We deliver our programs through a statewide network of local lenders, community-based organizations, local housing and redevelopment authorities and for-profit and nonprofit developers. We award resources through competitive request for proposal (RFP) processes across the agency, often combining multiple federal, state and private funds into consolidated RFPs.

Rental Housing: We finance new construction, rehabilitation and preservation of rental housing using federal low income housing tax credits, state and federal appropriations and agency first mortgages.

- We served over 46,000 Minnesota households through our multifamily rental programs in 2023.
- Over 80% of renters made less than $30,000 per year.
- We financed the new construction and preservation of 2,655 units of affordable rental housing in 2023 using state and federal resources.

Homeownership Opportunities: We offer first-time homebuyer loans, downpayment assistance programs, a refinance program, development resources, and home improvement loan programs to support Minnesota homebuyers and homeowners. Overall, we account for about 6% of the State's total mortgage lending.

- We provided home mortgage loans to 4,485 Minnesota households in 2025.
- The first-time homebuyers we served had a median annual household income of $71,000.
- 37% of the first-time homebuyers we served were households of color or from indigenous communities compared to the industry average of 21%.
- 95% of the homebuyers who received a Minnesota Housing first mortgage also received assistance with downpayment and closing costs.

Housing Stability: In addition to financing rental housing for people facing homelessness, we provide rental assistance and short-term financial assistance to individuals and families who are homeless or who face housing instability.

- We provided state-funded rental assistance to nearly 2,300 households in 2025. These households have a median annual household income of around $10,000.
- We helped over 10,200 households (with a median household income of about $11,000) to prevent and assist people facing homelessness.
- We lead and collaborate on the statewide Crossroads to Justice Plan: Minnesota's New Pathways to Housing, Racial and Health Justice for People Facing Homelessness as well as the state's Olmstead Plan that helps people with disabilities live, work and learn in the most integrated setting possible

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M.S. 462A (https://www.revisor.mn.gov/statutes/?id=462A) provides the legal authority for Minnesota Housing.

Program: Development and Redevelopment

https://www.mnhousing.gov/

AT A GLANCE

- The state is short an estimated 65,000 homes to keep up with household growth and need.
- The **Economic Development and Housing Challenge (Challenge)** program, established in 1999 to create more rental and homeownership opportunities, funded 631 homes in 2025.
- The **Workforce Housing Development** program serves Greater Minnesota and has built or financed about 1,000 rental homes since 2017, mostly in towns with fewer than 5,000 people.
- The **Workforce and Affordable Homeownership Program** focuses on increasing the supply of homes across the entire state. The program received $60.5 million in FY 2024-25 with a base budget of $250,000.
- We started financing grants to **manufactured home communities** for park infrastructure and acquisition starting in FY 2021.
- The **State Housing Tax Credit Program and Contribution Fund** relies on contributions of individual taxpayers to provide loans and grants for housing development.

Numbers are for FFY2025, unless otherwise noted

PURPOSE AND CONTEXT

The affordability of homes has traditionally been a competitive advantage for Minnesota and its employers, but a shortage of homes continues to push prices beyond the reach of many individuals and families. New housing construction has not kept pace with household growth, as evidenced by the persistent short supply of homes for rent or sale. In Minnesota today, the statewide rental vacancy rate is around 4 to 5 percent, which is considered low inventory. Challenges with housing supply and cost vary significantly across regions, but are a concern in every part of the state. These persistent conditions limit options for families, make it harder for many to have a stable place to live, and restrict economic growth when employers cannot hire or retain workers when communities do not have enough housing options.

Minnesota is still catching up from the underproduction of housing units that began during the Great Recession, despite recent one-time investments. Maintaining and increasing recent levels of production will be critical to keeping up with demographics and longer-term economic growth. Businesses throughout the state are expanding, and many are struggling to hire enough workers, in part because of a lack of affordable homes in communities. Housing shortages do not affect all communities equally. Lower income households, families of color, Indigenous communities and people in smaller towns often face the most severe barriers in finding a home they can afford.

Minnesota Housing finances development of new rental housing and single-family housing for homeownership throughout the state through several development programs that meet the needs of the most vulnerable in our state as well as market-rate homebuyers and supporting growth of regional employers. In addition to building critical new housing, we also need to rehab and improve existing homes to better serve low- to moderate-income homeowners, homebuyers and renters. The agency balances geographic distribution, resilient construction, and the needs for new construction and preserving existing housing units. Through continuous improvement, the agency refines its processes to provide the necessary oversight while making it easier for local governments and developers to apply for funds and comply with grant requirements.

SERVICES PROVIDED

We finance the activities in this program through the state-appropriated Economic Development and Housing Challenge program, the Greater Minnesota Workforce Housing Development program, the Manufactured Home Community Redevelopment Program, the Workforce and Affordable Homeownership program, State Housing Tax Credit and Contribution Fund program, and Housing Infrastructure, as well as with federal funding. One-time state funding is being deployed for Greater Minnesota Housing Infrastructure, Manufactured Home Park Cooperative Purchase, and Cooperative Manufactured Housing Infrastructure.

Economic Development and Housing Challenge ("Challenge") Program: The Challenge Program allows us to provide no-interest, deferred loans to for-profit and nonprofit developers and local units of government to develop workforce housing in their communities. The Challenge Program provides flexibility by letting communities identify the types of housing that best fit their needs. It can be used for new construction or rehabilitation and funds both rental housing and homeownership opportunities. A goal of program is to use the funding on housing projects that include a financial contribution from non-state resources.

- Rental Development: We finance workforce housing in both the metropolitan area and Greater Minnesota. Resources are available through a competitive Request for Proposals (RFP) process published each spring. Income limits for rental housing are up to 80 percent of the greater of area or statewide median household income. The program has financed new workforce homes in Greater Minnesota, including Perham, Worthington, Glenwood, St. Michael, Mankato, Austin, Duluth, Cambridge, Warroad, Thief River Falls, Jackson, Roseau, Rochester and Owatonna to name a few. The funding also supports the development of workforce housing in the metropolitan area.
- Homeownership Development: The Challenge Program funds the development and rehabilitation of single-family, owner-occupied affordable, and workforce housing activity in communities across Minnesota. Funds can also be used for downpayment assistance. Resources are available through a competitive Request for Proposals process published each spring. The maximum income for owner-occupied housing is 115 percent of the greater of state or area median household income, with priority on serving lower incomes.

The base funding for this program is $12.9 million per year for both rental and homeownership development.

Workforce and Affordable Homeownership Program: This $250,000 per year program finances homeownership development grants to cities, tribal governments, nonprofit organizations, cooperatives and community land trusts for development of workforce and affordable homeownership projects. The purpose of the program is to increase the supply of workforce and affordable, owner-occupied multifamily or single-family housing throughout Minnesota. Funds can be used for development costs, rehabilitation, affordability gap, land development and manufactured home park infrastructure. The program was added as a base program in 2019.

Greater Minnesota Workforce Housing Development Program: The base funding for this program is $2 million per year and the program targets small to mid-sized cities in Greater Minnesota with rental workforce housing needs. This program meets the needs of smaller communities by helping to finance new construction of 12 or fewer homes and prioritizes cities with fewer than 5,000 people. Funding is available to build market-rate residential rental properties in communities with job growth and demand for workforce rental housing. Communities are required to secure matching funds, one dollar for every two dollars in funding offered through the program. Since this program was established in 2017, it has built new housing in communities such as Albert Lea, Baudette, Duluth, Luverne, Pelican Rapids, Alexandria, Park Rapids, Blue Earth, Long Prairie, Redwood Falls and Watkins. This program received $39 million for FY 2024-25 and an additional one-time appropriation of $14.275 million in FY 2027.

Manufactured Home Community Redevelopment Program: The $1 million per year grant program funds infrastructure improvements or acquisition of manufactured home parks to assist the needs for aging manufactured home communities around the state, to improve long-term affordability and help families avoid displacement. The program prioritizes projects based on health, safety and critical needs improvements, as well as projects that leverage support from local municipalities, and/or projects converting a community to a cooperative ownership model. Eligible applicants include privately, publicly or cooperatively owned communities, as well as nonprofit organizations acting as an intermediary on behalf of a park. Funds are made available through an annual competitive request for proposals (RFP) process. The program first received a base appropriation in 2019. The program received an additional $16 million in one-time resources for FY 2024-25 and an additional one-time appropriation of $4 million in FY 2027.

State Tax Credit Contribution Program: This state tax credit program was created by the Legislature in 2021. Starting in 2023 tax year, individual taxpayers can contribute to the program and receive a tax credit on their contribution. Individuals can designate the funds to a specific qualifying projects or can provide their contributions to a general pool to provide loans and grants to affordable housing projects. A total of $9.9 million in credits are available each year. If all the credits are claimed, around $11.6 million will be available for grants and loans to affordable housing projects each year. In 2026, available tax credits were over-subscribed in a few hours of the program opening.

Housing Infrastructure: In 2023, the Legislature provided a one-time state general fund appropriation of $200 million for the Housing Infrastructure. Housing Infrastructure eligible uses are permanent supportive housing, federally assisted rental housing, senior housing, single family development, manufactured home communities, rental workforce housing and new in 2024, cooperatively-owned housing. Resources were available through several RFPs administered by the agency. Historically, Housing Infrastructure resources have been provided as Housing Infrastructure Bonds which allows the agency to issue debt to finance grants and loans for stated purposes with the debt service paid by the State of Minnesota.

One-time Funding:

The Legislature recently created the **Greater Minnesota Housing Infrastructure Grant**. The program makes grants to cities to provide up to 50 percent of the capital costs of public infrastructure necessary for an eligible workforce housing development program. In 2023, the program was funded one-time with $5 million in state appropriations and $3 million in General Obligation (GO) bond proceeds. In 2025, the program received an additional $2 million. Manufactured housing infrastructure was added as an eligible use in 2024.

In 2025, a separate program, **Cooperative Manufactured Housing Infrastructure,** was created to support local units of government that wish to add additional units of cooperatively-owned manufactured housing. It was funded with $3 million in GO bond proceeds.

In 2023, the Legislature provided $10 million as legislatively-named grant to CoNorth to establish the **Manufactured Home Park Cooperative Purchase program** to create and preserve manufactured home communities through acquisition and improvements.

Our federal programs in this activity include:

National Housing Trust Fund – Minnesota Housing receives funding from U.S. Housing and Urban Development (HUD) for the National Housing Trust Fund. The program is targeted to building, rehabilitating, preserving and operating rental housing for extremely low-income families (30% of area median income and below). The funds come to Minnesota Housing based on a formula, require a state match and have one- and five-year planning requirements.

HOME Investment Partnerships – Minnesota Housing receives funds from HUD for the HOME Investment Partnership programs to support a wide range of affordable housing activities for low-income households. The funds come to Minnesota Housing based on a formula, require a state match and have one- and five-year planning requirements. Currently HOME funds are used for new construction and rehabilitation of rental housing. The program also received a one-time amount during the pandemic to reduce homelessness and increase housing stability.

RESULTS

Part A: Performance Data

- We measure our performance in this budget program by examining the percentage of units financed in top job growth areas and the level of affordability. Under the Challenge Program, all rental units must be affordable to households earning 80 percent of median income. However, we also want to ensure we're serving a range of households, so we review how many Minnesotans we are serving at lower income levels.
- Housing that is affordable to the local workforce generally includes households earning between $30,000 and $50,000 annually. This range varies from county to county. We base our wage calculations on data from the Department of Employment and Economic Development (DEED).

Measure	Measure type	Measure data source	Historical trend	Most recent data
Percentage of units in rental developments funded that are located in the top workforce housing communities (areas with job growth).	Quality	Program data.	The Agency has maintained in every year other than one a high level (90% or higher) in the share of development located in workforce housing communities.	FFY2021: 98% FFY2022: 90% FFY2023: 86% FFY2024: 94% FFY2025: 87%
Percentage of Workforce Housing Program units in: - Cities with populations less than or equal to 5,000 - Cities with populations less than or equal to 10,000	Quality	Program data.		FFY2021: 44% FFY2022: 77% FFY2023: 100% FFY2024: 100% FFY2025: 45% FFY2021: 44% FFY2022: 100% FFY2023: 100% FFY2024: 100% FFY2025: 52%

Measure	Measure type	Measure data source	Historical trend	Most recent data
Distribution of units financed annually with units affordable at: A) 30% of median income or less. B) 50% at median income or less, or C) 80% at median income or less	Results	Program data.	All units in all years have been affordable to low-income households (80% of the area median income or less) and 13% to 25% have been affordable to extremely- low-income households (30% of the area median income or less)/	FFY2021: A) 25% B) 68% C) 100% FFY2022: A) 24% B) 78% C) 100% FFY2023: A) 13% B) 66% C) 100% FFY2024: A) 49% B) 84% C) 100% FFY2025: A) 21% B) 55% C) 100%
Number of homes funded by the Economic Development and Housing Challenge (Challenge) program	Quantity	Program data.		FFY2021: 572 FFY2022: 237 FFY2023: 400 FFY2024: 531 FFY2025: 631
Number of homes produced by the Workforce Housing Development Program.	Quantity	Program data.		FFY2021: 97 FFY2022: 109 FFY2023: 20 FFY2024: 135 FFY2025: 0
Number of manufactured homes/lots impacted by Manufactured Home Community Redevelopment funding	Quantity	Program data.	Increasing numbers reflect recent large appropriations to the program.	FFY2021: 232 FFY2022: 386 FFY2023: 1,311 FFY2024: 2,614 FFY2025: 2,236

Evidence of Effectiveness

Evidence-based practice:	Source:	FY 24-25 Expenditures
Many state and federal rental development resources are paired with the federal Low-Income Housing Tax Credit program (LIHTC) to fund the same rental developments. The LIHTC program has been shown to increase access to affordable and quality housing, and it has the potential to reduce crime, increase neighborhood socio-economic diversity, and reduce blight.	Results First Clearinghouse Database: https://evidence2impact.psu.edu/results-first-resources/clearing-house-database/ What Works for Health: https://www.countyhealthrankings.org/strategies-and-solutions/what-works-for-health/strategies/low-income-housing-tax-credits-lihtcs	The Challenge Program = $11.5 million

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M.S. 462A.33 (https://www.revisor.mn.gov/statutes/?id=462A.33) provides the legal authority for Minnesota Housing's development and redevelopment activities.
M.S 462A.38 (https://www.revisor.mn.gov/statutes/cite/462A.38) provides the legal authority for the Workforce and Affordable Homeownership Program.
M.S. 462A.39 (https://www.revisor.mn.gov/statutes/cite/462A.39) provides the legal authority for the Greater Minnesota Workforce Development Program.
462A.2035 (https://www.revisor.mn.gov/statutes/cite/462A.2035) provides the legal authority for the Manufactured Home Redevelopment Program.
M.S 462A.40 (https://www.revisor.mn.gov/statutes/cite/462A.40) provides the legal authority for the Tax Credit Contribution Fund Program.
M.S 462A.40 (https://www.revisor.mn.gov/statutes/cite/462A.37) provides the legal authority for the Housing Infrastructure Program
M.S. 462A.395 (https://www.revisor.mn.gov/statutes/cite/462A.395) provides the legal authority for the Greater Minnesota Housing Infrastructure Program

Program: Housing Stability
Activity: Rental Assistance

https://www.mnhousing.gov/

AT A GLANCE

- Assisted more than 16,654 households in 2025.
- Median annual income of households served is $10,000-$12,200.
- 50 percent of the households served were families with children for the Housing Trust Fund program
- This activity contributes to the goals of the Minnesota Interagency Council on Homelessness' *Plan to Prevent and End Homelessness* and the State's Olmstead Plan.

Numbers are for FFY2025, unless otherwise noted

PURPOSE AND CONTEXT

An estimated 210,000 renter households making 50% area median income (AMI) or less are considered cost-burdened, spending more than 30% of their income on housing. Rental assistance is critical to providing housing stability for individuals and families to tie the amount their pay in rent to their actual income. Rental assistance and other types of housing assistance is essential to the state's efforts to prevent and end homelessness.

Rental assistance and services combine providing supportive housing to help individuals and families with multiple barriers to obtaining and maintaining housing. Supportive housing provides stability for the poorest households so they can successfully address barriers to employment, complete school or training and achieve independent living.

Some of the best outcomes are achieved when people can access stable, affordable housing quickly, and then connect with services that align with their needs to support health, employment and long-term stability. This is referred to as the 'Housing First' model. People with disabilities and individuals who have faced homelessness benefit when health care and support services, like employment services, are available to them in their homes. Research shows that people do better when needed services and stable homes are coordinated. The broader community benefits from supportive housing, through reductions in expensive public systems such as emergency room visits.

SERVICES PROVIDED

Minnesota Housing administers several rental assistance programs that help households secure stable homes, access supportive services and achieve long-term housing stability.

Bring It Home Rental Assistance: Bring It Home provides statewide rental assistance so households with low incomes (50% AMI or less) pay an affordable portion of their rent. The program allows local administrators to offer housing vouchers to families, as well as apply project-based rental assistance to increase the number of affordable housing units. Vouchers supplement renter contributions to their housing expenses so that households don't pay more than 30% of their income. Funds are prioritized for households earning under 30% AMI that include children. The program is administered locally by Housing and Redevelopment Authorities (HRAs) based on a need formula. The program is funded by state appropriations ($23 million per year) as well as a portion of the metro area sales tax that was established in 2023.

Housing Trust Fund Program: The Housing Trust Fund serves households with long histories of homelessness and very low incomes, with 76 percent of people served having experienced long-term homelessness. Renters pay 30 percent of their income towards rent. In 2025, 1,080 households received rental assistance under this program with an average annual assistance of $10,968. Sixty-four percent of those who received rental assistance in 2025 were households of color or from Indigenous communities. We have a priority to serve households with incomes that do not exceed 30 percent of the metropolitan AMI.

The state appropriation ($11.7 million per year) currently funds rental assistance and a limited number of operating subsidies for developments financed with state funding.

Homework Starts with Home: Housing stability for children and their families leads to improved attendance, school success and increases in household income. Homework Starts with Home funds housing assistance and services for homeless and highly mobile students and their families. An evaluation of this program found that 90 percent of households that received assistance were stably housed within two years. The students who achieved stable housing during the pilot had better attendance than homeless students statewide. In contrast, homeless students who did not receive rental assistance missed enough school to be considered chronically absent. Additionally, household income increased 15 percent during the program and some households went from homeless to homeowners in just over two years.

The program is a partnership with the Heading Home Minnesota Funders Collaborative, the Office to Prevent and End Homelessness, and the Departments of Education and Human Services. The base budget for the program is $1.75 million per year.

Bridges Program: Through the Bridges program, we provide rental assistance for households in which at least one adult member has a serious mental illness, so they can live independently in the community. Households with incomes below 50 percent of the area median income are eligible for this program (currently below $59,100 for a four-person household in the metropolitan area and $52,000 for a four-person household in much of the remainder of the state). We partner with the Department of Human Services to deliver this program. Households receive both rental assistance and assistance from a social service agency.

This program plays an important role in the state's Olmstead Plan, as it helps people with disabilities live, work and learn in the most integrated setting possible.

Our federal programs in this activity include:

Federal Housing Opportunities for Persons with AIDS (HOPWA) Program: Through the HOPWA Program we provide grants that can be used to meet the housing needs of persons with Acquired Immune Deficiency Syndrome (AIDS), HIV-positive status or related diseases and their families. The federal program authorizes grants for both housing assistance and services. Minnesota Housing's HOPWA funds are used for short-term housing assistance and rental subsidies. Due to federal changes, Minnesota Housing no longer receives annual resources for this program.

Section 811: This federal program provided funding to states for project-based rental assistance to create integrated, cost-effective supportive housing for people with disabilities. Section 811 plays an important role in implementing the state's Olmstead Plan by creating new supportive housing opportunities across the state. This allows persons with disabilities to live as independently as possible in the community. These funds were awarded to projects through our consolidated Request for Proposal process and we partner with the Department of Human Services on this program. Minnesota Housing has received 3 rounds of funding under this program, receiving the highest amount of any housing finance agency in the country.

RESULTS

Part A: Performance Data

Through the programs under this budget activity, we provide a variety of resources to create supportive rental housing opportunities and serve people who have experienced homelessness or who have a disability. These programs keep some of Minnesota's most vulnerable citizens out of homelessness and institutions. To measure our performance in this activity, we track outcomes including housing stability and changes in income levels.

Measure	Measure type	Measure data source	Historical trend	Most recent data
Number of households who received rental assistance	Quantity	Program data		**Housing Trust Fund** FFY2021: 1,408 FFY2022: 1,251 FFY2023: 1,243 FFY2024: 1,180 FFY2025: 1,080 **Bridges** FY2021: 691 FFY2022: 650 FFY2023: 709 FFY2024: 588 FFY2025: 579 **Homework Starts with Home** FY2021: 251 FFY2022: 378 FFY2023: 332 FFY2024: 238 FFY2025: 170
Percentage of people who remained in housing or had a positive exit (moved to permanent affordable housing).	Quality	Homeless Management Information System (HMIS)	The activity had a positive outcome for about 90% of program participants in each of the past several years.	SFY2021: 92% SFY2022: 89% SFY2023: 88% SY2024: 87% SY2025: 88%
Percentage of households with increased income from entry to exit.	Results	Homeless Management Information System (HMIS)	Nearly half of program participants in each of the last several years had their incomes increase while being served by the program.	SFY2021: 35% SFY2022: 36% SFY2023: 31% SY2024: 33% SY2025: 35%

Measure	Measure type	Measure data source	Historical trend	Most recent data
Median income of households served	Quality	Program data	Rental assistance serves households with the lowest incomes.	**Housing Trust Fund** FFY2021: $8,904 FFY2022: $9,000 FFY2023: $10,092 FFY2024: $10,092 FFY2025: $10,968 **Bridges** FY2021: $10,500 FFY2022: $10,800 FFY2023: $11,208 FFY2024: $12,204 FFY2025: $12,228 **Homework Starts with Home** FY2021: $11,808 FFY2022: $16,800 FFY2023: $14,925 FFY2024: $11,280 FFY2025: $10,464
Percent of households served that include children	Quality			**Housing Trust Fund** FFY2021: 52% FFY2022: 49% FFY2023: 49% FFY2024: 48% FFY2025: 50% **Bridges** FY2021: 29% FFY2022: 28% FFY2023: 18% FFY2024: 17% FFY2025: 18% **Homework Starts with Home** FY2021: 100% FFY2022: 100% FFY2023: 100% FFY2024: 100% FFY2025: 100%

Evidence of Effectiveness

Evidence-based practice:	Source:	FY 24 Expenditures
The Bridges and Housing Trust Fund program can utilize a "housing first" strategy and housing with services for people with disabilities and/or experiencing long-term homelessness, which have been shown to reduce homelessness, increase housing stability and reduce hospital utilization.	What Work for Health (Housing First): https://www.countyhealthrankings.org/strategies-and-solutions/what-works-for-health/strategies/housing-first What Work for Health (Service Enriched Housing): https://www.countyhealthrankings.org/strategies-and-solutions/what-works-for-health/strategies/service-enriched-housing Minnesota Inventory: https://mn.gov/mmb/results-first/inventory/ Results First Clearinghouse Database: https://evidence2impact.psu.edu/results-first-resources/clearing-house-database/	Bridges = $4.4 million Housing Trust Fund = $13.4 million
Homework Starts with Home and Rental Assistance, including Bridges and Housing Trust Fund, fund rental assistance vouchers that operate very similarly to the federal Housing Choice Voucher (Section 8) program, which has been shown in increase neighborhood choice and socio-economic diversity and reduce homelessness and exposure to crime.	Work Works for Health: https://www.countyhealthrankings.org/strategies-and-solutions/what-works-for-health/strategies/housing-choice-voucher-program-section-8 Minnesota Inventory: https://mn.gov/mmb/results-first/inventory/ Results First Clearinghouse Database: https://evidence2impact.psu.edu/results-first-resources/clearing-house-database/	Homework Starts with Home = $2.1 million Bridges = $4.4 million Housing Trust Fund = $13.4 million

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M.S. 462A.201 (https://www.revisor.mn.gov/statutes/?id=462A.201) provides legal authority for Housing Trust Fund Program
M.S. 462A.2097 (https://www.revisor.mn.gov/statutes/?id=462A.2097) provide the legal authority for the Bridges Program
M.S. 462A.2095 (https://www.revisor.mn.gov/statutes/cite/462A.2095) provides the legal authority for the Bring It Home rent assistance program.

Program: Homeownership Assistance

https://www.mnhousing.gov/

AT A GLANCE

- Helped 3,374 households buy their first home in 2025 through downpayment assistance programs and competitive first-mortgage financing.
- Median annual income of households served with downpayment assistance is $67,131 for our deferred, no monthly payments, loan program.
- 47 percent of households served are households of color and Indigenous households.
- Nearly 60 percent of the households served were families with children.
- Assisted 8,260 households with Homebuyer Education, Counseling and Training with a median income of households served is $56,000.

Numbers are for FFY2025, unless otherwise noted

PURPOSE AND CONTEXT

We know homeownership is the primary driver for building wealth for low- and moderate-income households. Each year of successful homeownership adds nearly $10,000 in household wealth. It also creates stability for families and stronger connections within our communities. Homeownership becomes more affordable with access to down payment assistance and competitive interest rates.

More resources and more intentional efforts are needed because while Minnesota has one of the nation's highest rates of homeownership (more than 70 percent), we also have the 6th largest disparity in homeownership rates between white households and Indigenous, Black and households of color. This gap has been largely unchanged over the last 20 years. A lack of the wealth available for entry costs – including downpayment and closing costs – contributes to the homeownership gap. Other reasons for the gap include credit and lending practices, cultural factors, systemic racism and discrimination. Over 60,000 renter households of color in Minnesota have the income they need to potentially buy a home and are within the prime homebuying age range.

Minnesota Housing provides loans to help with the upfront funds needed to purchase a home. Many moderate-income households have sufficient income to make monthly mortgage payments, but lack the wealth necessary for a downpayment and closing costs. This activity helps finance a portion of these costs and makes it possible for these families to purchase a home. Homebuyers are able to use a streamlined process, applying for down payment and closing cost assistance and home purchase financing at the same time, through our partnership with a statewide network of loan officers.

SERVICES PROVIDED

We're helping to close the gap and start households on the path to sustainable and affordable homeownership through our mortgage programs, marketing and outreach, homebuyer education, and assistance with downpayment and closing costs.

Homeownership Assistance Fund: Through the Homeownership Assistance Fund with a base appropriation of $885,000 per year, we provide assistance to first-time homebuyers to use toward downpayment and closing costs. In 2025, the average downpayment and closing cost loans financed with state appropriations and agency resources was $15,816 for about 2,644 households.

We provide the assistance in the form of a second mortgage with no interest. We defer repayment of the loan, and in some cases, it may be forgiven. In cases such as a sale or refinance, the loan is repaid to Minnesota Housing so we can help another first-time homebuyer. The average household income for a household that received assistance was $67,131 in 2025. Homebuyers who receive assistance are required to participate in homebuyer education, have a credit score of at least 640 and provide minimum cash investment. Our network of private lenders delivers the downpayment loan programs directly to homebuyers.

Minnesota Housing supplements state appropriations with agency resources when possible. For buyers with slightly higher incomes, the agency also provides downpayment and closing cost assistance in the form of loans with a monthly payment and an interest rate.

Homebuyer Education, Counseling and Training Program: Homebuyer education and counseling improve housing stability and homebuyer outcomes. Through the Homebuyer Education, Counseling and Training (HECAT) program, Minnesota Housing works in collaboration with a network of housing counseling organizations. Together we have designed a comprehensive statewide delivery network for homebuyer training and education. This network is overseen by the Minnesota Home Ownership Center, a nonprofit organization based in St. Paul.

The homebuyer training network receives support from state and federal appropriations as well as lending institutions and foundations. We award grants to qualified nonprofit counseling organizations through a competitive Request for Proposal process. The organizations provide both pre-purchase and post-purchase counseling for low- and moderate-income first-time homebuyers. We also provide funding for foreclosure prevention counseling to help homeowners avoid foreclosure whenever possible. The need for this service has risen with pre-foreclosure notices steeply increasing in Minnesota, with year-over-year increases of over 40% from 2024 to 2026,[1] while federal resources for foreclosure counseling have been restricted.

The base appropriation for HECAT is $857,000 per year.

Manufactured Home Relocation Trust Fund: The Minnesota Manufactured Housing Relocation Trust Fund was created in 2007 by the Minnesota Legislature to provide participating homeowners in manufactured home parks with compensation in the event that all or part of their manufactured home park closes. Manufactured home park owners make payments to the Trust Fund when a manufactured home park is being closed or the land will no longer be used as a manufactured home park. Minnesota Housing then processes requests and payments to homeowners relocating from closed parks.

One-time funding:

First Generation Downpayment Assistance - $150 million total, including $50 million administered directly by Minnesota Housing and our lender network and $100 million administered by Midwest Minnesota Community Development Corporation (MMCDC) and a network of Community Development Financial Institutions (CDFIs). The two programs provide downpayment assistance to buyers whose parents did not own a home or who lost a home to foreclosure. Each program has income limits and maximum purchase prices.

- The agency program provides deferred, interest-free and forgivable loans up to $35,000 with half the loan forgiven after 10 years and the rest after 20 years. The agency's program can be paired with the agency's first mortgage and other qualifying downpayment assistance programs.
- The program administered by MMCDC provides a deferred, interest free and forgivable loan up to $32,000 that is forgiven over five years (20 percent forgiven each year).

Homeownership Investment Grants - $40 million to support initiatives that encourage affordable homeownership across the state. The resources are delivered through critical Community Development Financial

[1] https://www.attomdata.com/news/market-trends/foreclosures/2026-mid-year-foreclosure-market-report/

Institutions (CDFIs) for: housing development to increase supply of affordable owner-occupied homes, financing programs for affordable new construction, acquisition, rehabilitation and resale of existing homes or for establishing revolving loan accounts.

Manufactured Home Lending Grants - $10 million to NeighborWorks Home Partners through a legislatively-named grant to provide manufactured home financing, downpayment assistance, and home rehab resources to manufactured homeowners and their homes located in cooperatives.

Fee-based Home Purchasing - $10 million to NeighborWorks Home Partners through a legislatively-named grant to develop and administer home purchase products for interest-adverse buyers.

RESULTS

Part A: Performance Data

To track our outcomes under this budget activity, we examine the percentage of loans issued to households of color and indigenous community as well as how many of our homebuyers use our downpayment loan programs.

For reference, as of 2018, 34% of households that are income-ready to buy a home and in the prime first-time homebuyer age (25 to 44) are households of color. We made 42% of our first-time homebuyer loans to households of color or Hispanic ethnicity in Federal Fiscal Years 2024 and 47% in 2025. By comparison, according to Home Mortgage Disclosure Act (HMDA) data, lending to households of color as a percentage of all mortgage activity in the overall mortgage market was only 24% in 2025.

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Number of households buying their first home through downpayment assistance programs and competitive first-mortgage financing (Start Up)	Quantity	Minnesota Housing program data.	Participation is impacted by market conditions, including available inventory in price ranges that qualifying buyers can afford.	FFY2021: 4,399 FFY2022: 4,413 FFY2023: 3,547 FFY2024: 4,135 FFY2025: 3,374
Percentage of Minnesota Housing loans for first-time homebuyers issued to households of color and indigenous communities	Quality	Minnesota Housing program data.	The percentage is nearly twice the rate for all home purchase lending in Minnesota (24%) and has been steadily increasing. High interest rates and a very limited supply of home for sale reduced the percentage a little in 2023.	FFY2021: 38% FFY2022: 40% FFY2023: 37% FFY2024: 42% FFY2025: 47%
Percentage of downpayment assistance going to households of color and indigenous communities.	Quality	Minnesota Housing program data.	This trend is very similar to the trend for all first-time homebuyer loans.	FFY2021: 39% FFY2022: 41% FFY2023: 38% FFY2024: 42% FFY2025: 48%
Percentage of homebuyer loans that included downpayment assistance	Quality	Minnesota Housing program data.	For each of the last several years, nearly all mortgages have downpayment assistance.	FFY2021: 97% FFY2022: 98% FFY2023: 96% FFY2024: 98% FFY2025: 95%

Median income of households receiving deferred down payment assistance with no monthly payments	Quality	Minnesota Housing program data.	The income limit for the program in 2026 is up to $156,100, depending on the county.	FFY2021: $54,447 FFY2022: $57,645 FFY2023: $65,793 FFY2024: $69,616 FFY2025: $67,131
Percent of households served that have children	Quality	Minnesota Housing program data.		FFY2021: 50% FFY2022: 63% FFY2023: 56% FFY2024: 57% FFY2025: 60%
Foreclosures prevented as a percentage of closed counseling cases	Results	Minnesota Homeownership Center's Community Impact Report 2023	95% of households who sought foreclosure counseling and completed the legal process avoided foreclosure.	FFY2021: 94% FFY2022: 93% FFY2023: 95% FFY2024: 95% FFY2025: 95%
Number of households receiving Homebuyer Education and Counseling services (HECAT)	Quantity	Minnesota Housing program data.		FFY2021: 7,425 FFY2022: 6,494 FFY2023: 6,337 FFY2024: 5,180 FFY2025: 8,260
Median income of households receiving Homebuyer Education and Counseling services (HECAT)	Quality	Minnesota Housing program data.		FFY2021: $42,384 FFY2022: $43,000 FFY2023: $47,790 FFY2024: $54,000 FFY2025: $56,000

Evidence of Effectiveness

Evidence-based practice:	Source:	FY 24-25 Expenditures
The Homeownership Assistance Fund (HAF) provides downpayment and closing-cost assistance to first-time homebuyers. Participants are required to take homebuyer education.	Christina Pierhoples Stacy, Brett Theodos, and Bing Bai, "How to Prevent Mortgage Default Without Skin in the Game: Evidence from an Integrated Homeownership Support Nonprofit," Journal of Housing Economics 39 (2018), pp. 17-24. This study from staff at the Urban Institute shows that downpayment assistance coupled with other services, including homebuyer education and counseling (which Minnesota Housing requires), help people get over the savings barrier and achieve successful homeownership with a low downpayment. The study used a quasi-experiential design with propensity matching to create the comparison group to evaluate the Homewise program in New Mexico. The implementation of and the population served by Minnesota Housing's Homeownership Assistance Fund (HAF) aligns closely with the Homewise program.	HAF = $54.6 million
Homebuyer Education, Counseling and Training (HECAT) Program prepares homebuyers for the homebuying process and homeownership.	Laura R. Peck, Shawn R. Moulton, Debbie Gruenstein Bocian, Tori Morris and Donna Demarco, *Long-Term Impact Report: The HUD First-Time Homebuyer Education and Counseling Demonstration* (Abt Associates, June 2021); https://www.abtglobal.com/sites/default/files/files/insights/reports/2022/long-term-impact-report-hud-first-time-homebuyer-education-counseling-demonstration.pdf	HECAT = $1.8 million

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M.S. 462A.21, subd.8 (https://www.revisor.mn.gov/statutes/?id=462A.21) provides the legal authority for Minnesota Housing's Homeownership Assistance Fund.
M.S. 462A.41 (Sec. 462A.41 MN Statutes) provides the legal authority for Minnesota Housing's First Generation Down Payment Assistance program.
M.S. 462A.209 (https://www.revisor.mn.gov/statutes/?id=462A.209) provides the legal authority for the Homeownership, Education Counseling and Training Program
M.S. 462A.35 (https://www.revisor.mn.gov/statutes/?id=462A.35) provides the legal authority for the Manufactured Home Relocation Trust Fund

Program: Preservation
Activity: Rental Preservation and Rehabilitation

https://www.mnhousing.gov/

AT A GLANCE

- Rental preservation resources are the most cost-effective way to keep housing affordable.
- Property owners across the state are facing increasing challenges addressing both rehab needs and operating costs (e.g. insurance costs) associated with their developments.
- Half of Section 8 units and nearly 2,000 USDA Rural Development units may lose affordability within the next 10 years if support is not maintained.
- Loss of federal rent assistance can rarely be reversed, making the activity a top priority for the state.

Numbers are for FFY2025, unless otherwise noted

PURPOSE AND CONTEXT

Preserving our existing stock is generally the most cost-effective way to provide homes that are affordable to most Minnesotans. This is particularly true as growing demand outpaces new supply and market conditions drive home prices higher.

Minnesota has approximately 120,000 units of rental housing that have received or currently receive federal, state and/or local support to keep the units affordable. This represents about five percent of the homes in Minnesota, but they play a vital role in serving the state's lowest-income households, including seniors, people with disabilities and families in both urban and rural communities. These include project-based Section 8 properties, U.S. Department of Agriculture Rural Development (USDA RD) properties, public housing, Low-Income Housing Tax Credit units and other subsidized properties. These properties are located throughout the state, in large and small communities alike.

The affordable housing stock is an essential part of communities' infrastructure, and its preservation is critical to communities' continued vitality. As these properties age, or as the subsidy contracts and regulatory agreements expire, there is a risk that these units may be lost due to physical deterioration or diminished capacity of the owner. In some markets, there is additional risk that some properties may convert to market-rate housing and no longer be affordable for low-income residents.

Over 30,000 of these affordable housing units are federally subsidized through the Section 8 program. Section 8 housing is among the most affordable housing available because the tenant is required to pay only 30 percent of household income towards rent. The federal government makes up the difference between the tenant's contribution and an agreed-upon contract rent. This is a critical benefit because the median income of Section 8 households is about $13,000.

Over 9,000 privately owned affordable housing units are federally subsidized through USDA Rural Development. Around 6,000 of the over 9,000 have rent assistance paired with the unit, allowing residents to pay 30 percent of their income on rent. Many of these properties are smaller and in rural communities which makes the developments critical to preserve.

The state's affordable housing properties are both aging and limited in the total rents (revenue) they can charge. Because many costs related to operating housing (e.g. insurance, costs of repairs, security costs, etc.) are

increasing, there is increasing need to provide resources and support to maintain the financial stability and operations of the affordable housing we have in the state.

Through rental preservation and rehabilitation, Minnesota Housing provides funding for the rehabilitation, repair and stabilization of aging rental housing through several programs.

SERVICES PROVIDED

Minnesota Housing provides programs that help preserve aging rental housing and ensure long-term affordability for households with low incomes.

Affordable Rental Investment Fund – Preservation (PARIF): The PARIF program finances loans to make improvements for the health, safety and quality of federally assisted affordable housing stock that are maintained for low-income residents. This program receives $4.218 million per year from state appropriations. The Section 8 and USDA RD portfolios were developed primarily from the 1960s to the 1980s.

Due to the age of the housing stock, rents may not be able to keep up with the physical demands of the properties. The properties need large injections of capital through PARIF to make physical improvements and other support so that the properties can remain intact and affordable for decades into the future. In some markets, the developments can also convert to market rate properties as their federal contracts expire which leads to a loss of affordable housing. Owners receiving funds must commit to continuing participation in the federal rental assistance program (Section 8 or USDA RD) for the maximum term available, preserving deeply affordable homes

Rental Rehabilitation Deferred Loan Program (RRDL): RRDL provides deferred loans for critical repairs, especially for USDA Rural Development Section 515 properties, with $3.743 million in state appropriations each year. The program funds capital repairs focusing on health and safety repairs to keep it in good condition for years to come. The program has prioritized partnership with USDA Rural Development to assist developments in their Section 515 mortgage program since 2019. This critical housing stock needs to be improved and kept within the Rural Development program, otherwise federal rental assistance can be lost. The agency's work in this place is regarded as nation-leading.

One-time funding in 2023 and 2024:

Stable Housing Organizational Relief Program (SHORP) – In 2023, the Legislature created the $50 million SHORP program to provide one-time financial assistance to support eligible rental housing owners that have experienced significant detrimental financial impacts due to economic conditions.

Community Stabilization – In 2023, the Legislature created the Community Stabilization program. In 2024, the Legislature increased resources and modified the program. $50 million was set-aside for recapitalization of distressed multifamily properties (with up to $15 million set-aside for supportive housing properties), $41.750 million for multifamily naturally occurring affordable housing (NOAH), $10 million for single-family NOAH and $13.250 million for two legislatively-named grants. In 2025, $2 million was reduced from the single-family NOAH program. These funds were all available through competitive request for proposal processes.

Publicly Owned Housing Program (POHP) – POHP addresses deferred maintenance in public housing. Typically funded in the State's Capital Investment bill, the Legislature provided $15 million ($5 million legislatively-named) in state general fund appropriations for the program in 2023. The Legislature also included $30.1 million in state general fund appropriation the Capital Investment bill (as well as $41.9 million in State General Obligation bonds)

High Rise Sprinklers - $10 million to provide grants to owners of eligible buildings for the installation of sprinkler systems. Of this amount, $4 million was legislatively-named for specific buildings.

Lead Safe Homes – $3 million to provide grants to support making homes safer through lead testing and hazard reduction.

RESULTS

Part A: Performance Data

Preservation of existing affordable rental housing is one of our strategic priorities. We measure our results by reviewing the number of federally assisted rental units that are preserved and the median income of the households we serve.

Measure	Measure type	Measure data source	Historical trend	Most recent data
Number of federally assisted rental units preserved.	Quantity	Minnesota Housing Program Data	Over the last several years, the Agency has annually rehabilitated 1,100 to 1,700 affordable rental units.	FFY2021: 1,298 FFY2022: 1,272 FFY2023: 1,321 FFY2024: 1,315 FFY2025: 1,336
Median income of households served for Section 8.	Quality	Minnesota Housing Program Data	For each of the last several years, the annual incomes of the renters in these units have been extremely low.	FFY2021: $12,708 FFY2022: $13,164 FFY2023: $13,965 FFY2024: $13,928 FFY2025: $14,269

Evidence of Effectiveness

Evidence-based practice:	Source:	FY 24-Expenditures
Affordable Rental Investment Fund – Preservation (PARIF) and Rental Rehabilitation Deferred Loan (RRDL) Program provide loans for the rehabilitation and preservation of rental housing, which has been shown to improve housing conditions, health outcomes and mental health. It also has the potential to increase/improve energy efficiency and neighborhood quality and stability and reduce hospital utilization and absenteeism.	What Works for Health: https://www.countyhealthrankings.org/strategies-and-solutions/what-works-for-health/strategies/housing-rehabilitation-loan-grant-programs Results First Clearinghouse Database: https://evidence2impact.psu.edu/results-first-resources/clearing-house-database/	PARIF = $13.3 million RRDL = $1.7 million

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M.S. 462A.21, subd.8b (https://www.revisor.mn.gov/statutes/?id=462A.21) provides the legal authority for the PARIF program.
M.S. 462A.33 (https://www.revisor.mn.gov/statutes/?id=462A.33) and 462A.05, subd. 14A (https://www.revisor.mn.gov/statutes/?id=462A.05) provide the legal authority for the Rental Rehabilitation Deferred Loan program.

Program: Preservation
Activity: Homeownership Rehabilitation

https://www.mnhousing.gov/

AT A GLANCE

- Assisted 302 homeowners through the Rehabilitation Loan Program (RLP) and 892 homeowners through the Fix-up Fund Loan Program.
- Median annual income of households served through RLP is $18,915 and the median income for Fix-up Fund is $103,052.
- Eighty-six percent of the homeowners served through RLP reside in Greater Minnesota.

All numbers are for FFY2025, unless otherwise noted

PURPOSE AND CONTEXT

Maintaining and improving the state's existing single-family housing is critical, especially considering the age of many homes across the state are well over 50 years old. As homes age, many aspects of the home need to be maintained or replaced in order to keep it safe and habitable. Often these repairs cost thousands of dollars and many families do not have room in their family budget to afford an additional monthly cost. Home rehabilitation resources help homeowners remain in their homes, which is often the most affordable option in the community, especially for seniors. Additionally, rehabilitation and repair keep existing homes in good condition, which is often more cost-effective than building new homes and helps maintain naturally affordable housing.

A study by Wilder Research found that over 16,000 extremely low-income senior households (households at or below 30 percent of their area's median income) have home rehabilitation needs, including both habitability repairs and accessibility improvements. For an estimated cost of over $25,000 (inflation adjusted from their report), these seniors would be able to stay in their own rehabilitated homes and their communities for another five years. Compared to the cost of assisted-living alternatives, this cost is minimal, and studies show that most seniors prefer to age in place.

Minnesota Housing provides loans to maintain or improve owner-occupied housing to decent and safe conditions. We serve homeowners who often have incomes that are too low to qualify for loans in the private sector. Increasingly the agency is looking for more opportunities and resources to make homes more climate resilient and energy efficient through home improvement loans.

SERVICES PROVIDED

Minnesota Housing provides several rehabilitation and home improvement programs to help homeowners maintain safe, stable, energy-efficient homes.

Rehabilitation Loan Program – The Rehabilitation Loan Program provides no-interest, forgivable loans of up to $37,500 to very low-income owner-occupant households for health, safety, accessibility and energy improvements. Most participants live in Greater Minnesota, where aging housing stock and limited financing options make rehabilitation especially important, and many are seniors or people with disabilities. The loans are forgiven after 15 years if the home remains the homeowner's primary residence. Local units of government and nonprofit organizations, including Community Action Agencies, deliver this program. The program's base funding is $2.772 million per year.

This activity allows seniors and people with disabilities to avoid or delay costly institutionalization by addressing safety or accessibility housing needs. It also helps very low-income homeowners retain homeownership by using loan funds to make energy conservation improvements and health and safety improvements. Many aspects of housing have an impact on residents' health, including lead paint, radon, mold, poor ventilation and deferred maintenance. This program also serves families who own manufactured homes, whether the homes are taxed as personal property or real estate, helping maintain one of Minnesota's most affordable housing types.

Historically Minnesota Housing supplements state appropriations with agency resources for this program because statewide need typically far exceeds appropriated resources. The agency also provides other home rehabilitation programs serving households with incomes above 30% area median income using other state appropriations, like the Challenge program.

Additional Home Improvement Lending - Fix Up Loans help moderate-income homeowners make improvements with affordable monthly payments through local lenders, targeting households who can afford a monthly payment. In 2025 this program served 892 households with a total of $24.3 million in loans. These loans carry an amortizing interest rate and are available throughout the state through local lenders. Income limits, minimum credit score and owner-occupancy requirements apply to the loans. Loan amounts are from $2,000 to $75,000 with terms from 1 year to 20 years. No down payment is required and limited equity requirements improve access for families who lack savings. In some cases, the loan amount can be based on the value of the home after improvements are made.

Disaster Relief Funding: Minnesota Housing acts as the lender of last resort, after insurance and the Federal Emergency Management Agency, to provide loan resources to homeowners whose home has been impacted by a natural disaster. Loans are provided to bring the home back to the condition it was prior to the natural disaster. This program is available subject to appropriations from the Legislature and only available after a federal disaster declaration.

One-time funding in 2023:

Community Stabilization – In 2023, the Legislature created the Community Stabilization program. The program was modified in both 2024and 2025 and $8 million was set-aside specifically for single family grants or loans for acquisition or rehabilitation where market pressures or significant deferred rehabilitation needs could lead to displacement or loss of housing. The funding was made available through a competitive RFP process.

Federal funds in this activity:

With resources from the Department of Commerce, Minnesota Housing created the Energy Loan Plus program in 2024, offering affordable financing for energy conservation improvements, helping homeowners lower utility costs and make their homes more climate resilient. The program offers a below market interest rate with loans up to $30,000 and is available through local lenders. Other parameters are similar to the Fix-Up Home Improvement Loan Program mentioned above.

RESULTS

Part A: Performance Data

We track the number of seniors and the number of households with a person with a disability served in order to measure outcomes of this program. We also examine the number of people most in need – those earning less than 30 percent of the U.S. Department of Housing and Urban Development (HUD) area median income – who receive rehabilitation loans in order to measure the program's success.

Measure	Measure type	Measure data source	Historical trend	Most recent data
Number of households receiving loans through Rehabilitation Loan Program (RLP)	Quantity	Program data.		FFY2021: 203 FFY2022: 166 FFY2023: 224 FFY2024: 279 FFY2025: 302
Median income of households receiving loans through RLP	Quality	Program data.		FFY2021: $15,564 FFY2022: $16,186 FFY2023: $17,083 FFY2024: $18,444 FFY2025: $18,915
Number of households receiving loans through Fix-Up Loan Program	Quantity	Program data.		FFY2021: 1,300 FFY2022: 1,022 FFY2023: 1,116 FFY2024: 1,262 FFY2025: 892
Median income of households receiving loans through Fix-Up	Quality	Program data.		FFY2021: $84,174 FFY2022: $83,498 FFY2023: $99,625 FFY2024: $104,019 FFY2025: $103,052
Percent of loans for households in Greater Minnesota	Quality	Program data.	The Rehab Loan Program serves homeowners with the lowest incomes, often seniors.	**Rehab Loan Program** FFY2021: 94% FFY2022: 90% FFY2023: 89% FFY2024: 90% FFY2025: 87% **Fix-Up Loan Program** FFY2021: 44% FFY2022: 46% FFY2023: 44% FFY2024: 44% FFY2025: 39%
Percentage of households with the lowest incomes (less than 30% of median income) that received rehabilitation loans.	Quality	Minnesota Housing Program Data	An increasing share of program participants have the lowest incomes.	FFY2021: 63% FFY2022: 76% FFY2023: 75% FFY2024: 75% FFY2025: 75%
Percentage of rehab loans provided to seniors.	Quality	Minnesota Housing Program Data	An increasing share of program participants are seniors.	FFY2021: 44% FFY2022: 41% FFY2023: 52% FFY2024: 52% FFY2025: 52%
Percentage of rehab loans to households that identified as having at least one household member with a disability.	Quality	Minnesota Housing Program Data	An increasing share of program participants have a household member with a disability.	FFY2021: 41% FFY2022: 40% FFY2023: 45% FFY2024: 53% FFY2025: 58%

Evidence of Effectiveness

Evidence-based practice:	Source:	FY 24 Expenditures
The Rehabilitation Loan Program provides zero-interest, deferred, forgivable loans to low-income homeowners to improve and rehabilitate their homes, which has been shown to improve housing conditions, health outcomes and mental health. It also has the potential to increase/improve energy efficiency and neighborhood quality and stability and reduce hospital utilization and absenteeism.	What Works for Health: https://www.countyhealthrankings.org/strategies-and-solutions/what-works-for-health/strategies/housing-rehabilitation-loan-grant-programs Results First Clearinghouse Database: https://evidence2impact.psu.edu/results-first-resources/clearing-house-database/	Rehabilitation Loan Program = $4.1 million

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M.S. 462A.05, subd. 14 (https://www.revisor.mn.gov/statutes/?id=462A.05) provides the legal authority for the Rehabilitation Loan Program.

Program: Preservation
Activity: Project-Based Rental Assistance

https://www.mnhousing.gov/

AT A GLANCE

- Over 210,000 renter households are lower-income and pay more than 30 percent of their income on rent, which places them at risk of housing instability.
- U.S. Department of Housing and Urban Development's Project-Based Rental Assistance supported nearly 30,000 households.
- The median annual income of households served is $14,269.
- 47 percent of the households served are elderly and 41 percent are disabled.

All numbers are for FFY2025, unless otherwise noted

PURPOSE AND CONTEXT

Minnesota Housing administers federal rental assistance contracts to preserve the state's stock of deeply affordable homes for households with very low incomes. The U.S. Department of Housing and Urban Development (HUD) has into contracts with property owners to provide rental assistance for families with incomes less than 80 percent of the area median income. With the contract between the property and HUD, renters pay no more than 30 percent of their income in rent, which helps prevent displacement and supports long-term housing stability. The renters living in these developments are among the lowest-income of any served by Minnesota Housing, with a median income of about $14,000. Nearly half of households served are elderly and a large share are people with disabilities, making preservation essential to stability for these communities.

Minnesota Housing's connection to these properties is important because we work with property owners and residents to address any concerns. Our connection to the property also allows the agency the ability to extend other resource opportunities (e.g. rehabilitation resources) to these developments through our various programs. These rehabilitation resources provide incentives for the property owners to remain under contract with HUD and to continue to provide these deeply affordable homes.

The number of these homes available statewide has been consistent over the years, but an evolving federal landscape has recently increased the number from around 30,000 homes to nearly estimated 34,000 homes.

SERVICES PROVIDED

Minnesota Housing administers two types of federal Section 8 contracts to ensure properties remain affordable and well-maintained. Section 8 performance-based contract administration and Section 8 traditional contract administration have similar, but not identical, administrative requirements. Private owners of these buildings receive subsidies from HUD under each of these programs. Preserved Section 8 homes are located across Minnesota, supporting both urban and rural communities.

The functions provided by Minnesota Housing staff under these programs include:

- Analyzing and reviewing tenant data necessary to determine subsidy levels;
- Processing annual rent adjustments;
- Performing annual management and occupancy reviews, including a physical inspection; and
- Responding to tenant concerns.

These activities are required for property owners to receive their federal subsidy from HUD in a timely manner. The HUD subsidy ensures the proper maintenance and operations of the housing while keeping rents affordable for the lowest-income Minnesotans.

RESULTS

Part A: Performance Data

We measure our performance by examining the percentage of Section 8 units that could potentially convert to unassisted units, but whose contracts are preserved through one-, five-, 10-, and 20-year renewals. We also measure success based on the level of incentive fees we receive from HUD for our customer service and performance related to administering the program. Minnesota Housing is selected by HUD to administer contracts under this program.

Measure	Measure type	Measure data source	Historical trend	Most recent data
Percentage of Section 8 rental units at risk of converting to market-rate rents that are renewed.	Results	Minnesota Housing Program Data	Minnesota Housing has consistently preserved nearly all project-based Section 8 units, preventing them from converting to market-rate rents.	FFY2021: 99% FFY2022: 98% FFY2023: 99% FFY2024: 100% FFY2025: 95%

Evidence of Effectiveness

Evidence-based practice:	Source:	FY 24 Expenditures
Project-Based Section 8 rental assistance provides the same type of assistance as the Housing Choice Voucher (Section 8) program but the assistance is tied to a specific home/apartment rather than to assigned to a person who can take it with them as they move. While the project-based assistance would not necessarily increase neighborhood choice, it does reduce homelessness and poverty and increase food security and housing stability.	What Works for Health: https://www.countyhealthrankings.org/strategies-and-solutions/what-works-for-health/strategies/housing-choice-voucher-program-section-8 Minnesota Inventory: https://mn.gov/mmb/results-first/inventory/ Results First Clearinghouse Database: https://evidence2impact.psu.edu/results-first-resources/clearing-house-database/	Project-based Section 8 rental assistance = $250.5 million

Program: Community Capacity Building

https://www.mnhousing.gov/

AT A GLANCE

- Nearly 300 organizations locally administer one or more programs through Minnesota Housing that expand access to housing and stability across the state.
- Local Housing Trust Funds help communities respond to housing needs with local priorities and tailored solutions.
- The Local Government Housing Programs Team supports city and county governments so new state resources (like Local Affordable Housing Aid (LAHA) and Statewide Affordable Housing Aid (SAHA), provided by the Department of Revenue, are used effectively and reach households most impacted by housing instability.

All numbers are for FFY2025, unless otherwise noted

PURPOSE AND CONTEXT

Minnesota Housing supports and grows the capacity needed for organizations to deliver affordable housing throughout the state, including many state-appropriated programs. Through the activities under this program, we partner with a variety of organizations to help support their efforts in delivering affordable housing activities and working on local housing challenges. Capacity building strengthens local leadership and community voice. Support for organizations delivering housing resources locally has also helped leverage significant federal funding sources to serve more Minnesota households.

SERVICES PROVIDED

We rely on a robust network of partners to deliver many of our programs. We provide: 1) assistance to nonprofits to help build their capacity to serve their communities and 2) resources to local units of government to support their efforts solving housing challenges. The agency's Local Government Housing Programs team helps support cities and counties across the state as they administer new affordable housing aid resources.

Capacity Building Programs: Capacity Building funds help organizations increase their ability to deliver our programs and reach diverse geographic and cultural communities. Capacity Building Programs support a range of organizations and initiatives, including the Greater Minnesota Continuums of Care that ensure communities in Greater Minnesota have access to federal resources to prevent and end homelessness. State appropriations have also supported specific organizations such as HOME Line for their statewide tenant hotline that helps renters understand their rights, resolve issues, and maintain stable housing.

On-going funding is $645,000 per year. The agency also supplements the state appropriations for Capacity Building with agency resources on a limited basis.

Local Housing Trust Fund Grants: Local Housing Trust Funds allow communities to grow the resources needed to address their unique local housing needs. The Legislature provided $4.8 million in one-time resources to the Local Housing Trust Fund Grants program to incentivize the creation of more funds. The program provides grant funds to local communities equal to 100 percent of the new public revenue committed to the local housing trust fund from any source other than the state or federal government, up to $150,000, and depending on funding availability, an amount equal to 50 percent of the new public revenue committed to the local housing trust fund from any source other than the state or federal government that is more than $150,000 but not more than

$300,000. Funds in a local or regional housing trust fund must be used on specific housing related initiatives and administration.

Greater Minnesota Small Cities (Tier II Cities) Housing Aid Grant Program: The program is designed to aid small Greater Minnesota cities (those outside the seven-county Twin Cities metro area with fewer than 10,000 residents) to develop and preserve affordable and workforce housing. The program allocates resources through a competitive request for proposals (RFP), prioritizing smaller communities and emphasizing local priorities. Up to $1.250 million is available for this program each year.

Build Wealth MN – The Legislature provides $500,000 per year to support Build Wealth MN's family stabilization program which provides intensive one-on-one financial wellness support to individuals and families. Additionally, in 2023 the Legislature provided $5 million as a grant for the 9,000 Equities Fund which is a targeted loan pool to provide affordable first mortgages or equivalent financing opportunities to households struggle to access mortgages in underserved communities of color.

RESULTS

Part A: Performance Data (Required)

Measure	Measure type	Measure data source	Historical trend	Most recent data
Federal funds leveraged for Continuum of Care organizations per dollar of state money spent.	Quantity	Minnesota Housing Program Data	In each of the last several years, each dollar of funding for Greater Minnesota Continuums of Care have leveraged $124 to $140 of federal funds.	FFY2021: $141 FFY2022: $124 FFY2023: $140 FFY2024: $137 FFY2025: $144
Households receiving legal services from HOME Line	Quantity	Grantee-provided data	Legal hotline utilization has increased year over year consistently.	FFY2021: 15,067 FFY2022: 18,989 FFY2023: 19,707 FFY2024: 19,991 FFY2025: 20,396
Total client contacts to HOME Line hotline	Quantity	Grantee-provided data	Call volume has increased and remains high.	FFY2021: 22,762 FFY2022: 33,393 FFY2023: 36,682 FFY2024: 35,486 FFY2025: 36,779
Percent of households utilizing HOME Line that are low, very low, or extremely low income	Quality	Grantee-provided data	9 of 10 HOME Line users have been in the lowest income classifications every year.	FFY2021: 91.6% FFY2022: 89.6% FFY2023: 87.4% FFY2024: 87.5% FFY2025: 90.1%

Part B: Evidence of Effectiveness

While some grants under this program provide resources for evidenced-based practices (e.g. resources that support Housing First), the entirety of the funding under this program does not currently implement or directly fund a specific practice, program, or intervention model that has been evaluated for effectiveness using randomized controlled trials, quasi-experimental methods, or other recognized research designs.

M.S. 462A.21, Subd. 3b (https://www.revisor.mn.gov/statutes/?id=462A.21) provides the legal authority for Capacity Building Program.

Program: Administration

https://www.mnhousing.gov/

AT A GLANCE

- Minnesota Housing is regarded as one of the strongest Housing Finance Agencies in the country.
- Minnesota Housing holds AA+ and Aa1 credit ratings from Standard & Poor's and Moody's. Strong credit ratings allow Minnesota Housing to borrow at lower cost and deliver more affordable loans to households and developers.
- We provided more than $1.8 billion to help Minnesotans live in safe, stable, affordable homes.
- Minnesota Housing receives an independent financial audit every year.
- Our total operating costs, as a percentage of assistance provided, typically do not exceed 3 percent. Efficient operations allow almost all resources to support households, communities, and partners.

All numbers are for FFY2025, unless otherwise note

PURPOSE AND CONTEXT

Housing needs have increased across the entire state, while Minnesota Housing's finance activity has grown substantially. The total amount of resources delivered by the agency and its partners was increasing, from $1.3 billion in 2018 to $1.8 billion in 2025, reaching a historic $2.18 billion in 2022, even before the Legislature's historic investment in housing in 2023 more than doubled the number of state-appropriated programs administered by the agency. New programs, particularly in the area of funds directed to local governments, significantly increased the scope and scale of Minnesota Housing's work.

Minnesota Housing serves a broad range of stakeholders, including homebuyers, homeowners, renters, property owners, grantees and other housing partners. Compared with other housing finance agencies across the country, Minnesota Housing offers an unusually broad range of resources and programs to address the state's diverse housing needs, in large part because of the additional resources provided by the Legislature. Historically, the agency has not used state appropriations to cover the administrative costs associated with administering state-funded resources, allowing 100 percent of those appropriations to be directed toward households and partners across Minnesota.

Minnesota Housing's role reflects the unique partnership between the agency and the Legislature to address housing needs that are not fully met by the private market. Like other state housing finance agencies, Minnesota Housing serves as a public-benefit financial institution that helps bridge gaps in access to housing and homeownership resources. The scale of the agency's activity demonstrates both the growing demand for housing assistance and the state's commitment to using Minnesota Housing to respond to those needs.

SERVICES PROVIDED

We have four primary business divisions (Single Family, Multifamily, Housing Stability and Local Government Housing) that conduct a variety of activities to administer state and federal programs with the networks of partners. Along with the Finance Division that manages the agency's finances and assets, we have several other support divisions to accomplish the critical work.

Single-Family/Homeownership: The Single-Family Division implements our homeownership, homeowner and community development programs. Their activities include: providing loan and grant resources to developers,

administering downpayment and closing cost assistance programs, and compliance monitoring, monitoring homeownership lenders, processing loan reservations and disbursements, working with home improvement partners, and delivering manufactured home community resources.

Multifamily/Rental: The Multifamily Division reviews and oversees multifamily rental property activities and programs. Their activities include: underwriting multifamily developments, providing loan and grant resources to developers, overseeing construction and initial rent-up, overseeing long-term asset management, as well as oversight and compliance for properties in the agency's portfolio. The multifamily division also monitors properties to ensure compliance with federal programs, including: Section 8, low-income housing tax credits, National Housing Trust Fund and the HOME program.

Housing Stability: The Housing Stability Division manages programs and activities that provide stability to individuals, families, as well as the properties they live in. The programs administered include rental assistance, emergency rental assistance and other activities related to supportive housing to assist individuals, families as well as the organizations focused on preventing and ending homelessness.

Local Government Housing: The Local Government Housing team administers funding to support local and Tribal governments as they finance the development of affordable and workforce rental and single-family housing, provide rental assistance and advance other initiatives to meet local housing needs in their communities.

Finance: The finance team is responsible for managing the agency's investments and debt and for overseeing the agency's bond sales. Our bond issuer ratings were AA+ and Aa1 from Standard and Poor's Rating Services and Moody's Investor Services, Inc., respectively. Our credit ratings are separate from and are not directly dependent on ratings on debt issued by the State of Minnesota.

Other Divisions: In addition to our three primary business divisions and the finance division, Minnesota Housing has a number of divisions, including: Business and Technology Support, Policy and Community Development, Communications, Planning and Administration, and Legal and Risk Management.

RESULTS

Part A: Performance Data

In setting an administrative budget, we seek a balance between maximizing agency resources available for housing needs and investing in adequate staff and technology to ensure efficient operations, appropriate oversight and accessible and affordable housing. Our total operating costs, as a percentage of assistance provided, typically does not exceed 5 percent.

Measure	Measure type	Measure data source	Historical trend	Most recent data
Operating costs as a percentage of assistance provided.	Quality	Minnesota Housing Operating Cost Report	Over the last several years, the Agency's operating costs have typically been less than 3% of the assistance provided.	FFY2021: 1.99% FFY2022: 1.80% FY2023: 2.28% FFY2024: 2.45% FFY2025: 3.04%

Part B: Evidence of Effectiveness (Required)

This program does not currently implement or directly fund a specific practice, program, or intervention model that has been evaluated for effectiveness using randomized controlled trials, quasi-experimental methods, or other recognized research designs.

M.S. 462A (https://www.revisor.mn.gov/statutes/?id=462A) provides the legal authority for Minnesota Housing.