



Emerging Markets Homeownership Initiative

Ending Long-Term Homelessness Initiative



“We are committed to meeting Minnesotans’ needs for decent, safe, affordable homes and stronger communities.”

Minnesota Housing Finance Agency

Housing Assistance In Minnesota



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Introduction

The mission of the Minnesota Housing Finance Agency (MHFA) is to meet Minnesotans’ needs for decent, safe, affordable homes and stronger communities. The MHFA works to accomplish this mission by focusing on five strategic goals: ending long-term homelessness, increasing the minority homeownership rate, strategically preserving the existing stock of affordable housing, increasing housing choices for low- and moderate-income workers, and establishing the MHFA as a housing partner of choice. The MHFA strategic plan and goals for 2004-2007 is available at:

www.mhfa.state.mn.us/about/strategic_plan_summary.htm

In pursuing its mission in FY 2005 (October 1, 2004 through September 30, 2005) the MHFA:

- ⇒ Provided more than \$637 million in housing assistance
- ⇒ Assisted nearly 58,000 households or units of housing

This report identifies the MHFA’s efforts to advance its mission and summarizes some of the basic characteristics of households assisted.

Single Family Homes

The MHFA Single Family Homes programs provided \$398.8 million in assistance to more than 16,400 homeowners and homebuyers. That assistance includes: improvement and rehabilitation loans, development and preservation support, entry cost assistance, and mortgage financing. It also includes financial support and technical assistance for training, education, homeownership counseling, and foreclosure prevention.

Multifamily Housing

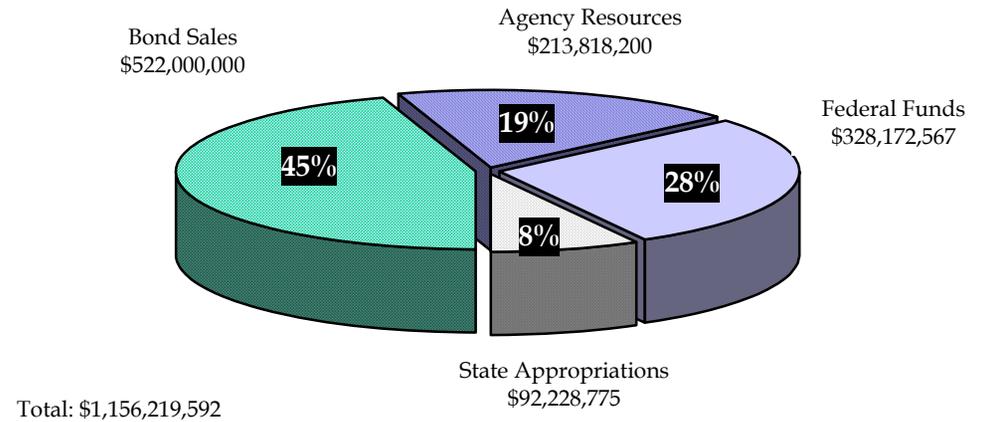
MHFA Multifamily programs provided \$238.5 million in assistance, including Section 8 Housing Assistance Payments, to sponsors or tenants of more than 41,500 units of affordable rental housing. Assistance under MHFA rental programs includes: vouchers,

deferred loans, preservation of the affordability of existing housing, permanent financing for new affordable rental housing, and assistance for people with special needs.

Sources and Uses of Funding

Every two years, the Minnesota Housing Finance Agency develops an Affordable Housing Plan that reflects the Agency’s anticipated plan for investment of funds in affordable housing, and the sources of these funds, for the biennium. The Agency developed its Affordable Housing Plan for the 2006-2007 biennium in the fall of 2005.

Sources of Funds, 2004/2005 Biennium



Bonds

The MHFA's largest source of financing is the sale of revenue bonds, which accounted for 45% of the funds available to the MHFA for housing assistance in the 2004/2005 biennium. Because many of the bonds sold by the MHFA are tax-exempt, they carry a lower interest rate, allowing the Agency to provide financing at below-market interest rates to qualifying low- and moderate-income applicants.

Federal Funds

Federal appropriations, primarily for Section 8 assistance for low-income tenants, accounted for 28% of funds available in 2004/2005. In FY 2005, HUD allocated more than \$10 million in federal HOME funds to the MHFA and \$105,000 under the Housing Opportunities for Persons with AIDS (HOPWA) program.

Agency Resources

The MHFA uses its own funds for a variety of activities including bond sale contributions, low interest loans, and deferred loans. These Agency funds, which made up approximately 19% of funds available in 2004/2005, enable the MHFA to maximize leverage in housing assistance programs.

State Appropriations

The MHFA uses state appropriations, which made up 8% of the funds available in 2004/2005, to provide deferred loans, grants, and other housing subsidies to people who are unable to repay a loan. The Minnesota Legislature appropriated \$70.3 million for the 2004/2005 biennium, including baseline and one-time appropriations.

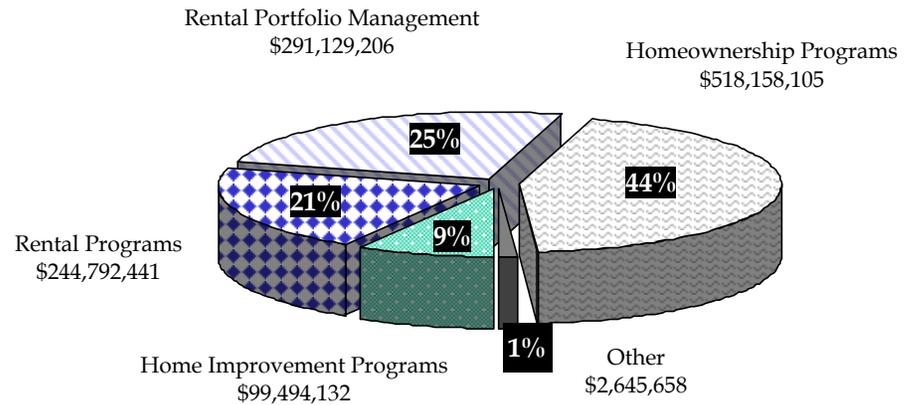
Minnesota's Housing Trust Fund, supported through a combination of the interest earnings on real estate escrow accounts and revenue bond application fees, and state appropriations, enables the MHFA to provide zero-interest deferred loans for housing development, operating costs, and rent assistance. Housing Trust Fund assistance is targeted by setting very low tenant income limits for program eligibility.

Using tax-exempt bonds, taxable bonds, Agency resources, and appropriated dollars, the MHFA offers various types of housing-related assistance ranging from homeownership training for first-time buyers to incentives to rental property owners for preservation of existing affordable housing. The MHFA targets assistance to low- and moderate-income Minnesotans and those with special housing

needs, such as the homeless and the disabled, by establishing maximum income limits for eligibility in all but a few of its programs.

In the 2004/2005 Affordable Housing Plan, the MHFA allocated resources to the following basic uses (note that Rental Portfolio Management includes assistance payments on behalf of more than 31,000 tenants of Section 8 housing):

Uses of Funds, 2004/2005 Biennium



Total: \$1,156,219,592

Highlights in 2005

⇒ Funding efforts to end long-term homelessness: The MHFA began accepting proposals in the fall of 2004 for funding supportive housing under its Ending Long-Term Homelessness Initiative Fund (ELHIF), which includes \$30 million in MHFA resources as of the beginning of the 2006/2007 biennium. The Fund advances the state's business plan to end long-term homelessness, which is expected to provide 4,000 new housing opportunities by 2010.

⇒ Funding homeless prevention efforts:

Through the Family Homeless Prevention and Assistance Program (FHPAP), the MHFA provided more than \$3.3 million in cash assistance and support services to homeless people and people at imminent risk of becoming homeless in rural Minnesota as well as metropolitan areas.

⇒ Closing the homeownership gap among minority groups:

Fannie Mae, the Federal Reserve Bank of Minneapolis, and the MHFA led the creation of a public-private collaboration of more than 50 partners to generate a business plan to increase minority homeownership. Known as the Emerging Markets Homeownership Initiative (EMHI), the goal of this collaboration is to increase homeownership rates in emerging markets throughout the state and ultimately to close the gap in homeownership rates between households of color and non-Hispanic white households. EMHI's short-term goal is 40,000 new homeowners in emerging market populations by 2012.

⇒ Financing targeted homeownership initiatives:

The MHFA has increased the amount of financing available through its Community Activity Set-Aside (CASA) program. In 2005, first-time homebuyers borrowed \$160.9 million in CASA mortgage financing, or 75% more than in 2004. CASA helps communities and their lending partners address specific locally identified housing needs by providing low-interest rate first mortgages in conjunction with entry cost assistance to eligible first-time homebuyers.

⇒ Assisting people to achieve economic self-sufficiency:

Through its Affordable Rental Investment Fund, the MHFA provided \$4.9 million to finance the development of housing targeted to recipients of the Minnesota Family Investment Program (MFIP) and to people who have lost MFIP benefits due to increased earnings or increased child support collections. MFIP is the state's major welfare program.

⇒ Developing affordable housing:

The MHFA worked to maximize leverage of the financial assistance provided to affordable housing developers. The Agency provided first mortgage financing or deferred loan assistance for 83.2% of the units for which rental property owners claimed tax credits in the last reporting year. Owners claimed \$6.4 million in tax credits for 1,205 housing units occupied or available to be occupied by low-income tenants.

⇒ Educating and counseling to ensure successful homeownership:

The MHFA, the Family Housing Fund, the Greater Minnesota Housing Fund, and the Homeownership Center collaborate to ensure the success of current homeowners and to provide information and guidance to prospective first-time homebuyers. The MHFA funds these activities through its Homeownership Education, Counseling and Training Program. An estimated 9,300 households received information, counseling, or foreclosure prevention assistance through contributions from public agencies and the private sector.

⇒ Providing disaster relief:

The MHFA participated in establishing the State Assistance Center, a multi-agency collaboration of providers to assist survivors of Hurricanes Katrina and Rita with housing and services in Minnesota. State agencies also implemented the Federal Emergency Management Agency's Interim Sheltering Program through which federal disaster relief assistance was available to eligible survivors of Hurricanes Katrina and Rita.

⇒ Achieving excellence:

The National Association of State Housing Finance Agencies honored the MHFA with two awards for program excellence, one for the Ending Long-Term Homelessness Initiative Fund in the category of Special Housing Needs and one for the Multifamily property Watchlist in the category of Rental Housing, Multifamily Management.

MHFA's Strategic Plan for Assisting Households**1) Implement the Business Plan to End Long-Term Homelessness**

At the request of Governor Pawlenty and the Minnesota Legislature, the Commissioners of Human Services, Corrections, and the MHFA convened a broadly representative Working Group to address the issue of chronic or long-term homelessness in Minnesota. In March 2004, the Working Group submitted to the Minnesota Legislature a goal-oriented, reform-minded business plan to end long-term homelessness in Minnesota by 2010. The business plan, which calls for multidisciplinary, multi-sector and multi-jurisdictional strategies, is being implemented with guidance from an Advisory Council representing business, housing, social service, nonprofit/philanthropic, and public sectors. The plan anticipates a \$540 million investment from participating partners over seven years to create 4,000 additional housing opportunities.

The MHFA has funded supportive housing under its assistance programs, such as the Housing Trust Fund, for years. Under the new Ending Long-Term Homelessness Initiative Fund (ELHIF), additional assistance is available for housing development, rehabilitation, acquisition, or preservation, as well as for operating subsidies and rent assistance for permanent supportive housing. The Minnesota Legislature also has appropriated \$10 million to the Department of Human Services to fund support services during the 2006/2006 biennium. Local foundations have capitalized an "Innovations Fund" for seed money to advance the business plan, local governments are supporting the plan, and significant interest and support exists from many other sectors including developers and service providers. In 2005, the MHFA disbursed nearly \$1.5 million in ELHIF funds for development and operating subsidies for supportive housing and nearly \$442,000 in rental assistance payments (under the Housing Trust Fund).

The Veterans & Community Housing Initiative in Saint Cloud and Clare Apartments in Minneapolis, two rental housing developments

the MHFA funded in 2005, illustrate current efforts to address homelessness in different parts of Minnesota.

The Veterans & Community Housing Initiative in Saint Cloud, a new development to be built on land owned by the Veterans Administration, will provide 60 units of housing affordable to very low-income veterans and single adults who are experiencing homelessness or who are at risk of becoming homeless. In May of 2005, the MHFA loaned more than \$6 million in GO bond proceeds and Housing Trust Fund operating assistance to the Saint Cloud HRA, which also received assistance from the Greater Minnesota Housing Fund to develop this housing. Catholic Charities will manage the completed development, which will have the capacity to serve individuals with physical or mental disabilities, and/or chemical dependencies.

Clare Apartments is a 32-unit development of permanent supportive housing for low-income persons living with HIV/AIDS. The MHFA provided more than \$429,000 to this project, which also received funds from the US Department of Housing and Urban Development, the City of Minneapolis, Hennepin County, the Family Housing Fund, and other public and private partners. Central Community Housing Trust, a collaborator in this effort, will work to include a homeownership component to the development.

The NCSHA annual Award for Program Excellence in the Special Housing Needs category honored the MHFA for its Ending Long-Term Homelessness Initiative Fund, which has enabled the MHFA to meet or exceed its production goals for supportive housing in each of the last two years. By September of 2005, the MHFA had committed more than \$13.4 million for the development of 424 units of assistance located throughout the state to assist people experiencing long-term homelessness; funding selections in October increased that to a total of \$33 million for 669 units of supportive housing, exceeding the 2005 goal of 600 units.

In addition to the MHFA's commitment of \$30 million in Agency resources as of the beginning of the 2006/2007 biennium, Governor Pawlenty and the Minnesota Legislature approved \$12 million in bond proceeds for the development of supportive housing in 2006/2007.

More information on Minnesota's initiative to end long-term homelessness is available, together with a copy of the business plan, at: www.mhfa.state.mn.us/multifamily/LTH.htm

2) Increase the Homeownership Rate for Underserved Racial and Ethnic Groups

As of *Census 2000*, more than 77% of all households in Minnesota owned their homes; however, Census data also reveal that only 41% of all households of color in Minnesota owned their homes in 2000. The MHFA is one of three conveners of the public-private Emerging Markets Homeownership Initiative (EMHI) to increase access to information and resources for communities of color and to close the gap in homeownership rates.

After extensive research and broad input from partners, stakeholders and communities, the group developed a business plan, presented in June of 2005, which calls for 40,000 new emerging markets homeowners by 2012. This figure represents an increase in the homeownership rate from 42% to 58% among emerging markets. The plan presents strategies that will establish a trusted advisor network for the homebuying process, expand and tailor outreach, and explore innovative products and structural support. A Governance Group and numerous Community Councils are guiding implementation of the Business Plan, to be led by a Director of the Emerging Markets Homeownership Initiative.

Additional information and a copy of the final EMHI business plan are at: www.mhfa.state.mn.us/homes/EMHI.htm

Pursuing its strategic goal to increase the minority homeownership rate, the MHFA provided a total of nearly \$102 million in entry cost assistance and first mortgages to assist 800 households of color achieve homeownership in 2005 (increased from \$68.1 million to 665 households in 2004).

Lenders participating in CASA initiatives in the Minneapolis/Saint Paul metro area contributed to increasing the rate of emerging market homeownership through community-based lending activity targeted to specific community needs and underserved populations, including households of color or Hispanic ethnicity and single parent families. Examples include Bremer Bank, a long-standing CASA partner, which provided entry cost assistance and first mortgage financing to 55 households in the metro area, with 49% of the loans supporting emerging markets. Two newer CASA partners, Countrywide Home Loans and Centennial Mortgage and Funding, each provided entry cost assistance and first mortgage financing to 13 households, with 69% of Centennial's and 77% of Countrywide's loans supporting emerging markets. These are among the many lenders showing strong commitment to the goal of increasing homeownership among emerging market groups.

As the EMHI business plan indicates, lack of information or misunderstanding about the homebuying process can be significant barriers to owning a home, particularly among emerging markets. Through the Homeownership Education, Counseling, and Training Program (HECAT), the MHFA partners with the Homeownership Center to promote sustainable homeownership for low- and moderate-income Minnesotans through education about the homebuying process and the responsibilities of homeownership. The MHFA also funds foreclosure prevention counseling and assistance for owners experiencing difficulties and has contributed to "DON'T BORROW TROUBLE," a public education campaign aimed at stopping predatory lending practices in the seven-county Minneapolis/Saint Paul area.

The MHFA provides HECAT funding to more than 40 delivery partners, including: housing authorities and other government agencies, neighborhood associations, and nonprofits such as the African Development Center in Minneapolis. For more information about HECAT or a complete list of agencies through which training and other resources are available contact the MHFA at: mhfa@state.mn.us or call the MHFA Consumer Information Line at 651-296-8215 (toll free, 1-800-710-8871).

Based on data from *Census 2000*, the MHFA has estimated households of color as a percentage of all households in Minnesota who may be eligible for MHFA assistance. These estimates are useful in the measurement of MHFA performance in meeting the need for homeownership and other types of housing assistance among emerging markets. Information in the following table reflects the relatively high percentage of households of color assisted through MHFA; data in Table 3 (pp. 17-19) provide specific program details.

**Households of Color as a Percentage of All Households
Estimated to be Eligible for MHFA Assistance and
MHFA-Assisted Households of Color in 2005**

Type of Housing Assistance	Households in Minnesota Estimated to be Eligible for MHFA Assistance		MHFA-Assisted Households in 2005	
	Total	% of Color	Total	% of Color
First-time buyers	133,145	17%	2,629	22%
Renters	368,480	20%	40,517	30%
Home improvement	870,482	5%	3,032	8%
Home rehab	138,073	5%	417	9%

3) Strategically Preserve Existing Affordable Housing Stock

The MHFA disbursed funds to rehabilitate, improve, or preserve the affordability of nearly 5,500 units of existing single and multifamily housing in FY 2005. This activity includes \$9.4 million to preserve more than 500 units of existing subsidized rental housing through Affordable Rental Investment Fund-Preservation (PARIF) and \$3.8

million to rehabilitate more than 400 units of housing occupied by low-income homeowners through the Rehabilitation Loan Program.

Endion School Apartments is an MHFA-financed development in Duluth with 26 units of Section 8-assisted affordable housing for families. In November of 2004, the MHFA Board committed over \$1 million to Endion School in deferred financing at no interest under PARIF. This financing will enable the property's owners to complete extensive property rehabilitation, including window system replacement and exterior brick restoration. This loan may be forgiven provided that the owners preserve the affordability of the assisted units for 10 years beyond the remaining term of the existing Section 8 contract. The rehabilitation will not displace any of the current low-income tenants.



Endion School Apartments

Preservation of existing housing remains the most cost-effective means of providing affordable housing. Each dollar of state spending under various Agency programs, since 1998, has preserved \$4.60 of federal investment in affordable rental housing.

Preservation of Federally Assisted Rental Housing as of 2005

Number of developments	Total units	Assisted units	Average MHFA subsidy per assisted unit	Remaining subsidy term, preserved units	Return on preservation
110	8,420	7,456	\$11,736	14 years	4.6

Since 1998, through loans and redefined equity programs (which do not require a financial outlay from the MHFA), the MHFA has worked with owners of more than 140 developments that contain a total of more than 9,000 existing subsidized rental units to extend their participation in federal housing assistance programs, thereby retaining affordable rents for an average of 14 additional years.

The MHFA allocates the greatest proportion of its federal HOME funds (87% of the \$10.3 million grant from the US Department of Housing and Urban Development in 2005) to the preservation of affordable housing through the HOME Rental Rehabilitation Program and the Minnesota Urban and Rural Homesteading Program, in which vacant or abandoned properties are rehabilitated and sold to at-risk homebuyers.

The MHFA disbursed \$2,995,729 during the year in asset management funds, including assistance for deferred maintenance, to owners of rental housing previously funded by the Agency. The MHFA also assisted owners to meet a variety of needs, such as tenant service coordination and counseling, using MHFA resources from the Multifamily Endowment Fund. The MHFA disbursed an additional \$1,459,553 in federal Section 236 funds for ongoing interest reduction payments to owners of 567 units of affordable rental housing previously financed by the Agency.

Preservation of existing affordable housing is an MHFA goal for owner-occupied housing as well as rental housing stock. In the fall of 2005, the MHFA selected the Hennepin County HRA Home

Accessibility Ramp Program to receive \$84,000 under its Community Revitalization Fund. This collaboration will preserve affordable housing by enabling approximately 24 homeowners with a disabled household member to remain in their homes through the installation of modular ramps or low-riser steps on the properties. This project will proceed with funding commitments from the MHFA, the Minnesota Department of Employment and Economic Development, the Tree Trust, Hennepin and Ramsey counties, the Multiple Sclerosis Society, the Veterans' Administration, and Shaw/Steward Lumber. An added benefit of this collaboration is that young adults employed through Tree Trust will receive paid job training in dimension lumber construction techniques as they assist in the construction of the ramps. Tree Trust donates the labor to dismantle ramps that can be reused in other locations, as needed.

4) Increase Housing Choices for Low- and Moderate-Income Workers

The lack of housing choices for Minnesota workers affects the state's economic vitality. The MHFA strives to increase housing choices for low- and moderate-income workers, collaborating with employers, philanthropic organizations, local governments, nonprofits, and other partners to provide greater housing choices for workers so that they can live affordably in the communities they choose.

Eagle Ridge Apartments in Red Wing illustrates how the MHFA is helping to address the lack of housing choices for people with low- and moderate-incomes in their communities. The site on which this 48-unit development is being constructed is within walking distance of jobs and only three blocks from a major transportation corridor that provides easy access to retail, services, schools, and additional employment opportunities. In addition to \$885,000 in first mortgage financing under the Low and Moderate Income Rental Program, the MHFA provided nearly \$457,000 in deferred assistance so that rents for five of the units would be affordable to families with incomes that qualify them for public assistance. An allocation of tax credits, significant assistance from the Greater Minnesota Housing Fund, and

contributions from local employers completed the resources brought together to make this affordable housing a reality.

Also located in Southeastern Minnesota, Eagles Basin Development provides another example of the collaboration essential to developing affordable housing options for Minnesota's work force. This new construction project in Wabasha will provide homeownership opportunities for 20 buyers with incomes as low as 50% of area median income. The MHFA has committed \$75,000 in affordability gap financing for homebuyers through its Community Revitalization Program; in addition, the Greater Minnesota Housing Fund will provide construction financing to the nonprofit developer, Three Rivers Community Action, as well as gap financing for homebuyers. The City of Wabasha will use tax increment financing to defray the expense of extending infrastructure to the development site. Southeastern Minnesota Multi-County HRA and Three Rivers Community Action also have committed funding to this new affordable housing development.

The MHFA funds two programs that are designed to strengthen the capacity of nonprofits to meet local affordable housing needs and enhance housing choices for workers. Under the Organizational Support Program, the MHFA provided more than \$660,000 to nonprofits in 2005; use of funds under this program may range from nonprofit staff training to operating expense payments for affordable housing projects owned by a nonprofit entity. The Nonprofit Capacity Building Loan Program provides short-term loans to housing sponsors for predevelopment costs, such as architectural fees, for affordable housing. Under that program, the MHFA made 22 loans totaling \$1,939,900 in 2005. These short-term loans are repaid at the time of initial closing on permanent financing, frequently a loan through the MHFA, so they are not included in this report as assistance to households or sponsors.

5) Establish the MHFA as a Housing Partner of Choice

Assisting Hurricane survivors was the focus of significant efforts this year. The MHFA participated in establishing the State Assistance Center (SAC), a multi-agency collaboration of providers to assist survivors of Hurricanes Katrina and Rita with housing and services in Minnesota. SAC was a one-stop shop for all types of disaster assistance provided by state agencies, volunteer organizations, and faith-based groups to help hurricane survivors relocate and recover. The Minnesota Housing Finance Agency in partnership with owners of MHFA-financed properties, the Minnesota MultiHousing Association, and other organizations recruited and trained relocation counselors who were available at the SAC to interview survivors and determine placement for longer-term housing. Agencies and property owners also cooperated to update an inventory of current vacancies in affordable rental housing in the Minneapolis/Saint Paul area maintained by HousingLink. As of the end of September 2005, more than 200 families had contacted SAC relocation counselors for assistance in identifying housing opportunities.



State Assistance Center Store

The Agency continues to work at enhancing its status as a preferred partner. Since beginning its Customer Service Initiative, the MHFA's Multifamily Division has implemented significant efforts to improve customer service, efficiency, and effectiveness. Staff members have developed a common funding application and a variety of common documents and standardized requirements; created new technical assistance guides for architects and contractors, including guidance on environmental issues; evaluated and adjusted the Agency's fee structure, as appropriate; and conducted training sessions for applicants selected for funding. Staff continues its effort to streamline processes and develop easier, better, faster ways for housing sponsors and other customers to do business with the MHFA.

The MHFA strives to improve and enhance its operations systems to most efficiently serve as a steward for housing investments in Minnesota. In September of 2005, the National Council of State Housing Agencies (NCSHA) recognized this effort by presenting its annual Award for Program Excellence in the Rental Housing, Multifamily Management category to the MHFA Multifamily Watchlist. The Watchlist is an advanced electronic property loan risk management tool that enables MHFA staff to be proactive in advising Agency-assisted property managers and owners about problem situations.

In the Single Family Homes Division, the MHFA is streamlining business interaction with lending partners through a new business-to-business web-based system, which the Agency began implementing in 2005. Business partners will be able to gain access through a web interface to enter loan application information, gain commitment and purchase approval, and view status information, resulting in reduced data entry, reduction in forms and documents, and shorter approval time frames.

Leveraging the MHFA's housing investments to maximize their impact remains one of the Agency's key objectives. Communities,

nonprofits, and others provided \$10.5 million during 2005 for a variety of housing projects to meet local housing needs for which the MHFA provided more than \$6.4 million in Community Revitalization funding. The MHFA also provided \$3.8 million in rehabilitation loan assistance during the year, which homeowners used for rehabilitation projects with an additional \$1.5 million from other funding sources. The MHFA assisted rental housing developments that leveraged \$5,816,115 in annual Housing Tax Credits with nearly \$15 million in financing from the MHFA's Low- and Moderate-Income Rental Program; \$45,167,760 in other MHFA resources; and additional resources from funding partners.

With the collaboration of its partners, the MHFA assisted households throughout Minnesota's regions in relatively close proportion to the distribution of all households estimated to be eligible for MHFA assistance as shown by the data in Table 11 (p. 33).

Conclusion

In the fall of 2005, from the Agency's most recent funding cycle, the MHFA Board of Directors approved \$46 million in commitments to affordable rental housing, including: development, rehabilitation and preservation projects, operating subsidies, and rental assistance. The Board also approved more than \$7 million in MHFA commitments to finance affordable single-family housing development and rehabilitation, and to rehabilitate and sell blighted and abandoned property to at-risk homebuyers. The MHFA will make additional commitments for investment in affordable housing in Minnesota during its next funding cycle in the spring of 2006.

In 2006 staff at the MHFA and the Minnesota Departments of Human Services and Corrections, together with their partners, will continue to implement the elements of the Business Plan to End Long-Term Homelessness. Agencies will seek ways in which to reduce development and operating costs for supportive housing as they meet or exceed goals for the production of new units of supportive housing.

The MHFA will continue to work with Fannie Mae, the Federal Reserve Bank of Minneapolis, the homeownership industry, and community partners to implement the business plan for increasing homeownership among communities of color through the Emerging Markets Homeownership Initiative and, ultimately, eliminate the gap in homeownership rates.

The need for affordable housing remains, but the MHFA is making progress toward achieving the goals set out in its strategic plan, which focuses on ending long-term homelessness, increasing the homeownership rate for underserved racial and ethnic groups, strategically preserving the existing stock of affordable housing, increasing housing choices for low- and moderate-income workers, and establishing the MHFA as a housing partner of choice. The MHFA has developed its Affordable Housing Plan for the 2006-2007 biennium, which sets forth the plan for investment in housing activity in Minnesota to advance these strategic goals.

If you have any questions, comments, or would like to obtain additional copies of this assessment or any other reports referenced here, please contact the MHFA at:

400 Sibley Street, Suite 300
St. Paul, MN 55101-1998
Telephone: (651) 296-7608 or (800) 657-3769, toll-free, or
(651) 297-2361 for TTY

You also will find this report posted on the MHFA's website at:

www.mhfa.state.mn.us/

(See *About the MHFA, Agency Reports*)

Understanding Housing Assistance Data

Data include home improvement, rehabilitation, and homeownership loans disbursed; federal HOME loans for which rehabilitation work was completed during the year or a homebuyer occupied the property purchased (MURL); units in multifamily

developments for which the MHFA disbursed deferred loans or permanent mortgage financing reached initial closing; and tenants receiving rental assistance (vouchers or security deposit funds) during the year. Explanatory notes appear at the end of each table, as necessary.

For rental housing programs, the dollar amount of MHFA assistance reported is by the program from which MHFA disbursed the funds. Units in developments that received funding from more than one MHFA program have been identified once, to avoid double-counting. Units and tenant demographics are reported under the program that provided the greatest amount of funding of the total assistance to a development.

Average assistance amounts per unit for rental housing programs are useful only for general comparison, as they do not reflect the fact that affordable rental developments frequently require funding from several MHFA programs, as well as outside sources of funding. Average annual assistance amounts, shown only in Table 3, are based on total assistance disbursed and units assisted by program.

For tenant households receiving voucher assistance, assistance amounts may be estimated based on the voucher amount at the most recent certification for household participation in a program. For general comparison purposes, average annual assistance amount per household is reported regardless of actual months of voucher assistance.

Tenant demographics are based on data reported to the MHFA by owners of those developments occupied for the first time during the reporting year; information provides a one-time "snapshot" taken at initial occupancy. Demographics may vary widely from year to year, reflecting the number, size, location, and type of developments for which owners have reported occupancy information. Occupancy information may not be immediately available for new construction or substantial rehabilitation; therefore, demographics for housing

occupied in the reporting year may be for housing actually financed in a previous year.

The MHFA allocates federal Housing Tax Credits (HTC) to qualifying rental property owners and also provides financing to many developments with HTC allocations. The annual HTC amount is reported and units are counted once, either under the program from which the MHFA provided financing, or as units for which the MHFA allocated credits without funding.

Some programs, such as Organizational Support (for nonprofit organizations), do not directly assist households; therefore, demographic data are noted as being "not applicable."

Where fewer than three loans have been made in an area, data are not shown by program, but are included in subtotals and totals.

Under the Minnesota Mortgage Program, Community Activity Set-Aside, and Minnesota City Participation Program the Homeownership Assistance Fund (HAF) is available for entry cost assistance and monthly payment assistance loans to eligible households. HAF is available as a second mortgage to qualifying lower income borrowers. We report information on HAF assistance and HAF-assisted households in several different ways; however, households are counted only once, under the MHFA program that provided first mortgage financing. The total average MHFA amount provided to HAF-assisted borrowers includes both the first mortgage and second mortgage amounts (HAF) shown.

A household includes the members of an occupied housing unit. For the purposes of this report, a female-headed family is defined as one adult female (the borrower or householder) living with one or more children who are under the age of 18. A household of color is defined as one in which the borrower or householder is identified as being of a race other than white, or white and of Hispanic ethnicity. Data from *Census 2000* show that female-headed families comprise 6% of all

households in Minnesota and households of color comprise nearly 8% of all households. Census data indicate higher proportions of households of color in metropolitan areas, for example nearly 25% in Minneapolis and 22% in Saint Paul. The Census Bureau's most recent estimates of Minnesota's population (as of July 1, 2004) indicate demographic growth since the decennial census in 2000; however, people of color continue to comprise about 10% of the state's total population.

These two groups, female-headed families and households of color, traditionally have had lower incomes, special housing needs, or limited access to existing resources. The MHFA is committed to meeting the needs of these households. Female-headed families and households of color are included in data shown in all data tables; however, the MHFA also reports separately on the assistance to each of these household types.

MHFA bases the distribution of all households estimated to be eligible for MHFA assistance on Census data. Estimates include households eligible for first-time homebuyer assistance (income eligible renters), households eligible for improvement or rehab loans (income eligible homeowners) and households eligible for Section 8 (renters with incomes 80% or less of HUD's estimated area median income).

Under Section 8, roughly 50% of the units assisted are in developments for elderly tenants and 50% are in developments for families. A review of occupancy data in developments for families (only) shows, historically, that between 80% and 85% of units in Section 8 developments for families have been occupied by female-headed families.

Note that the proportion of households of color in HUD-financed units for which the MHFA administers Section 8 contracts is greater than in MHFA-financed Section 8 units, a predictable occurrence. Thirty-three percent of HUD-financed Section 8 units are in

developments located within Minneapolis and Saint Paul, while only about 13% of MHFA-financed units are in developments located in those cities, with the balance in the suburban Metro region or in Greater Minnesota).

Table 1
Income Distribution, MHFA-Assisted Households, FY 2005

Gross Annual Household Income	MHFA Assistance, Not Including Section 8		MHFA Assistance, Section 8 Only		All Assisted Households Reporting	
	Number of Households Reporting	Percent of Total Reporting	Number of Households Reporting	Percent of Total Reporting	Number of Households Reporting	Percent of Total Reporting
\$0-\$1,999	754	3.3%	1,807	5.6%	2,561	4.6%
\$2,000-\$3,999	598	2.6%	1,196	3.7%	1,794	3.3%
\$4,000-\$5,999	953	4.2%	2,051	6.4%	3,004	5.5%
\$6,000-\$7,999	1,848	8.1%	5,485	17.0%	7,333	13.3%
\$8,000-\$9,999	1,055	4.6%	5,206	16.2%	6,261	11.4%
\$10,000-\$11,999	867	3.8%	4,127	12.8%	4,994	9.1%
\$12,000-\$13,999	921	4.0%	3,355	10.4%	4,276	7.8%
\$14,000-\$15,999	846	3.7%	2,431	7.5%	3,277	5.9%
\$16,000-\$17,999	713	3.1%	1,790	5.6%	2,503	4.5%
\$18,000-\$19,999	822	3.6%	1,282	4.0%	2,104	3.8%
\$20,000-\$21,999	879	3.8%	975	3.0%	1,854	3.4%
\$22,000-\$23,999	779	3.4%	716	2.2%	1,495	2.7%
\$24,000-\$25,999	959	4.2%	542	1.7%	1,501	2.7%
\$26,000-\$27,999	771	3.4%	391	1.2%	1,162	2.1%
\$28,000-\$29,999	775	3.4%	296	0.9%	1,071	1.9%
\$30,000-\$31,999	897	3.9%	169	0.5%	1,066	1.9%
\$32,000-\$33,999	694	3.0%	145	0.4%	839	1.5%
\$34,000-\$41,999	2,751	12.0%	191	0.6%	2,942	5.3%
\$42,000 and above	5,009	21.9%	73	0.2%	5,082	9.2%
Total	22,891	100.0%	32,228	100.0%	55,119	100.0%

Table 2
MHFA-Assisted Households Compared with Selected Income Standards, FY 2005

Program	Median Annual Household Incomes and Income Standards
General Assistance maximum benefit (single audit)	\$2,436
Bridges	\$7,740
HTF-Tenant Based Rental Assistance (HTF RA)	\$7,747
Affordable Rental Investment Fund-Preservation (PARIF)	\$7,788
Low and Moderate Income Rental Program (LMIR)	\$9,300
Family Homeless Prevention and Assistance Program (FHPAP)	\$9,500
Housing Opportunities for Persons with AIDS (HOPWA)	\$9,540
Housing Trust Fund (HTF)	\$9,552
Affordable Rental Investment Fund-Minnesota Families (MARIF)	\$9,580
Section 8 Contract Administration	\$9,648
HOME Rental Rehabilitation Program	\$9,867
MN Family Investment Program (one adult, two children) maximum benefit including food support	\$10,512
Section 8 Housing Assistance Payments-MHFA	\$10,856
Rental Rehabilitation Loan Program	\$12,000
Rehabilitation Loan Program	\$12,344
Rental Assistance for Family Stabilization (RAFS)	\$14,196
Poverty threshold (3-person household)	\$16,090
Minnesota Urban and Rural Homesteading Program (MURL)	\$17,394
Poverty threshold (4-person household)	\$19,350
Economic Development and Housing Challenge Fund	\$21,268
Housing Tax Credits (HTC)	\$21,826
Bruce Vento Affordable Housing	\$25,572
Habitat <i>Next 1000 Homes</i>	\$25,716
Homeownership Education, Counseling, and Training (HECAT)	\$31,969

Continued on next page

Table 2
MHFA-Assisted Households Compared with Selected Income Standards, FY 2005 *(continued)*

Program	Median Annual Household Incomes and Income Standards
Community Revitalization Fund (CRV)	\$32,236
50% of HUD median income, statewide	\$33,475
Disaster Relief (no income limits)	\$34,049
Minnesota Mortgage Program (MMP)	\$35,065
Tribal Indian Housing Program	\$35,592
Minnesota City Participation Program (MCP)	\$36,573
Homeownership Assistance Fund (HAF)	\$37,692
50% of HUD median income, Minneapolis/St. Paul	\$38,500
Community Activity Set-Aside (CASA)	\$39,930
Entry Cost Homeownership Opportunity (ECHO)	\$41,040
Community Fix-Up Fund (CFUF)	\$46,124
60% of HUD median income, Minneapolis/St. Paul	\$46,200
Fix-Up Fund (FUF)	\$50,306
HUD median income, statewide	\$66,950
HUD median income, Minneapolis/St. Paul	\$77,000

Table 3
MHFA Housing Assistance in Minnesota, FY 2005

Programs	MHFA Assistance	Households/ Units Assisted	Average MHFA Assistance Per Household or Unit	Median Annual Household Income	Percentage of Female-Headed Families	Percentage of Households of Color
Single Family Homes						
Bruce Vento Affordable Housing	\$4,367,202	51	\$85,631	\$25,572	45.1%	51.0%
Community Activity Set-Aside	\$160,888,664	1,088	\$147,876	\$39,930	14.3%	39.6%
no HAF	\$5,246,319	40	\$131,158	\$33,792	10.0%	22.5%
with HAF	\$155,642,345	1,048	\$148,514	\$39,998	14.5%	40.3%
Community Fix-Up Fund	\$8,116,543	603	\$13,460	\$46,124	10.6%	12.6%
Community Revitalization Fund	\$6,413,800	242	\$26,503	\$32,236	16.3%	11.7%
Disaster Relief	\$553,064	71	\$7,790	\$34,049	4.2%	2.0%
Entry Cost Homeownership Opportunity	\$1,953,683	634	\$3,082	\$41,040	11.5%	19.2%
Fix-Up Fund	\$35,788,561	2,429	\$14,734	\$50,306	6.3%	7.1%
Habitat <i>Next 1000 Homes</i>	\$441,165	6	\$73,528	\$25,716	50.0%	83.3%
Homeownership Assistance Fund	\$14,469,480	1,335	\$10,839	\$37,692	15.6%	36.4%
Homeownership Education, Counseling, and Training	\$2,081,290	9,278	\$224	\$31,969	24.5%	27.1%
Minnesota City Participation Program	\$39,632,676	354	\$111,957	\$36,573	6.8%	10.2%
no HAF	\$32,583,327	278	\$117,206	\$38,184	2.9%	5.0%
with HAF	\$7,049,349	76	\$92,755	\$28,135	21.1%	28.9%
Minnesota Mortgage Program	\$115,524,509	1,187	\$97,325	\$35,065	7.8%	9.6%
no HAF	\$97,374,458	976	\$99,769	\$36,210	5.3%	7.4%
with HAF	\$18,150,051	211	\$86,019	\$29,217	19.0%	19.9%
Minnesota Urban and Rural Homesteading Program	\$735,020	10	\$73,502	\$17,394	30.0%	0.0%
Organizational Support Program	\$662,475		Not applicable			
Rehabilitation Loan Program	\$3,760,828	417	\$9,019	\$12,344	19.4%	9.4%

Continued on next page

Table 3
MHFA Housing Assistance in Minnesota, FY 2005 *(continued)*

Programs	MHFA Assistance	Households/ Units Assisted	Average MHFA Assistance Per Household or Unit	Median Annual Household Income	Percentage of Female-Headed Families	Percentage of Households of Color
Tribal Indian Housing Program	\$3,416,836	44	\$77,655	\$35,592	15.9%	84.1%
Subtotal, Homes	\$398,805,797	16,414				
Homeownership	\$349,924,325	12,894				
Home improvement/rehabilitation	\$48,218,997	3,520				
Organizational support	\$662,475	Not applicable				
Multifamily Rental Housing*						
Affordable Rental Investment Fund-Minnesota Families	\$4,945,403	25	\$126,805	\$9,580	77.8%	75.9%
ARIF-Preservation	\$9,384,643	517	\$13,255	\$7,788	52.9%	77.1%
Bridges**	\$1,604,003	484	\$3,314	\$7,740	20.2%	15.3%
Economic Development and Housing Challenge Fund	\$6,426,293	516	\$9,478	\$21,268	45.1%	56.0%
Ending Long-Term Homelessness Initiative Fund	\$1,450,339	10	\$48,345	Not applicable		
Family Homeless Prevention and Assistance Program**	\$3,340,757	5,883	\$568	\$9,500	49.5%	58.1%
HOME Rental Rehabilitation Program	\$4,822,880	365	\$13,213	\$9,867	23.2%	9.5%
Housing Opportunities for Persons with AIDS	\$124,525	171	\$811	\$9,540	13.0%	39.7%
Housing Tax Credits***	\$6,379,691	1,205	\$5,294	\$21,826	20.4%	43.2%
With MHFA assistance	\$5,702,798	1,002				
Without MHFA assistance	\$676,893	203				
Housing Trust Fund	\$4,473,083	467	\$5,684	\$9,552	37.0%	57.5%
HTF-Tenant Based Rental Assistance**	\$2,060,385	604	\$3,411	\$7,747	57.0%	60.0%
Low and Moderate Income Rental Program	\$16,356,509	521	\$31,394	\$9,300	25.4%	27.2%

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Table 3
MHFA Housing Assistance in Minnesota, FY 2005 (continued)

Programs	MHFA Assistance	Households/ Units Assisted	Average MHFA Assistance Per Household or Unit	Median Annual Household Income	Percentage of Female-Headed Families	Percentage of Households of Color
Publicly Owned Transitional Housing	\$16,200,000	200	\$81,000	Not applicable		
Rental Assistance for Family Stabilization**	\$365,834	175	\$2,090	\$14,196	70.9%	57.7%
Rental Rehabilitation Loan Program	\$1,066,448	270	\$3,950	\$12,000	19.2%	30.7%
Section 8 Housing Assistance Payments Program-MHFA	\$73,457,189	13,023	\$5,641	\$10,856	21.1%	15.4%
Section 8 Contract Administration	\$86,049,915	18,145	\$4,742	\$9,648	17.7%	30.6%
Subtotal, Multifamily Rental Housing	\$238,507,898	41,579				
Statewide Total	\$637,313,695	57,993				

For programs in which the MHFA provides second mortgages in conjunction with other MHFA assistance, units will be reported under the program providing the first mortgage.

*Due to the fact that some developments are assisted under more than one MHFA rental program, tenant household characteristics inadvertently might be reported more than once. Annual tenant demographics are based on data reported to the MHFA by owners of development occupied for the first time during the reporting year. Demographics may vary widely from year to year, reflecting the number, size, location, and type of developments for which owners report occupancy information.

**This amount is estimated assistance based on current voucher amounts. Average shown is assistance per household regardless of months of assistance. FHPAP data includes actual cash assistance and assistance for services to households the first three quarters of the reporting year.

***Units for which owners claimed federal tax credits (allocated by the MHFA) for the first time in the previous calendar year and annual amount of credit. These units are occupied or available for occupancy. Tax credit units receiving additional MHFA assistance are counted only once, under the program from which the agency disbursed assistance funds. The total amount of tax credit and those HTC units the MHFA allocated without MHFA assistance are included in subtotal and total counts.

Note: A female-headed family is defined here as one adult female living with one or more children under the age of 18; a household of color, as one in which the householder is of a race other than white, or white with Hispanic ethnicity shown as a percentage of all households.

Table 4
MHFA Housing Assistance in Duluth, FY 2005

Programs	MHFA Assistance	Households/ Units Assisted	Average MHFA Assistance Per Household or Unit	Median Annual Household Income	Percentage of Female- Headed Families	Percentage of Households of Color
Single Family Homes						
Community Activity Set-Aside	\$1,115,700	13	\$85,823	\$25,236	30.8%	7.7%
Community Fix-Up Fund		<3	Not available			
Community Revitalization Fund	\$56,100	5	\$11,220	\$23,395	20.0%	20.0%
Entry Cost Homeownership Opportunity	\$277,378	76	\$3,650	\$33,264	17.1%	1.3%
Fix-Up Fund	\$318,125	36	\$8,837	\$38,025	8.3%	2.8%
Homeownership Assistance Fund	\$58,840	18	\$3,269	\$25,728	22.2%	5.6%
Minnesota City Participation Program	\$2,687,582	22	\$122,163	\$40,278	0.0%	0.0%
Minnesota Mortgage Program	\$1,176,581	13	\$90,506	\$28,181	7.7%	7.7%
Rehabilitation Loan Program	\$35,890	4	\$8,973	\$8,958	25.0%	0.0%
Tribal Indian Housing Program		<3	Not available			
Subtotal, Homes	\$5,911,218	172				
Homeownership	\$5,542,181	130				
Home improvement/rehabilitation	\$369,037	42				

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Table 4
MHFA Housing Assistance in Duluth, FY 2005 *(continued)*

Programs	MHFA Assistance	Households/ Units Assisted	Average MHFA Assistance Per Household or Unit	Median Annual Household Income	Percentage of Female-Headed Families	Percentage of Households of Color
Multifamily Rental Housing*						
ARIF-Preservation	\$1,922,789	26	Not applicable			
Bridges**	\$161,714	61	\$2,651	\$6,852	21.3%	11.5%
Economic Development and Housing Challenge Fund	\$510,000	19	Not applicable			
Family Homeless Prevention and Assistance Program**	\$77,744	228	\$341	\$7,752	31.6%	40.8%
Low and Moderate Income Rental Program	\$2,900,000	101		\$10,636	0.0%	2.0%
Section 8 Housing Assistance Payments Program-MHFA	\$3,102,904	558	\$5,561	\$11,702	18.3%	5.6%
Section 8 Contract Administration	\$989,334	315	\$3,141	\$11,615	6.3%	7.9%
Subtotal, Multifamily Rental Housing	\$9,664,485	1,308				
City Total	\$15,575,703	1,480				

For programs in which the MHFA provides second mortgages in conjunction with other MHFA assistance, units will be reported under the program providing the first mortgage.

*Due to the fact that some developments are assisted under more than one MHFA rental program, tenant household characteristics inadvertently might be reported more than once. Annual tenant demographics are based on data reported to the MHFA by owners of developments occupied for the first time during the reporting year. Demographics may vary widely from year to year, reflecting the number, size, location and type of developments for which owners report occupancy information.

**Voucher assistance amount is estimated assistance based on current voucher amounts. Average shown is assistance per household regardless of months of assistance. FHPAP includes cash assistance and assistance estimated to be provided for services during the first three quarters of the reporting year.

Table 5
MHFA Housing Assistance in Minneapolis, FY 2005

Programs	MHFA Assistance	Households/ Units Assisted	Average MHFA Assistance Per Household or Unit	Median Annual Household Income	Percentage of Female-Headed Families	Percentage of Households of Color
Single Family Homes						
Bruce Vento Affordable Housing	\$1,150,856	11	\$104,623	\$24,000	27.3%	100.0%
Community Activity Set-Aside	\$20,824,542	134	\$155,407	\$41,254	9.7%	59.0%
Community Fix-Up Fund	\$2,297,674	214	\$10,737	\$50,743	10.3%	22.4%
Community Revitalization Fund	\$726,849	34	\$21,378	\$38,797	52.9%	50.0%
Entry Cost Homeownership Opportunity	\$207,034	69	\$3,000	\$44,712	15.9%	34.8%
Fix-Up Fund	\$2,194,044	136	\$16,133	\$52,438	9.6%	24.3%
Habitat <i>Next 1000 Homes</i>		<3	Not available			
Homeownership Assistance Fund	\$1,775,660	132	\$13,452	\$41,318	9.8%	59.1%
Minnesota Mortgage Program	\$3,802,534	23	\$165,328	\$45,000	0.0%	8.7%
Rehabilitation Loan Program	\$342,148	43	\$7,957	\$9,324	16.0%	21.3%
Subtotal, Homes	\$33,490,603	666				
Homeownership	\$28,656,737	273				
Home improvement/rehabilitation	\$4,833,866	393				
Multifamily Rental Housing*						
ARIF-Minnesota Families	\$900,000	4		\$8,364	72.4%	79.3%
ARIF-Preservation	\$2,855,000	113		\$7,788	51.1%	96.7%
Bridges**	\$260,073	45	\$5,779	\$8,160	17.8%	42.2%

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Table 5
MHFA Housing Assistance in Minneapolis, FY 2005 (continued)

Programs	MHFA Assistance	Households/ Units Assisted	Average MHFA Assistance Per Household or Unit	Median Annual Household Income	Percentage of Female-Headed Families	Percentage of Households of Color
Economic Development and Housing Challenge Fund	\$3,141,394	296		\$14,828	16.0%	92.0%
Family Homeless Prevention and Assistance Program**	\$790,064	1,868	\$423	\$7,452	59.6%	86.0%
Housing Tax Credits***	\$1,425,927	Not applicable		\$16,464	47.6%	83.3%
Housing Trust Fund	\$539,200	47		\$14,828	20.7%	50.0%
HTF-Tenant Based Rental Assistance**	\$689,213	165	\$4,177	\$7,452	57.0%	78.9%
Rental Assistance for Family Stabilization**	\$79,518	33	\$2,410	\$13,872	78.8%	84.8%
Rental Rehabilitation Loan Program	\$407,475	75	\$5,433	\$8,160	14.9%	78.7%
Section 8 Housing Assistance Payments Program-MHFA	\$7,530,581	1,074	\$7,012	\$10,746	29.5%	53.0%
Section 8 Contract Administration	\$19,586,786	3,396	\$5,768	\$8,163	18.9%	68.1%
Subtotal, Multifamily Rental Housing	\$38,205,230	7,116				
City Total	\$71,695,834	7,782				

For programs in which the MHFA provides second mortgages in conjunction with other MHFA assistance, units will be reported under the program providing the first mortgage.

*Due to the fact that some developments are assisted under more than one MHFA rental program, tenant household characteristics inadvertently might be reported more than once. Annual tenant demographics are based on data reported to the MHFA by owners of developments occupied for the first time during the reporting year. Demographics may vary widely from year to year, reflecting the number, size, location, and type of developments for which owners report occupancy information.

**Voucher assistance amount is estimated assistance based on current voucher amounts. Average shown is assistance per households regardless of months of assistance. FHPAP includes cash assistance and assistance estimated to be provided for services during the first three quarters of the reporting year.

***Units for which owners claimed federal tax credits (allocated by the MHFA) for the first time in the previous calendar year and annual amount of credit. These units are occupied or available for occupancy. Tax credit units receiving additional MHFA assistance are counted only once, under the program from which the agency disbursed assistance funds. The total amount of tax credit and those HTC units the MHFA allocated without MHFA assistance are included in subtotal and total counts.

Table 6
MHFA Housing Assistance in Saint Paul, FY 2005

Program	MHFA Assistance	Households/ Units Assisted	Average MHFA Assistance Per Household or Unit	Median Annual Household Income	Percentage of Female-Headed Families	Percentage of Households of Color
Single Family Homes						
Bruce Vento Affordable Housing	\$577,268	6	\$96,211	\$30,974	16.7%	83.3%
Community Activity Set-Aside	\$17,434,048	111	\$157,063	\$40,555	9.0%	65.8%
Community Fix-Up Fund	\$848,143	47	\$18,046	\$41,154	8.5%	19.1%
Community Revitalization Fund		<3	Not available			
Entry Cost Homeownership Opportunity	\$243,900	76	\$3,209	\$44,400	17.1%	40.8%
Fix-Up Fund	\$2,122,211	168	\$12,632	\$52,889	8.3%	22.0%
Habitat <i>Next 1000 Homes</i>		<3	Not available			
Homeownership Assistance Fund	\$1,524,200	111	\$13,732	\$40,797	9.9%	67.6%
Minnesota Mortgage Program	\$3,303,903	20	\$165,195	\$42,722	10.0%	30.0%
Rehabilitation Loan Program	\$227,359	24	\$9,473	\$17,214	37.5%	58.3%
Subtotal, Homes	\$26,471,004	454				
Homeownership	\$23,273,291	215				
Home improvement/ rehabilitation	\$3,197,713	239				

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Table 6
MHFA Housing Assistance in Saint Paul, FY 2005 (continued)

Program	MHFA Assistance	Households/ Units Assisted	Average MHFA Assistance Per Household or Unit	Median Annual Household Income	Percentage of Female- Headed Families	Percentage of Households of Color
Multifamily Rental Housing*						
ARIF-Minnesota Families	\$868,890	Not applicable		\$10,512	80.0%	100.0%
ARIF-Preservation	\$1,631,965	295		\$7,287	72.4%	60.7%
Bridges**	\$198,347	49	\$4,048	\$7,980	12.2%	32.7%
Economic Development and Housing Challenge Fund	\$1,217,717	93	Not applicable			
Ending Long-Term Homelessness Initiative Fund	\$987,711	10	Not applicable			
Family Homeless Prevention and Assistance Program**	\$520,675	905	\$575	\$7,970	43.0%	79.5%
Housing Trust Fund	\$1,550,341	280		\$11,500	67.6%	81.1%
HTF-Tenant Based Rental Assistance**	\$327,922	91	\$3,604	\$6,948	38.5%	73.3%
Rental Assistance for Family Stabilization**	\$90,873	40	\$2,272	\$11,290	81.8%	93.9%
Rental Rehabilitation Loan Program	\$49,597	4	\$12,399	\$7,980	3.3%	66.7%
Section 8 Housing Assistance Payments Program-MHFA	\$4,397,651	658	\$6,683	\$9,461	19.3%	37.4%
Section 8 Contract Administration	\$13,690,737	2,641	\$5,184	\$8,796	28.3%	66.9%
Subtotal, Multifamily Rental Housing	\$25,532,426	5,066				
City Total	\$52,003,430	5,520				

For programs in which the MHFA provides second mortgages in conjunction with other MHFA assistance, units will be reported under the program providing the first mortgage.

*Due to the fact that some developments are assisted under more than one MHFA rental program, tenant household characteristics inadvertently might be reported more than once. Annual tenant demographics are based on data reported to the MHFA by owners of developments occupied for the first time during the reporting year. Demographics may vary widely from year to year, reflecting the number, size, location, and type of developments for which owners report occupancy information.

**Voucher assistance amount is estimated assistance based on current vouchers amounts. Average shown is assistance per household regardless of months of assistance. FHPAP includes cash assistance and assistance estimated to be provided for services during the first three quarters of the reporting year.

Table 7
MHFA Housing Assistance by Type, FY 2005

Program	Rehabilitate/Preserve Existing Housing	Construct New Housing	Purchase Existing Housing	Rental Assistance	Homeless Prevention	Education and Training	Total Assisted
Single Family Homes							
Bruce Vento Affordable Housing		51					51
Community Activity Set-Aside		279	809				1,088
Community Fix-Up Fund	603						603
Community Revitalization Fund	17	163	62				242
Disaster Relief	71						71
Entry Cost Homeownership Opportunity		51	583				634
Fix-Up Fund	2,429						2,429
Habitat <i>Next 1000 Homes</i>		6					6
Homeownership Education, Counseling, and Training						9,268	9,268
Minnesota City Participation Program		20	334				354
Minnesota Mortgage Program		49	1,138				1,187
Minnesota Urban and Rural Homesteading Program		2	8				10
Rehabilitation Loan Program	417						417
Tribal Indian Housing Program	36	8					44
Subtotal, Homes	3,573	629	2,934			9,268	16,414
Homeownership	53	629	2,934			9,268	12,894
Home improvement/rehabilitation	3,520						3,520

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Table 7
MHFA Housing Assistance by Type, FY 2005 (continued)

Program	Rehabilitate/ Preserve Existing Housing	Construct New Housing	Purchase Existing Housing	Rental Assistance	Homeless Prevention	Education and Training	Total Assisted
Multifamily Rental Housing							
ARIF-MN Families		25					25
ARIF-Preservation	517						517
Bridges				484			484
Economic Development and Housing Challenge Fund	188	328					516
Ending Long-Term Homelessness Initiative Fund		10					10
Family Homeless Prevention and Assistance Program					5,883		5,883
HOME Rental Rehabilitation Program	365						365
HOPWA				171			171
Housing Tax Credits (no MHFA assistance)	8	195					203
Housing Trust Fund	287	180					467
HTF-Tenant Based Rental Assistance				604			604
Low and Moderate Income Rental Program	276	245					521
Publicly Owned Transitional Housing		200					200
Rental Assistance for Family Stabilization				175			175
Rental Rehabilitation Loan Program	270						270
Section 8 Housing Assistance Payments Program-MHFA				13,023			13,023
Section 8 Contract Administration				18,145			18,145
Subtotal, Multifamily Rental Housing	1,911	1,183	0	32,602	5,883	0	41,579
Total	5,484	1,812	2,934	32,602	5,883	9,278	57,993

Table 8
MHFA-Assisted Female-Headed Families, FY 2005

Program	MHFA Assistance	Households/ Units Assisted	Average MHFA Assistance Per Household	Median Annual Household Income
Single Family Homes				
Bruce Vento Affordable Housing	\$1,812,365	23	\$78,798	\$20,594
Community Activity Set-Aside	\$21,579,529	156	\$138,330	\$36,366
Community Fix-Up Fund	\$827,266	64	\$12,926	\$35,477
Community Revitalization Fund	\$1,367,452	39	\$35,063	\$29,052
Disaster Relief		<3	Not available	
Entry Cost Homeownership Opportunity	\$217,660	73	\$2,982	\$39,912
Fix-Up Fund	\$1,984,657	152	\$13,057	\$40,541
Habitat <i>Next 1000 Homes</i>	\$232,925	3	\$77,642	\$25,140
Homeownership Assistance Fund	\$2,153,892	208	\$10,355	\$35,108
Minnesota City Participation Program	\$2,243,798	24	\$93,492	\$29,586
Minnesota Mortgage Program	\$7,796,481	92	\$84,744	\$29,421
Minnesota Urban and Rural Homesteading Program	\$208,799	3	\$69,600	\$16,652
Rehabilitation Loan Program	\$694,386	81	\$8,573	\$13,715
Tribal Indian Housing Program	\$599,450	7	\$85,636	\$27,878
Subtotal, Homes	\$41,723,659	718		
Homeownership	\$38,212,350	420		
Home improvement/rehabilitation	\$3,511,309	298		

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Table 8
MHFA-Assisted Female-Headed Families, FY 2005 *(continued)*

Program	MHFA Assistance	Households/ Units Assisted	Average MHFA Assistance Per Household	Median Annual Household Income
Multifamily Rental Housing				
Bridges*	\$398,502	98	\$4,066	\$7,950
Family Homeless Prevention and Assistance Program*	\$1,590,968	2,801	\$568	\$9,792
HOPWA*	\$15,409	19	\$811	Not available
HTF-Tenant Based Rental Assistance*	\$1,176,086	342	\$3,439	\$7,956
Rental Assistance for Family Stabilization*	\$264,390	124	\$2,132	\$14,450
Section 8 Housing Assistance Payments Program-MHFA	\$18,370,513	2,750	\$6,680	\$10,783
Section 8 Contract Administration	\$19,687,209	3,205	\$6,143	\$8,866
Subtotal, Multifamily Rental Housing	\$41,503,077	9,339		
Total	\$83,226,736	10,057		

For programs in which the MHFA provides second mortgages in conjunction with other MHFA assistance, units will be reported under the program providing the first mortgage.

*Voucher assistance amount is estimated based on current voucher amounts. Average shown is assistance per household regardless of months of assistance. FHPAP includes cash assistance and assistance estimated to be provided for services during the first three quarters of the reporting year.

Note: A female-headed family is defined here as one adult female living with one or more children under the age of 18.

Table 9
MHFA-Assisted Households of Color, FY 2005

Program	MHFA Assistance	Households/ Units Assisted	Average MHFA Assistance Per Household	Median Annual Household Income
Single Family Homes				
Bruce Vento Affordable Housing	\$2,574,159	26	\$99,006	\$27,143
Community Activity Set-Aside	\$72,326,911	431	\$167,812	\$45,291
Community Fix-Up Fund	\$954,531	76	\$12,560	\$46,087
Community Revitalization Fund	\$902,505	28	\$32,232	\$32,004
Disaster Relief		<3	Not available	
Entry Cost Homeownership Opportunity	\$371,564	122	\$3,046	\$44,895
Fix-Up Fund	\$2,864,225	172	\$16,652	\$53,627
Habitat <i>Next 1000 Homes</i>	\$370,430	5	\$74,086	\$26,292
Homeownership Assistance Fund	\$6,049,493	486	\$12,448	\$43,988
Minnesota City Participation Program	\$4,268,115	36	\$118,559	\$37,050
Minnesota Mortgage Program	\$12,143,722	114	\$106,524	\$36,035
Rehabilitation Loan Program	\$355,982	39	\$9,128	\$13,715
Tribal Indian Housing Program	\$2,883,536	37	\$77,933	\$34,295
Subtotal, Homes	\$106,075,172	1,087		
Homeownership	\$101,890,435	799		
Home improvement/rehabilitation	\$4,184,737	288		

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Table 9
MHFA-Assisted Households of Color, FY 2005 *(continued)*

Program	MHFA Assistance	Households/ Units Assisted	Average MHFA Assistance Per Household	Median Annual Household Income
Multifamily Rental Housing				
Bridges*	\$304,787	74	\$4,119	\$7,740
Family Homeless Prevention and Assistance Program*	\$1,970,392	3,469	\$568	\$8,464
HOPWA*	\$47,038	58	\$822	Not available
HTF-Tenant Based Rental Assistance*	\$1,218,378	337	\$811	\$7,764
Rental Assistance for Family Stabilization*	\$224,847	101	\$2,226	\$14,052
Section 8 Housing Assistance Payment Program-MHFA	\$14,948,080	2,199	\$6,798	\$9,530
Section 8 Contract Administration	\$32,808,272	5,823	\$5,634	\$7,920
Subtotal, Multifamily Rental Housing	\$51,521,794	12,061		
Total	\$157,596,966	13,148		

For programs in which the MHFA provides second mortgages in conjunction with other MHFA assistance, units will be reported under the program providing the first mortgage.

*Voucher assistance amount is estimated based on current voucher amounts. Average shown is assistance per household regardless of months of assistance. FHPAP includes cash assistance and assistance estimated to be provided for services during the first three quarters of the reporting year.

Note: A household of color is defined as one in which the householder is of a race other than white, or white with Hispanic ethnicity.

Table 10
Distribution of MHFA Assistance by Type of Funding, FY 2005

Initiative Fund Region	RFP Awards				Other Funds				Area Share of Households Estimated to be Eligible for MHFA Assistance
	Households/ Units Assisted	Assistance the MHFA Disbursed	Share of Total Units or Households Assisted by the MHFA	Share of Total Funds Disbursed	Households/ Units Assisted	Assistance the MHFA Disbursed	Share of Total Units or Households Assisted by the MHFA	Share of Total Funds Disbursed	
Central	122	\$1,891,355	4.5%	5.4%	4,654	\$78,461,520	10.1%	13.1%	13.2%
Metro (all)	1,945	\$21,137,959	71.4%	60.1%	23,910	\$293,269,585	52.1%	48.9%	54.8%
Minneapolis	659	\$8,851,656	24.2%	25.2%	7,123	\$62,844,178	15.5%	10.5%	10.4%
Saint Paul	760	\$5,673,246	27.9%	16.1%	4,760	\$46,330,184	10.4%	7.7%	7.3%
Northeast (all)	170	\$327,922	6.2%	7.6%	4,238	\$31,668,631	9.2%	5.3%	6.4%
Duluth	50	\$2,488,889	1.8%	7.1%	1,430	\$13,086,814	3.1%	2.2%	NA
Northwest	130	\$3,000,266	4.8%	8.5%	1,717	\$23,720,476	3.7%	4.0%	5.0%
Southeast	207	\$1,403,050	7.6%	4.0%	6,108	\$82,712,634	13.3%	13.8%	8.8%
Southwest	128	\$3,294,853	4.7%	9.4%	2,992	\$54,683,743	6.5%	9.1%	9.5%
West Central	21	\$1,735,729	0.8%	4.9%	2,287	\$35,102,211	5.0%	5.9%	2.4%
Total	2,723	\$35,150,731	100%	100%	45,906	\$599,618,800	100%	100%	100%

The distribution of MHFA assistance varies from year to year and depends, in part, on the availability of feasible development proposals submitted to the MHFA. Data for some programs, most notably Homeownership Education, Counseling, and Training, were not available for this distribution.

Programs for which funds are awarded through the MHFA’s Request for Proposals (RFP) process include the: Affordable Rental Investment Fund (all), Community Revitalization Fund, Housing Trust Fund (all), and Challenge Fund. “Other Funds” includes: first mortgages, downpayment assistance, rehabilitation and improvement loans, housing with tax credits, and all Section 8 units for which the MHFA currently administers Housing Assistance Payments contracts (both MHFA-financed and other). Units for which property owners claimed MHFA-allocated Housing Tax Credits (HTC) in the previous year, and the annual amount of credit the owners claimed are included in this distribution; however, MHFA-financed units with HTC, as well as rental units with assistance from multiple programs, are counted only once.

Regional totals **include** data for Duluth, Minneapolis, and Saint Paul, for which assistance is shown separately for general information (see Tables 4-6 for assistance details for these cities). The sum of regional shares is 100%; city percentages, e.g., of total state assistance provided, are subsets of regional data. City share of households estimated to be eligible generally is not available (NA) for cities.

Table 11
Distribution of MHFA Assistance by Region in Minnesota, FY 2005

Initiative Fund Region	All MHFA Programs				Area Share of Households Estimated to be Eligible for MHFA Assistance
	Households/ Units Assisted	Assistance the MHFA Disbursed	Share of Total Units or Households Assisted by the MHFA	Share of Total Funds Disbursed	
Central	4,776	\$80,352,875	9.8%	12.7%	13.2%
Metro (all)	25,855	\$314,407,544	53.2%	49.5%	54.8%
Minneapolis	7,782	\$71,695,834	16.0%	11.3%	10.4%
Saint Paul	5,520	\$52,003,430	11.4%	8.2%	7.3%
Northeast (all)	4,408	\$34,356,150	9.1%	5.4%	6.4%
Duluth	1,480	\$15,575,703	3.0%	2.5%	NA
Northwest	1,847	\$26,720,742	3.8%	4.2%	5.0%
Southeast	6,315	\$84,115,684	13.0%	13.3%	8.8%
Southwest	3,120	\$57,978,596	6.4%	9.1%	9.5%
West Central	2,308	\$36,837,940	4.7%	5.8%	2.4%
Total	48,629	\$634,769,531	100%	100%	100%

The distribution of MHFA assistance varies from year to year and depends, in part, on the availability of feasible development proposals submitted to the MHFA. Data for some programs, most notably Homeownership Education, Counseling, and Training, were not available for this distribution.

Programs for which funds are awarded through the MHFA’s Request for Proposals (RFP) process include the: Affordable Rental Investment Fund (all), Community Revitalization Fund, Housing Trust Fund (all), and Challenge Fund. “Other Funds” includes: first mortgages, downpayment assistance, rehabilitation and improvement loans, housing with tax credits, and all Section 8 units for which the MHFA currently administers Housing Assistance Payments contracts (both MHFA-financed and other). Units for which property owners claimed MHFA-allocated Housing Tax Credits (HTC) in the previous year, and the annual amount of credit the owners claimed are included in this distribution; however, MHFA-financed units with HTC, as well as rental units with assistance from multiple programs, are counted only once.

Regional totals **include** data for Duluth, Minneapolis, and Saint Paul, for which assistance is shown separately for general information (see Tables 4-6 for assistance details for these cities). The sum of regional shares is 100%; city percentages, e.g., of total state assistance provided, are subsets of regional data. City share of households estimated to be eligible generally is not available (NA) for cities.



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Our Strategic Plan and Goals

Ending Long-Term Homelessness

Preserving Affordable Housing

Providing Housing Choices for Low and Moderate Income Workers

Increasing Minority Homeownership

Establishing MHFA as a Housing Partner of Choice