

Homes for All 2013 Budget Proposal

Minnesota Housing Finance Agency

MHFA Program	Purpose	2012-2013 Funding Level	Proposed Increase	Total Base Funding Proposed
Family Homeless Prevention Assistance Fund (FHPAP)	Direct assistance and services to households at risk of losing housing and transitioning out of homelessness	\$14.9 million	\$2.5 million	\$17.4 million
Challenge Fund	Financing for affordable housing development statewide	\$13.9 million	\$9 million (Restored) \$5 million Increased	\$27.9 million
Housing Trust Fund	Rental assistance for households previously homeless	\$19.1 million	\$2 million (Restored) \$2.5 million Increase	\$23.6 million
Preservation (PARIF)	Preservation loans for subsidized rental housing	\$14.6 million	Federal funding reallocation	\$8.4 million
Rental Rehab Loans	Assistance for the rehabilitation of smaller rental properties	\$4.9 million	\$3 million (Restored)	\$7.9 million
Rental Rehab Loans – Single Family	Assistance for the rehabilitation of single family housing	Federally funded	Federal funding reallocation	\$5.5 million
Homebuyer Education (HECAT)	Homebuyer/homeowner education counseling and training services	\$1.5 million	\$250,000 (Restored)	\$1.75 million
Capacity Building	Regional coordination leverages federal funding	\$250,000	\$250,000 (Restored) \$250,000 Increased	\$750,000
Homeowner Assistance Fund	Down payment and closing cost assistance for first-time homebuyers	\$1.6 million	\$250,000 (Restored)	\$1.8 million

Increased Appropriations: \$25 million

Department of Human Services

DHS Programs	Purpose	2012-2013 Funding Level	Proposed Increase	Total Base Funding Proposed
Long-Term Homeless Supportive Services Fund	Coordinated services to maintain housing and improve self-sufficiency for Minnesotans experiencing long-term homelessness	\$9.9 million	\$10 million	\$19.9 million
Transitional Housing	Time-limited housing and services for families and individuals who have been homeless	\$5.9 million	\$6 million	\$11.9 million
Emergency Services Program	Services and emergency shelter for homeless Minnesotans	\$688,000	\$1 million	\$1.7 million
Homeless Youth Act	Housing and services for youth who are homeless or at-risk	\$238,000	\$8 million	\$8 million

Increased Appropriations: \$25 million



Homes for All is a statewide alliance of over 40 housing and homeless organizations working toward housing solutions for Minnesota.

Strategic Investments in Housing & Services

Create Jobs and Workforce Housing

- For every 100 family apartments constructed in a typical low-income housing tax credit development, an estimated 122 construction related jobs are created, followed by 30 permanent jobs. (National Association of Home Builders, March 2010)
- Studies of corporate executives have found the availability and cost of housing plays a role in where businesses decide to build, relocate, or expand their operations. (Gambale, 2009, *Area Development*)
- Renter incomes have fallen 16% since 2000, while rents have increased 6%. (Decennial Census, 2000; American Community Survey, 2011)

Better School Performance

- Children with stable housing—even living in poverty—do better in school than children without stable housing. Students who are homeless or highly mobile have chronically worse reading and math scores than children with stable housing. (Masten, 2012, U of MN)

Provide Return on Investments (ROI)

- State investments in affordable housing leverage resources from private, foundation, federal, and local sources.
- Foreclosure counseling in Minnesota costs \$400 per family, while each foreclosure costs communities, municipalities, and lenders \$52,000. (Gabriel & Todd, Minneapolis Federal Reserve Bank, 2010; MN Home Ownership Center 2010 Annual Report)
- In 2010, supportive housing, which helps homeless people maintain housing, generated at least \$123 million for Minnesota taxpayers, returning \$1.44 for every public dollar invested. (Chase, Da'ar, & Diaz, 2012, Wilder Research)

Contribute to Government Redesign

- Public services should be designed to promote health, community integration, long-term stability, and self-sufficiency, instead of short-term crisis services. Investments in housing and services diverts vulnerable people from costly public crisis services such as treatment, emergency room care, and jail.

Slow economic recovery contributes to housing crisis: Over 75,000 homes were lost to foreclosure in Minnesota between 2008-2010. Over 1,600 families were left homeless in 2009.

(Minnesota Housing, 2011; Wilder Research 2009)

Over 11,000 children were identified as homeless or highly mobile in 2011-2012 in Minnesota public schools.

(MN Department of Education)



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