

## Agency Purpose

The mission of the Minnesota Housing Finance Agency (Minnesota Housing) is to finance and advance affordable housing opportunities for low and moderate income Minnesotans to enhance the quality of life and foster stronger communities.

The agency's strategic plan sets forth the following priorities:

- ◆ end long-term homelessness;
- ◆ increase emerging market homeownership;
- ◆ preserve existing affordable housing stock; and
- ◆ finance new affordable housing opportunities.

## Core Functions

Minnesota Housing funds housing activity in five broad areas:

- ◆ **Development and Redevelopment programs.** These programs fund the new construction and rehabilitation of rental housing and homes for ownership for families with a range of incomes.
- ◆ **Homeownership Loan programs.** These programs fund home purchase and home improvement loans for families and individuals with a range of incomes not served by the private sector alone.
- ◆ **Homelessness Prevention and Supportive Housing programs.** These programs fund housing development, rental assistance, and homeless prevention activities for very low-income families and individuals who often face other barriers to stability, economic self-sufficiency, and independent living.
- ◆ **Preservation of Existing Housing programs.** These programs seek to preserve the existing affordable housing stock including federally assisted rental housing that is in danger of being lost due to opt-outs for market reasons, physical deterioration, or both.
- ◆ **Resident and Organization Support.** These programs provide operating funds for organizations that develop affordable housing, offer homebuyer training, education, and foreclosure prevention assistance, or coordinate regional planning efforts.

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

## Operations

Management and control of the agency is vested in the Board of Directors. The Board is comprised of six citizen members appointed by the Governor and one ex-officio member: the State Auditor. The Board members' terms are not coterminous with the Governor's term. The Board directs the policies of the agency and adopts an affordable housing plan, approves funding decisions, adopts finance policies, and selects the finance team.

The agency has a staff of 206 full-time equivalent employees in three major areas: housing finance, accounting and operations; housing programs; and housing policy and research; over half of all the employees are professional level employees.

- ◆ The housing finance and operations staff are responsible for the management of the assets and liabilities of the agency which includes a portfolio of housing related loans and other investments. The staff manages the process of raising capital through periodic debt issuances. Operations staff also prepares financial forecasts, budgets, and fiscal year-end audited financial reports for all funds and accounts. They are responsible for the accurate and timely reporting of all accounting and financial information necessary to comply with disclosure requirements and Board policies. Operations staff also manages the agency's information systems and human resources functions.

## At A Glance

- ◆ Two-Year Budget: \$1.6 billion - all funds
- ◆ Bond rating: AA+ Standard & Poors  
Aa1 Moody's
- ◆ Total Assets: \$3.48 billion

### Annual Assistance:

- ◆ Provided \$745 million in housing assistance in FFY 2007;
- ◆ Served 59,000 households;
- ◆ 83% of all households served had annual incomes under \$20,000;
- ◆ 3400 first time homebuyers assisted; and
- ◆ 1200 units of new construction financed.

- ◆ The staff of the multifamily housing programs area manages the process of assisting in the financing of new construction, rehabilitation, and preservation of rental housing. This staff oversees the provision of tenant support services, rental assistance, and homeless prevention activities. Multifamily staff is also responsible for the oversight of the management of the agency’s portfolio of rental housing, monitoring compliance with state and federal requirements, and administering the Section 8 contracts of 32,000 units of rental housing.
- ◆ Homeownership programs staff manages programs to assist with the financing of home purchases home improvements, new home construction for ownership and neighborhood revitalization. Staff in the homeownership programs area, oversee the provision of homeownership education services. This staff also administers programs that provide post-purchase support and foreclosure prevention for homeowners.
- ◆ Community development housing program staff assists with the development and implementation of strategies to meet communities’ development and redevelopment needs.
- ◆ The housing policy staff manages governmental relations, provide research on current housing issues, evaluate agency programs, and develop policy positions.

**Budget**

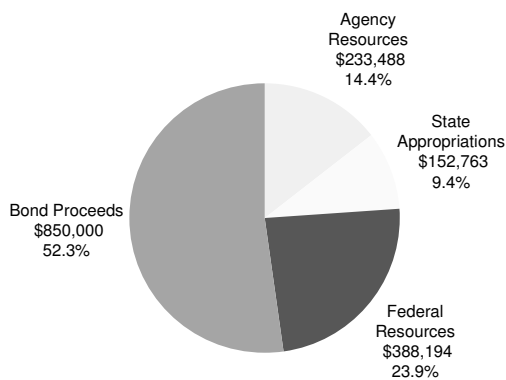
Minnesota Housing has four primary sources of funding. The largest source of financing is the proceeds from the sale of tax-exempt and taxable bonds; bond proceeds make up approximately 52% of the agency’s budget. Proceeds from the sale of these bonds provide mortgage loans to first-time homebuyers and rental housing developments.

Federal funds constitute 24% of Minnesota Housing funds. In the FY 2008-2009 biennium, the two largest programs receiving federally appropriated funds were the Section 8 Housing Assistance payments program and the Home Investment Partnership Program (HOME). In the past, the agency has received federal funding for a number of smaller programs as well.

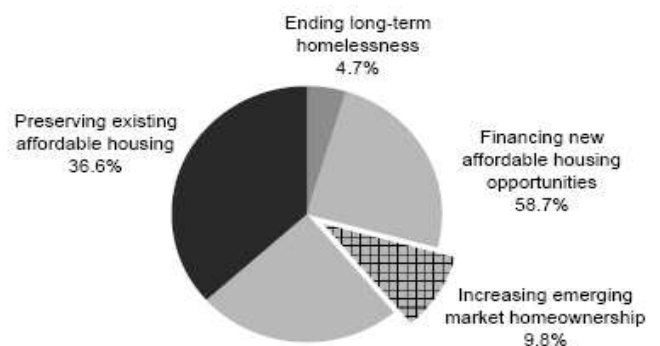
Agency resources constitute 14% of the agency’s budget. Agency resources are earnings over the years in excess of funds needed to cover debt service, loan loss and self-insurance. Agency resources are used for a variety of housing activities including entry cost assistance, activities related to the initiative to end long-term homelessness, first mortgage financing of rental properties, and preservation of MHFA financed rental properties and financing tools for very low income first time homebuyers.

State appropriations constitute 10% of the total program funds expected to be distributed in FY2008-2009. State appropriations for the 2008-2009 biennium total \$114.5 million from the general fund, of which \$90.4 million is base level funding.

**Affordable Housing Plan 2008-2009 Program Resources (in thousands)**



**Estimated distribution of 2008-2009 Plan resources by strategic priority**



**Contact**

Assistant Commissioner for Housing Policy  
(651) 296-9820

For further information, visit Minnesota Housing’s website at: [www.mnhousing.gov](http://www.mnhousing.gov)

Dollars in Thousands

	Current		Forecast Base		Biennium 2010-11
	FY2008	FY2009	FY2010	FY2011	
<b><u>Direct Appropriations by Fund</u></b>					
<b>General</b>					
Current Appropriation	87,323	45,034	45,034	45,034	90,068
<b>Forecast Base</b>	<b>87,323</b>	<b>45,034</b>	<b>44,958</b>	<b>44,958</b>	<b>89,916</b>
Change		0	(76)	(76)	(152)
% Biennial Change from 2008-09					-32.1%
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
General	0	0	44,958	44,958	89,916
<b>Statutory Appropriations</b>					
Housing Finance Agency	260,713	301,870	235,667	232,526	468,193
<b>Total</b>	<b>260,713</b>	<b>301,870</b>	<b>280,625</b>	<b>277,484</b>	<b>558,109</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	16,471	18,672	19,752	20,650	40,402
Other Operating Expenses	7,687	8,833	9,233	9,233	18,466
Payments To Individuals	189,410	203,015	198,862	194,793	393,655
Local Assistance	3,395	4,636	3,634	3,464	7,098
Other Financial Transactions	43,750	66,714	49,144	49,344	98,488
<b>Total</b>	<b>260,713</b>	<b>301,870</b>	<b>280,625</b>	<b>277,484</b>	<b>558,109</b>
<b><u>Expenditures by Program</u></b>					
Appropriated Programs	58,872	87,740	65,182	65,382	130,564
Non Appropriated Programs	201,841	214,130	215,443	212,102	427,545
<b>Total</b>	<b>260,713</b>	<b>301,870</b>	<b>280,625</b>	<b>277,484</b>	<b>558,109</b>
<b>Full-Time Equivalents (FTE)</b>	<b>199.6</b>	<b>197.0</b>	<b>197.0</b>	<b>197.0</b>	

### **Program Description**

Minnesota Housing funds affordable housing activities in five (5) broad areas using state appropriated funds. The funded programs provide a variety of financial tools that assist low-and-moderate income Minnesotans in meeting their affordable housing needs and/or strengthening communities.

The MHFA meets regularly with regional advisory groups across the state to receive input about agency goals, policies, and programs. In making funding decisions in competitive selection processes, Minnesota Housing uses jointly developed investment guidelines for projects in the Twin Cities metropolitan area and Continuum of Care plans developed at the regional level to assure consistency with regional priorities. In 2003, Minnesota Housing formed a statewide group representing a board cross section of stakeholders, including representatives from the non-profit and for profit sectors of the housing industry, local units of governments and the philanthropic community to discuss how Minnesota Housing's resources can be used to complement other resources to advance a shared mission and related issues. The agency utilizes a joint application and review process in conjunction with the Family Housing Fund, the Greater Minnesota Housing Fund, and the Metropolitan Council for significant portions of its funding. Other state agencies and local units of government are consulted in making funding awards in order to better coordinate government resources.

Although state appropriations are only 10% of the total Minnesota Housing's biennial budget, these funds make an important difference, enabling the Minnesota Housing to meet the housing needs of families and individuals of lower income than would be otherwise possible. These programs often supplement non-appropriated programs that use amortizing debt and other sources of funds. Approximately 78% of the state appropriation is used for rental housing due to the fact that providing affordable rental housing requires relatively more subsidy than homeownership.

### **Services Provided**

Appropriated programs fund affordable housing activities in five broad areas. These are:

- ◆ **Development and Redevelopment programs.** These programs fund the new construction and rehabilitation of rental housing and homes for ownership for families with a range of incomes.
- ◆ **Homelessness Prevention and Supportive Housing programs.** These programs fund housing development, rent assistance, and homelessness prevention activities for very low-income families and individuals who often face several barriers to stability, economic self-sufficiency, and independent living.
- ◆ **Homeownership Loan programs.** These programs fund home purchase and home improvement loans for families and individuals with a range of incomes who are not well served by the private sector alone.
- ◆ **Preservation of Existing Housing programs.** These programs seek to preserve the stock existing housing, including of federally assisted rental housing that is in danger of being lost due to opt-outs for market reasons, physical deterioration, or both preservation of supportive housing.
- ◆ **Resident and Organizational Support.** These programs provide operating funds for organizations that develop affordable housing, offer homebuyer training, education, and foreclosure prevention assistance, or coordinate regional planning efforts.

### **Population Served**

The state appropriated programs serve a continuum of Minnesota households ranging from individuals and families who are experiencing homelessness and whose only source of income is public assistance to households who own their home and have incomes up to 115% on median (\$93,100).

### **Key Program Goals**

The state appropriated programs assist Minnesota Housing in achieving its four (4) strategic goals.

The agency's strategic plan sets forth the following priorities:

- ◆ end long-term homelessness;
- ◆ increase emerging market homeownership;
- ◆ preserve existing affordable housing stock; and
- ◆ finance new affordable housing opportunities.

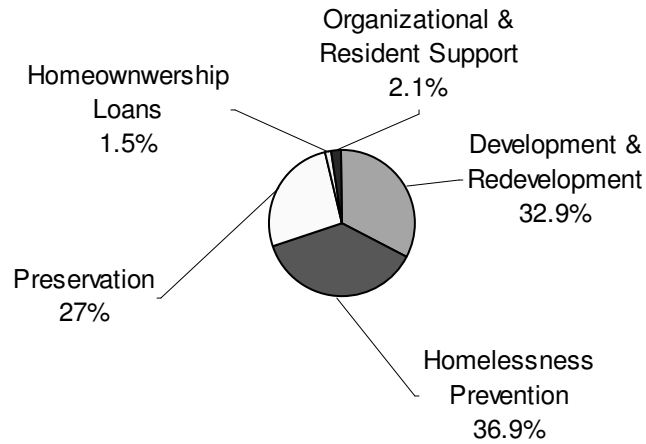
**Key Program Measures**

Please refer to activity items for performance measures.

**Program Funding**

State appropriations comprise 10% of the two year budget for Minnesota Housing.

**Appropriated Programs Resources 2008-2009  
by Activity**



**Contact**

For more information, contact: Assistant Commissioner for Housing Policy  
(651) 296-9820

The MHFA website at [www.mnhousing.gov](http://www.mnhousing.gov) provides information about agency programs, application forms and procedures, and other useful information for persons seeking assistance with the financing of affordable housing.

# HOUSING FINANCE AGENCY

Program: APPROPRIATED PROGRAMS

Program Summary

*Dollars in Thousands*

	Current		Forecast Base		Biennium 2010-11
	FY2008	FY2009	FY2010	FY2011	
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
General	0	0	44,958	44,958	89,916
<b>Statutory Appropriations</b>					
Housing Finance Agency	58,872	87,740	20,224	20,424	40,648
<b>Total</b>	<b>58,872</b>	<b>87,740</b>	<b>65,182</b>	<b>65,382</b>	<b>130,564</b>
<b><u>Expenditures by Category</u></b>					
Payments To Individuals	19,597	31,475	25,174	25,174	50,348
Local Assistance	2,582	3,551	2,614	2,614	5,228
Other Financial Transactions	36,693	52,714	37,394	37,594	74,988
<b>Total</b>	<b>58,872</b>	<b>87,740</b>	<b>65,182</b>	<b>65,382</b>	<b>130,564</b>
<b><u>Expenditures by Activity</u></b>					
Re/Development	10,127	23,367	18,502	18,502	37,004
Supportive Housing	16,620	28,859	24,012	24,012	48,024
Homeownership Loan	2,539	5,600	3,350	3,350	6,700
Preservation	27,508	26,142	16,833	17,033	33,866
Resident & Organizational Supp	2,078	3,772	2,485	2,485	4,970
<b>Total</b>	<b>58,872</b>	<b>87,740</b>	<b>65,182</b>	<b>65,382</b>	<b>130,564</b>

# HOUSING FINANCE AGENCY

**Program:** APPROPRIATED PROGRAMS

**Activity:** RE/DEVELOPMENT

Narrative

## Activity Description

This program funds the new construction and rehabilitation of housing, both rental and homes for ownership needed to sustain economic growth and vitality. In some communities, new housing is needed due to significant net employment growth. In other communities, rehabilitating the existing stock is an important strategy for retaining existing employers and related economic activity.

### Activity at a Glance

In FFY 2007:

- ◆ 1079 existing home purchases were financed;
- ◆ 581 new housing construction units were financed; and
- ◆ \$30 million invested to assist communities hardest hit by the foreclosure crisis.

This activity supports goals shared with other state agencies such as efforts to reduce green house gas emissions by financing housing that is located near transportation and transit systems, jobs and services and by requiring the housing it finances to meet aggressive energy conservation goals. This activity also supports communities in implementing the housing element of their comprehensive plan by providing financial assistance for the acquisition of land for future development.

Re/development program funds are made available primarily through a competitive, comprehensive, one-stop, single application process sponsored by MHFA, the Family Housing Fund, the Greater Minnesota Housing Fund, the Metropolitan Council, and others.

## Population Served

Homeowners, homebuyers, and tenants of rental housing are served by this budget activity. Additionally, communities receive assistance in their stabilization and revitalization efforts through this budget activity.

## Services Provided

- ◆ **The Economic Development and Housing Challenge Program** (M.S. 462A.33) is the primary program to fund development and redevelopment activities. It funds a wide variety of development and redevelopment activities, including new construction, acquisition, and rehabilitation of both rental housing and homes for ownership. Assistance is provided generally in the form of no-interest, deferred to local units of government, and for-profit and nonprofit developers. The income maximum for the owner-occupied housing funded under this program is set at 115% of greater of state or area median income (\$93,100 in the Twin Cities metro area for 2008). The income maximum for the rental housing funded under this program is set at 80% of greater of state or area median income (\$64,800 in the Twin Cities metro area for 2008). The income maximums allow a range of workforce housing to be developed or rehabilitated.

At least 50% of the funds must be used only for projects in which an employer has made some sort of financial contribution to the housing from non-state resources in order to reduce the need for deferred loan or grand funds. Projects that show cost reduction or avoidance as a result of local regulatory relief are given a priority in selection for funding. These requirements have helped to increase the amount of monies from non-state resources that are invested in affordable housing projects.

Minnesota Housing has adopted the Enterprise Institute's National Green Communities Criteria as mandatory criteria for all new construction funded by Minnesota Housing. The Green Communities criteria have goals of achieving energy conservation in excess of the energy code, achieving low life time operating cost, and establishing air quality and lighting standards that create a healthy environment. At least \$11.6 million of Challenge Program funds have been committed to 1200 housing units meeting the Green Communities criteria.

\$1.1 million in Challenge programs funds has been committed for affordable homeownership projects in suburban communities with significant affordable housing needs and for homeownership and rental housing developments closely integrated with transit systems.

# HOUSING FINANCE AGENCY

**Program:** APPROPRIATED PROGRAMS

**Activity:** RE/DEVELOPMENT

Narrative

- ◆ **Urban Indian Housing Program** (M.S. 462A.07, Subd. 15)  
The Urban Indian Housing Programs provided both home ownership and rental housing opportunities for low and moderate-income American Indians residing in the urban areas of the state. The program provides below market interest rate financing for first time homebuyers. Funding is also available for the development of special assistance program components of projects that address specifically identified needs of American Indians that are sponsored by nonprofit organizations.
- ◆ **Tribal Indian Housing Program** (M.S. 462A.07, Subd. 14)  
The Tribal Indian Housing Program provides mortgage loans, home improvement financing, and rental housing opportunities to American Indian families and persons throughout the state. Individual programs have been developed by each of the three Indian tribes that administer the program through their respective tribal housing authorities: Minnesota Chippewa Tribe Housing Corporation, the Upper Sioux Indian Housing Authority, and the Red Lake Housing Finance Corporation. All of the tribes must recycle any repayment and prepayments into new housing loans. The state appropriations are used exclusively for housing loans; administrative costs and paid for from the earning on loans made.

## Historical Perspective

In 2000, four state appropriated programs for development and redevelopment activities were consolidated into the Challenge Program. The consolidation gave the Agency a greater opportunity to promote contributions from non-state resources to these activities by highlighting the State's contributions. In 2005, the Tribal and Urban Indian programs were consolidated with the Challenge program. In 2007, the Indian programs were funded separately.

The 2008-2009 biennial appropriations to Minnesota Housing included \$15 million in non-base appropriations. These funds were requested in order to encourage housing that:

- ◆ is efficient and sustainable,
- ◆ maximizes existing infrastructure and preserves green spaces,
- ◆ is integrated with transit and transportation systems,
- ◆ is accessible to jobs and services; and
- ◆ expands the diversity of housing choices within communities.

## Key Program Goals

Minnesota Housing re/development program is instrumental in achieving the Agency's strategic goals of:

- ◆ financing new affordable housing opportunities; and
- ◆ preserving existing affordable housing.

## Key Measures

The Next Decade of Housing study commissioned by MHFA, Family Housing Fund, and Greater Minnesota Housing Fund estimated that by 2010 there will be a shortfall of 33,000 affordable housing units for low-income households statewide if production is maintained at historic levels.



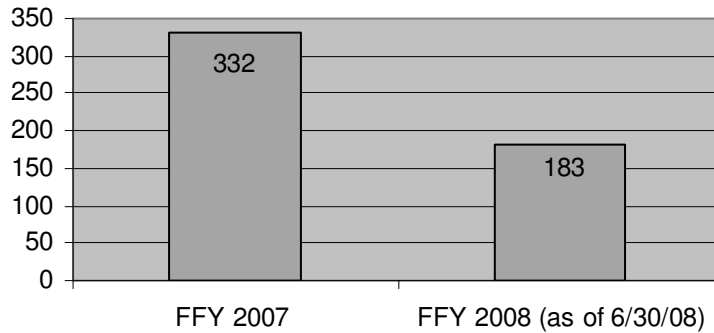
# HOUSING FINANCE AGENCY

Program: APPROPRIATED PROGRAMS

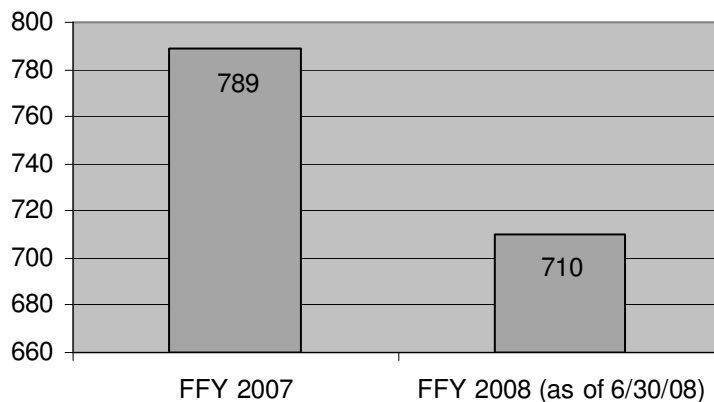
Activity: RE/DEVELOPMENT

Narrative

## Newly Constructed Owner Occupied Housing Units and New Additional HomeOwnership Opportunities Financed



## Newly Constructed Rental Housing Units



### Activity Funding

State appropriations for this activity are 30% of the total state generated fund appropriations to Minnesota Housing for the 2008-2009 biennium.

### Contact

Assistant Commissioner of Housing Policy  
Phone: (651) 296-9820

For further information, visit Minnesota Housing's website at: [www.mnhousing.gov](http://www.mnhousing.gov)

**HOUSING FINANCE AGENCY**  
**Program: APPROPRIATED PROGRAMS**  
 Activity: RE/DEVELOPMENT

Budget Activity Summary

<i>Dollars in Thousands</i>					
	<b>Current</b>		<b>Forecast Base</b>		<b>Biennium</b>
	<b>FY2008</b>	<b>FY2009</b>	<b>FY2010</b>	<b>FY2011</b>	<b>2010-11</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
General	0	0	9,802	9,802	19,604
<b>Statutory Appropriations</b>					
Housing Finance Agency	10,127	23,367	8,700	8,700	17,400
<b>Total</b>	<b>10,127</b>	<b>23,367</b>	<b>18,502</b>	<b>18,502</b>	<b>37,004</b>
<b><u>Expenditures by Category</u></b>					
Payments To Individuals	2,239	5,375	4,401	4,401	8,802
Other Financial Transactions	7,888	17,992	14,101	14,101	28,202
<b>Total</b>	<b>10,127</b>	<b>23,367</b>	<b>18,502</b>	<b>18,502</b>	<b>37,004</b>

# HOUSING FINANCE AGENCY

**Program:** APPROPRIATED PROGRAMS

**Activity:** HOMELESSNESS PREVENTION AND SUPPORTIVE HOUSING

Narrative

## Activity Description

Homeless prevention activities provide housing and other assistance to households who are at risk of becoming homeless due to a crisis situation, extremely low-incomes, or physical or mental health problems. These activities also assist households in moving out of emergency shelters and other temporary settings so that they do not become long-term homeless. The development of additional rental housing affordable for extremely low income households is another critical homelessness prevention activity.

Supportive housing is permanent housing with support services. Supportive housing is an essential element of efforts to achieve the strategic goal of ending long-term homelessness. Supportive housing stabilizes housing for the poorest households or households with special needs so they can successfully address barriers to employment, complete school or training, and/or achieve independent living. For some households, providing both housing and services is essential to success; one without the other does not lead to success.

Three Minnesota Housing appropriated programs assist in meeting the goal of ending long-term homelessness by funding activities that help prevent homelessness or provide supportive housing:

- ◆ The Housing Trust Fund Program (HTF) (M.S. 462A.201);
- ◆ The Bridges Program (Bridges) (M.S. 462A.2097);
- ◆ Family Homeless Prevention and Assistance Program (FHPAP) (M.S. 462A.204).

## Population Served

Households facing a crisis that may result or has resulted in the loss of permanent housing and those who cannot afford basic, permanent housing without a substantial subsidy are served by this activity. Supportive housing programs serve individuals and families with multiple barriers to obtaining and maintaining housing, including persons who are homeless or at risk of becoming homeless, and persons with mental illness, substance abuse disorders, or persons with HIV/AIDS.

Seventy percent (70%) of the Housing Trust Fund monies are used for housing families and households experiencing long-term homelessness or those at risk of experiencing long-term homelessness; the remainder of the funds are used for housing affordable to households with incomes at or below 30% of median (\$24,270 for 2008).

## Services Provided

**The Housing Trust Fund Program** is the largest of the programs in this budget activity. The Housing Trust Fund provides 0% interest deferred loans for the financing of affordable permanent and supportive rental housing and limited equity cooperative housing for very low-income households. It also provides grants and loans for the costs of operating rental housing that are unique to the operation of low-income rental housing and for rental assistance. Housing assisted under this program must serve households with incomes that do not exceed 60% of metropolitan area median income (\$48,540 for 2007); 75% of the program funds must be used for housing for households with incomes that do not exceed 30% of the metropolitan area median income (\$24,270 for 2008). Nonprofit and for-profit organizations as well as local units of government are eligible to receive funds under this program.

**The Bridges Program** – (statutorily known as the Rent Assistance for Persons with Mental Illness Program) provides rent assistance for households in which at least one adult member has a serious and persistent mental illness. Eligibility for the program is limited to households with incomes below 50% area median income. This activity links housing with social services through a partnership between a housing agency and a social service

## Activity at a Glance

For FFY 2007:

- ◆ 593 households received Bridges assistance;
- ◆ 974 households received other state funded rental assistance;
- ◆ 95 housing units for very low-income households were constructed or rehabbed with Housing Trust Fund (HTF) monies;
- ◆ 6,842 households received homeless prevention assistance; and
- ◆ Average assistance per household under the Family Homeless Prevention and Assistance Program (FHPAP) - \$562.

# HOUSING FINANCE AGENCY

**Program:** APPROPRIATED PROGRAMS

**Activity:** HOMELESSNESS PREVENTION AND SUPPORTIVE HOUSING

Narrative

agency. The rental assistance is intended to stabilize the household in the community until a Section 8 certificate or voucher becomes available.

The **Family Homeless Prevention and Assistance Program** or FHPAP provides flexible grants to counties and nonprofit organizations to use to assist families or youth who are homeless or at imminent risk of homelessness. Grant recipients are required to design or redesign an emergency response system to shift the focus to prevention of homelessness and a more rapid move to transitional or permanent housing. Seventy-four (74) counties are now served by FHPAP.

## Historical Perspective

In 2003, leaders from public, private and nonprofit communities in Minnesota decided to launch an all-out effort to bring people home, beginning with those who have long histories of homelessness. Based on legislation proposed by Governor Tim Pawlenty and adopted by the Legislature, a Working Group was formed that developed a Business Plan to End Long-Term homelessness by 2010, primarily by creating 4,000 units of permanent supportive housing. The idea behind the Business Plan was to tackle a complex social problem – long-term homelessness- in a business like manner, defining a strategy, setting goals for each year of the plan, outlining a financing strategy, evaluating progress, and adjusting the Plan to reflect experience.

In 2004, the eligible uses of the Housing Trust Fund were expanded to include operating subsidies and rental assistance as part of the implementation of the Business Plan to End Long-Term Homelessness.

Base funding for the Family Homelessness Prevention and Assistance Program was doubled for 2008-2009 biennium.

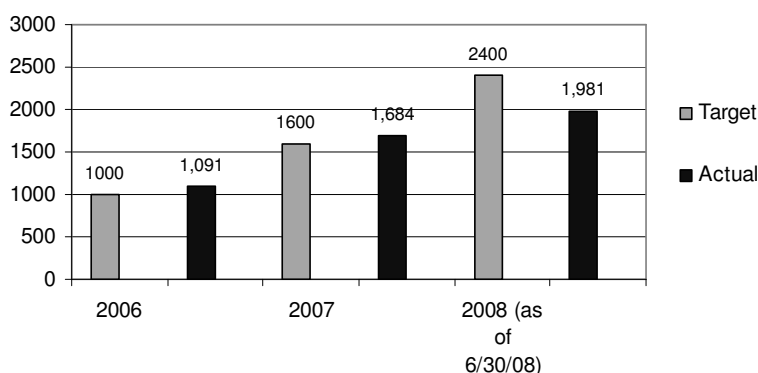
## Key Activity Goals

This activity is essential to meeting Minnesota Housing's strategic priority of:

- ◆ Ending Long-Term Homelessness. Minnesota Housing's strategic plan can be found at: [www.mnhousing.gov/news/reports/index.aspx](http://www.mnhousing.gov/news/reports/index.aspx)

## Key Activity Measures

MHFA, along with the Departments of Human Services and Corrections, is a key partner in implementing the Business Plan to End Long-Term Homelessness in Minnesota. Developed by a working group of public and private stakeholders, the Business Plan aims to provide permanent supportive housing to an additional 4,000 long-term homeless households by 2010.



## Activity Funding

Forty one percent (41%) of the total state appropriations base funding for Minnesota Housing is devoted to this activity. In addition to state appropriations for this activity, Minnesota Housing expects to receive nearly \$1 million a biennium from interest on Real Estate Brokers Trust accounts pursuant to M.S. 82.50 subd.8.

# HOUSING FINANCE AGENCY

**Program:** APPROPRIATED PROGRAMS

**Activity:** HOMELESSNESS PREVENTION AND SUPPORTIVE HOUSING

Narrative

## Contact

Assistant Commissioner for Housing Policy

Phone: (651) 296-9820

For further information, visit Minnesota Housing's website at: [www.mnhousing.gov](http://www.mnhousing.gov)

**HOUSING FINANCE AGENCY**  
**Program: APPROPRIATED PROGRAMS**  
 Activity: SUPPORTIVE HOUSING

Budget Activity Summary

<i>Dollars in Thousands</i>					
	<b>Current</b>		<b>Forecast Base</b>		<b>Biennium</b>
	<b>FY2008</b>	<b>FY2009</b>	<b>FY2010</b>	<b>FY2011</b>	<b>2010-11</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
General	0	0	18,658	18,658	37,316
<b>Statutory Appropriations</b>					
Housing Finance Agency	16,620	28,859	5,354	5,354	10,708
<b>Total</b>	<b>16,620</b>	<b>28,859</b>	<b>24,012</b>	<b>24,012</b>	<b>48,024</b>
<b><u>Expenditures by Category</u></b>					
Payments To Individuals	13,970	20,081	20,008	20,008	40,016
Local Assistance	4	4	4	4	8
Other Financial Transactions	2,646	8,774	4,000	4,000	8,000
<b>Total</b>	<b>16,620</b>	<b>28,859</b>	<b>24,012</b>	<b>24,012</b>	<b>48,024</b>

# HOUSING FINANCE AGENCY

**Program:** APPROPRIATED PROGRAMS

**Activity:** HOMEOWNERSHIP LOAN

Narrative

## Activity Description

The homeownership loan program combines state appropriations with bond proceeds to provide affordable loans. Homeownership loan programs also conduct marketing and outreach aimed at reaching underserved populations.

The state appropriated homeownership loan program assists in achieving the strategic goal increasing emerging market homeownership.

## Population Served

The homeownership loan programs serve low and moderate-income first-time homebuyers, and very low-income homeowners.

## Services Provided

Minnesota Housing appropriated homeownership loan program is the **Homeownership Assistance Fund** (M.S 462A.21, Subd. 8), or HAF. It provides entry costs and monthly assistance to more modest income homebuyers who are purchasing their first home through one of Minnesota Housing mortgage revenue bond programs. Assistance is in the form of a 0% interest second mortgage loan. Repayment of the loan is deferred until the home is sold, the mortgage is refinanced, or the borrower no longer occupies the home as his or her principal residence. Eligible homebuyers must have income that does not exceed 80% of the greater of state or area median income; income limits may be adjusted for family size. Repayments and prepayments of loans are invested in new loans. A network of participating lenders delivers this assistance.

## Historical Perspective

The 2003 legislature directed that for the 2008-2009 biennium, that funding for the HAF program be restored to \$1.77 million. Previously, funding for that program had been suspended for FY 2004-2005 and 2006-2007.

## Key Activity Goals

The homeownership loan activity advances the agency's strategic priorities of:

- ◆ Financing new affordable housing opportunities; and
- ◆ Increasing emerging market homeownership.

## Key Activity Measures

Minnesota Housing estimates that the homeownership gap between white-headed households and households of color and/or Hispanic ethnicity in 2006 was 34% points, placing Minnesota in the top ten states for the largest homeownership gap.

Minnesota Housing is one of three conveners of the public-private Emerging Markets Homeownership Initiative (EMHI) to increase the accessibility of information and resources to communities of color and close the gap in homeownership rates. EMHI participants developed a business plan that calls for 40,000 new emerging markets homeowners by 2012.

## Activity at a Glance

In FFY 2007:

- ◆ 1,172 households received HAF assistance;
- ◆ 50% of first-time homebuyers with a Minnesota Housing mortgage received HAF assistance; and
- ◆ Average assistance under the HAF program is \$4,088.

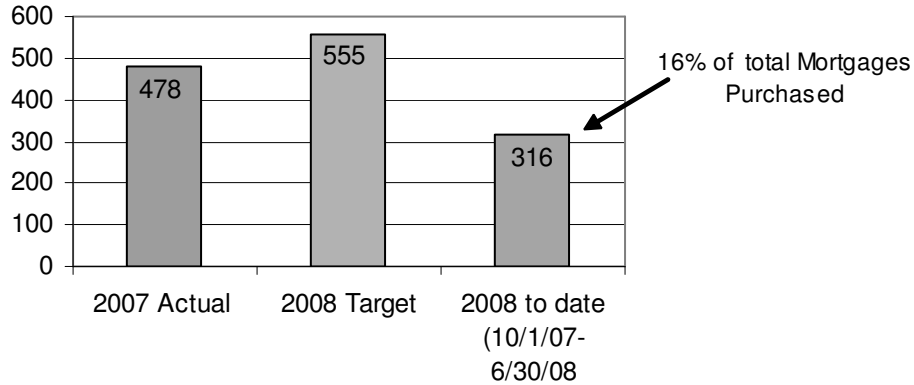
# HOUSING FINANCE AGENCY

Program: APPROPRIATED PROGRAMS

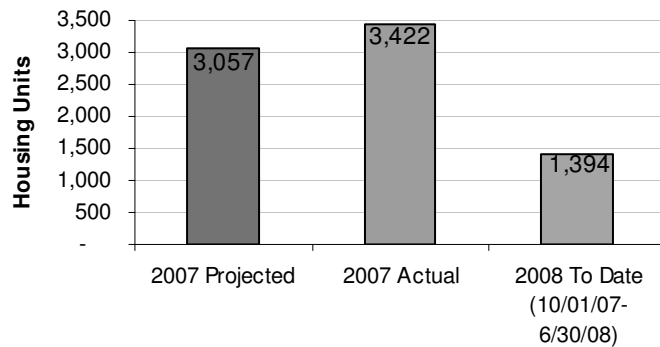
Activity: HOMEOWNERSHIP LOAN

Narrative

## Emerging Markets Mortgages Purchased



## Minnesota Housing Mortgage Loans Purchased



### Activity Funding

The Minnesota Legislature restored appropriations to HAF for down payment and monthly assistance in 2008-2009, which is approximately 1% of the state appropriations to the agency.

### Contact

Assistant Commissioner of Housing Policy  
Phone: (651) 296-9820

For further information, visit Minnesota Housing's website at: [www.mnhousing.gov](http://www.mnhousing.gov)



**HOUSING FINANCE AGENCY**  
**Program: APPROPRIATED PROGRAMS**  
 Activity: HOMEOWNERSHIP LOAN

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium 2010-11
	FY2008	FY2009	FY2010	FY2011	
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
General	0	0	2,100	2,100	4,200
<b>Statutory Appropriations</b>					
Housing Finance Agency	2,539	5,600	1,250	1,250	2,500
<b>Total</b>	<b>2,539</b>	<b>5,600</b>	<b>3,350</b>	<b>3,350</b>	<b>6,700</b>
<b><u>Expenditures by Category</u></b>					
Payments To Individuals	0	1,538	605	605	1,210
Local Assistance	82	75	135	135	270
Other Financial Transactions	2,457	3,987	2,610	2,610	5,220
<b>Total</b>	<b>2,539</b>	<b>5,600</b>	<b>3,350</b>	<b>3,350</b>	<b>6,700</b>

**Activity Description**

This budget activity is one of the key means by which the Minnesota Housing Finance Agency achieves its strategic goal of strategically preserving the existing affordable housing stock.

In order to preserve every unit of federally assisted rental housing as is economically feasible, Minnesota Housing provides incentive or rehabilitation loans, or both, for new or existing owners who will commit to staying in the federal assistance program for a longer term. This housing was financed originally with Housing and Urban Development (HUD), Minnesota Housing, or United States Department of Agriculture (USDA) Rural Development programs. No existing development program – federal, state, or local - can produce housing that is as affordable to residents as the existing stock of federally assisted housing. Preserving this housing costs substantially less per unit than new construction and, in many cases, leverages federal rent or mortgage subsidies well into the future.

**Activity at a Glance**

- ◆ There are more than 50,000 units of privately owned, federally assisted rental housing in Minnesota;
- ◆ Of those, 12,899 units have received preservation funding to date;
- ◆ Only 15 federally assisted housing developments with 295 units in Minnesota Housing's portfolio have been lost to date;
- ◆ Preservation funds increasingly are being used to address the physical deterioration of federally assisted housing;
- ◆ 293 households received assistance to rehab or preserve their home; and
- ◆ Average assistance under the Rehabilitation Loan Program is \$14,164.

This federally assisted rental housing stock is threatened for three reasons:

- ◆ half of Minnesota's Section 8 housing stock was financed with 20-year mortgages that either have or soon will expire;
- ◆ federal policies and requirements and the increasingly frequent changes in these policies and requirements makes continued participation in any publicly funded rental housing program less attractive to owners. An increasing number of owners are choosing to opt-out of the programs for estate planning reasons; and
- ◆ physical deterioration threatens a significant portion of federally assisted housing.

Nearly 40% of Minnesota's housing stock was built before 1959. For many low-income homeowners, the lack of funds to maintain their housing is the greatest threat to continued homeownership.

**Population Served**

Tenants of federally subsidized housing are generally the among the lowest income households served by Minnesota Housing.

**Services Provided**

**The Rehabilitation Loan Program** (M.S. 462A.05, Subd. 14a) provides deferred loans of up to \$15,000 to very low-income homeowners with annual incomes of \$23,550 or less for the purpose of correcting health and safety hazards within their homes and improving their homes and improving their habitability, accessibility, and energy efficiency. Loans are deferred until the home is sold; the borrower no longer lives in the home, or 30 years, whichever occurs first. Repayments are recycled into new loans. Historically, repayments under this program have averaged about \$1 million per year. Loans are distributed through local administrators who are familiar with the local area's needs.

**The Affordable Rental Investment Fund** (M.S. 462A.21, Subd. 8b), or ARIF Preservation, provides 0% deferred loans. The loans are most commonly in the form of preservation loans or loans to cover the costs of rehabilitation. Reservation loans are provided in situations where the development could, in Minnesota Housing's estimation, produce significantly greater revenues from market rents than it does under the federal program.

# HOUSING FINANCE AGENCY

**Program:** APPROPRIATED PROGRAMS

**Activity:** PRESERVATION

Narrative

## Historical Perspective

The ARIF Preservation program has been funded since 1998. The focus of activities has shifted from projects at risk of conversion to market rate housing to projects that are at risk of losing federal assistance due to the physical condition of the aging building. In 2005, the program was expanded to include the preservation of supportive housing. Of the \$20.5 million state preservation appropriation of 2008-2009, \$5 million was made available for preservation of federal public housing.

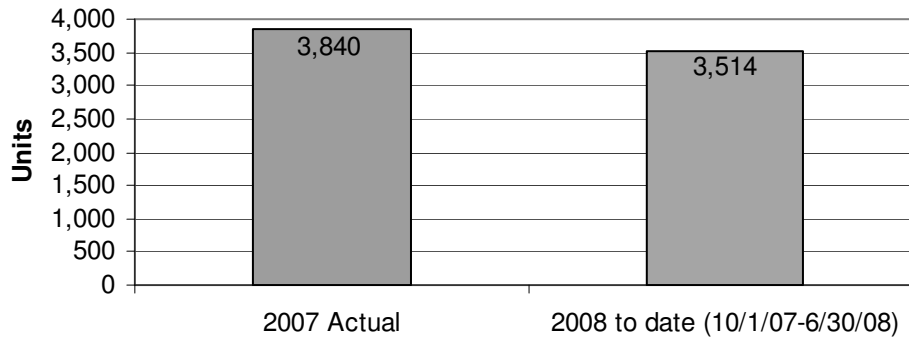
## Key Activity Goals

The preservation activity advances the agency's strategic priority of:

- ◆ Preserving existing affordable housing.

## Key Activity Measures

**Minnesota Housing Preservation of Affordable Housing**  
Total # of units preserved or rehabilitated by Minnesota Housing



## Activity Funding

State appropriations for this activity were approximately 20% of the agency total in the 2008-2009 biennium.

## Contact

Assistant Commissioner of Housing Policy  
Phone: (651) 296-9820

For further information, visit Minnesota Housing's website at: [www.mnhousing.gov](http://www.mnhousing.gov).

**HOUSING FINANCE AGENCY**  
**Program: APPROPRIATED PROGRAMS**  
 Activity: PRESERVATION

Budget Activity Summary

<i>Dollars in Thousands</i>					
	<b>Current</b>		<b>Forecast Base</b>		<b>Biennium</b>
	<b>FY2008</b>	<b>FY2009</b>	<b>FY2010</b>	<b>FY2011</b>	<b>2010-11</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
General	0	0	13,283	13,283	26,566
<b>Statutory Appropriations</b>					
Housing Finance Agency	27,508	26,142	3,550	3,750	7,300
<b>Total</b>	<b>27,508</b>	<b>26,142</b>	<b>16,833</b>	<b>17,033</b>	<b>33,866</b>
<b><u>Expenditures by Category</u></b>					
Payments To Individuals	3,208	3,931	0	0	0
Local Assistance	888	750	650	650	1,300
Other Financial Transactions	23,412	21,461	16,183	16,383	32,566
<b>Total</b>	<b>27,508</b>	<b>26,142</b>	<b>16,833</b>	<b>17,033</b>	<b>33,866</b>

# HOUSING FINANCE AGENCY

**Program:** APPROPRIATED PROGRAMS

**Activity:** RESIDENT & ORGANIZATIONAL SUPP

Narrative

## Activity Description

This budget activity contributes to the Minnesota Housing Finance Agency's ability to achieve its strategic goals.

The resident and organizational support programs provide support for some of the organizational infrastructure necessary to effectively deliver affordable housing throughout the state.

These programs fund:

- ◆ homebuyer education and foreclosure prevention;
- ◆ regional planning and coordinating activities; and
- ◆ nonprofit operating costs.

Citizen input sessions around the state and over the years consistently identify the lack of capacity as a barrier to producing more affordable housing.

## Activity at a Glance

In FFY 2007:

- ◆ 10,777 households received foreclosure prevention assistance or homebuyer training services;
- ◆ For every \$1 of state funding, an additional \$9 was provided to Twin Cities non-profit housing and economic development organizations from private resources; and
- ◆ Continued funding of six regional advisory groups to promote coordination of planning on a regional basis.

## Population Served

- ◆ Homeowners faced with foreclosure and low and moderate-income first-time homebuyers are served by the resident support activities.
- ◆ Nonprofit development organizations are assisted with maintaining or building their capacity to develop affordable housing.
- ◆ Regional networks are strengthened in their work on issues of regional planning and coordination.

## Services Provided

There are two appropriated programs that provide support for some of the organizational infrastructure necessary to effectively deliver affordable housing throughout the state:

**Homeownership Education, Counseling, and Training Program** (M.S. 462A.209), or HECAT. The Minnesota Housing, in collaboration with many other organizations, has brought together groups throughout the state, and designed a comprehensive statewide delivery network for homebuyer training and education overseen by the Homeownership Center in St. Paul. Experienced nonprofit organizations receive grants to provide comprehensive homebuyer training, and support on either a pre- or post-purchase basis for low and moderate-income first-time homebuyers. Funds may be used for either administrative support or program support.

Nonprofit and community based organizations provide interest-free loans for homeowners who are faced with foreclosure due to a temporary financial hardship; nonfinancial assistance in the form of financial counseling services, screening and assessment, referrals, case management and advocacy is also provided. These services are now available in every county.

**Nonprofit Capacity Building Grant program** (M.S. 462A.21, Subd. 3b). Two primary activities are funded through this program.

- ◆ Regional planning and coordination. Minnesota Housing funds regional planning and coordination using the six Minnesota Initiative Fund regions and the metropolitan area. Minnesota provides minimal funding for each region to convene Regional Housing Advisory Groups for the purpose of maintaining good communication between Minnesota Housing and the region; enabling an effective network within the region between economic development and housing efforts, and facilitating the development of regional Continuum of Care Plans that identify:
  - ⇒ existing homeless prevention, and assistance programs and services,
  - ⇒ funding and service gaps, and
  - ⇒ priorities for state and federal funding.

# HOUSING FINANCE AGENCY

**Program:** APPROPRIATED PROGRAMS

**Activity:** RESIDENT & ORGANIZATIONAL SUPP

Narrative

⇒ All state agency members of the Interagency Task Force on Homelessness use Continuum of Care Plans when making funding decisions. Additional activities include supporting the annual Homelessness survey by the Wilder Research Center and the implementation of a new streamlined reporting system, HMIS.

**Operating support for nonprofit developers.** Using both state appropriations and federal funds, Minnesota Housing now funds an operating support program in cooperation with the Minnesota Housing Partnership and the Local Initiatives Support Corporation to provide multi-year ongoing operating funds to build nonprofit capacity.

## Historical Perspective

In 2000, the Minnesota Legislature combined the Full-Cycle Homeownership Services program, and the Foreclosure Prevention, and Assistance program to form a new program called the HECAT program. Since many administrators participated in both programs, the merger achieved administrative simplicity.

In late 2003, the Minnesota Housing merged two regional advisory groups: the Economic Vitality and Housing advisory groups and the Continuum of Care planning groups into the Regional Housing Advisory Groups. The merger provides one forum through which a variety of issues can be considered.

## Key Activity Goal

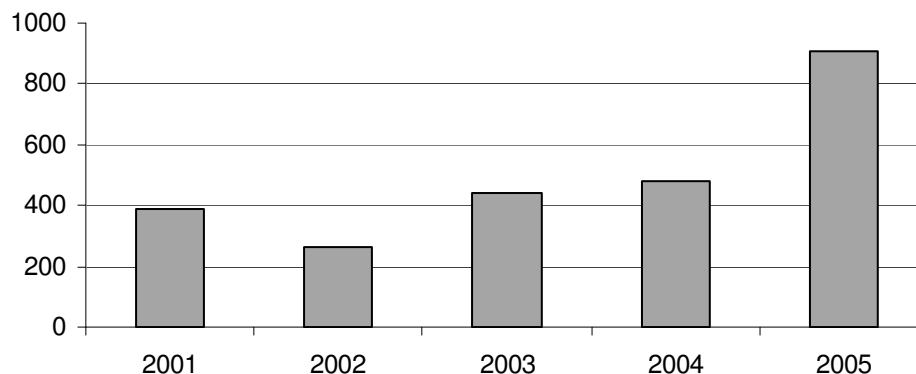
The resident and organizational support activity advances the agency's strategic priority of:

- ◆ Preserving existing affordable housing.

## Key Measures

In 2008 the legislature increased the HECAT Mortgage Foreclosure Prevention Assistance program from a cap of \$5,500 to a formula indexed to area median monthly owner costs, which were approximately \$10,000 in 2008. Strong nonprofit developers play an important role in meeting Minnesotan's affordable housing needs. Nonprofit developers more heavily emphasize community involvement and take on projects that the private sector finds less viable. One measurement of the strength of the nonprofit developer community is the number of affordable housing units developed. The number of affordable housing units produced by the 16 nonprofits participating in the Twin Cities operating support and capacity building programs increased from 2003 to 2005.

**Number of Units Produced by Assisted Twin City Non-profits**



## HOUSING FINANCE AGENCY

**Program:** APPROPRIATED PROGRAMS

**Activity:** RESIDENT & ORGANIZATIONAL SUPP

Narrative

Regional Continuum of Care planning is an essential component of the process of applying for federal McKinney-Vento Act funds. These funds assist with the provision of housing and services for homeless households. Minnesota Housing, through its financial support of the Regional Continuum of Care planning process in greater Minnesota, increases the likelihood that federal funding opportunities are maximized.

### **Budget**

State appropriations for this activity were approximately 1% of the agency's total 2008-2009 biennium.

### **Contact**

Assistant Commissioner for Housing Policy

Phone: (651) 296-9820

For further information, visit Minnesota Housing's website at: [www.mnhousing.gov](http://www.mnhousing.gov)

# HOUSING FINANCE AGENCY

## Program: APPROPRIATED PROGRAMS

Activity: RESIDENT & ORGANIZATIONAL SUPP

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium 2010-11
	FY2008	FY2009	FY2010	FY2011	
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
General	0	0	1,115	1,115	2,230
<b>Statutory Appropriations</b>					
Housing Finance Agency	2,078	3,772	1,370	1,370	2,740
<b>Total</b>	<b>2,078</b>	<b>3,772</b>	<b>2,485</b>	<b>2,485</b>	<b>4,970</b>
<b><u>Expenditures by Category</u></b>					
Payments To Individuals	180	550	160	160	320
Local Assistance	1,608	2,722	1,825	1,825	3,650
Other Financial Transactions	290	500	500	500	1,000
<b>Total</b>	<b>2,078</b>	<b>3,772</b>	<b>2,485</b>	<b>2,485</b>	<b>4,970</b>



**Program Description**

Minnesota Housing funds affordable housing activities in five broad areas using “non-appropriated” funds in all five activity areas. In this context, “Non-appropriated programs” means programs funded with federal funds. Minnesota Housing also uses tax-exempt and taxable bond proceeds, federal housing tax credits and agency resources to fund housing activities.

**Programs at a Glance**

- ◆ 30,328 rental housing units received project based section 8 assistance in FFY 2007.
- ◆ 441 rental housing units were rehabilitated with HOME fund in FFY 2007.
- ◆ \$555,000 was provided for down payment assistance under the American Dream Down Payment Assistance program.

**Services Provided**

- ◆ **Development and Redevelopment program.** This federally funded program funds the rehabilitation of rental housing.
- ◆ **Homeless Prevention and Supportive Housing programs.** These programs fund housing development and rent assistance for very low-income families and individuals who often face other barriers to stability, economic self-sufficiency, and independent living.
- ◆ **Homeownership Loan program.** This program funds home purchase for families and individuals.
- ◆ **Preservation of Existing Housing program.** These programs seek to preserve the stock of federally assisted rental housing.
- ◆ **Resident and Organizational Support program.** This federally funded program provides operating funds for organizations that develop and rehabilitate affordable housing, offer homebuyer educations and foreclosure prevention assistance or coordinate regional planning efforts.

**Program Funding**

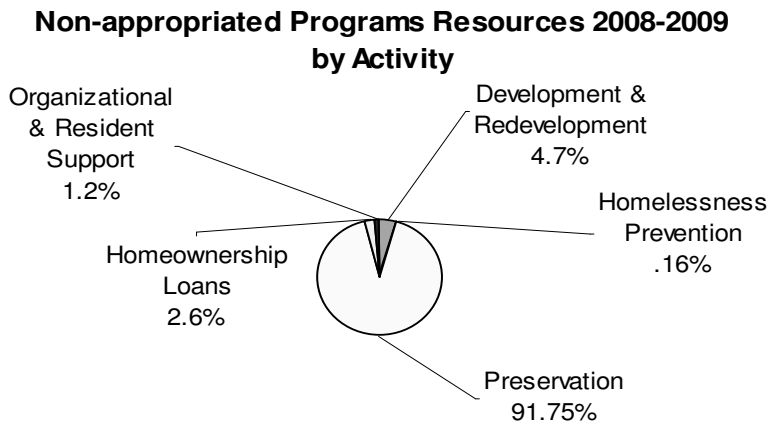
All of the funding for the “Non-appropriated programs” is federal funding. Federal funding comprises 24% of the two (2) year budget for Minnesota Housing.

Federal legislation appropriating \$4 Billion for emergency assistance for the redevelopment of abandoned and foreclosed homes was signed into law July 2009. Minnesota will receive some portion of the appropriation base on a formula to be developed by the United State Department of Housing and Urban Development.

**Key Program Goals**

Federal funding assists Minnesota Housing in achieving its four (4) strategic goals:

- ◆ end long –term homelessness;
- ◆ increase emerging market homeownership;
- ◆ preserve existing affordable housing stock; and
- ◆ finance new affordable housing opportunities



# HOUSING FINANCE AGENCY

Program: NON APPROPRIATED PROGRAMS

Program Summary

*Dollars in Thousands*

	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<b><u>Expenditures by Fund</u></b>					
<b>Statutory Appropriations</b>					
Housing Finance Agency	201,841	214,130	215,443	212,102	427,545
<b>Total</b>	<b>201,841</b>	<b>214,130</b>	<b>215,443</b>	<b>212,102</b>	<b>427,545</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	16,471	18,672	19,752	20,650	40,402
Other Operating Expenses	7,687	8,833	9,233	9,233	18,466
Payments To Individuals	169,813	171,540	173,688	169,619	343,307
Local Assistance	813	1,085	1,020	850	1,870
Other Financial Transactions	7,057	14,000	11,750	11,750	23,500
<b>Total</b>	<b>201,841</b>	<b>214,130</b>	<b>215,443</b>	<b>212,102</b>	<b>427,545</b>
<b><u>Expenditures by Activity</u></b>					
Re/Development	8,128	10,438	7,650	7,650	15,300
Supportive Housing	1,615	1,689	1,619	1,619	3,238
Homeownership Loan	8	4,000	4,250	4,250	8,500
Preservation	165,322	167,203	168,000	168,000	336,000
Resident & Organizational Supp	2,608	3,295	4,939	700	5,639
Administration	24,160	27,505	28,985	29,883	58,868
<b>Total</b>	<b>201,841</b>	<b>214,130</b>	<b>215,443</b>	<b>212,102</b>	<b>427,545</b>
<b>Full-Time Equivalentents (FTE)</b>	<b>199.6</b>	<b>197.0</b>	<b>197.0</b>	<b>197.0</b>	

# HOUSING FINANCE AGENCY

**Program:** NON APPROPRIATED PROGRAMS

**Activity:** RE/DEVELOPMENT

Narrative

## Activity Description

This activity funds the new construction and rehabilitation of housing, both rental and homes for ownership needed to sustain economic growth and vitality. In some communities, rehabilitating the existing stock is an important strategy for retaining existing employers and related economic activity.

Minnesota Housing's re/development program federally funds are used to finance rehabilitation of rental housing.

## Activity at a Glance

In FFY 2007:

- ◆ 441 rental units in Greater Minnesota were rehabbed under the HOME program; and
- ◆ The median income of the tenants was \$11,989

## Population Served

Tenants of rental housing are served by this federally funded budget activity. Additionally, communities receive assistance in their stabilization and revitalization efforts through this budget activity.

## Services Provided

Minnesota Housing's federally funded re/development activity is conducted under:

- ◆ The **HOME Rental Rehabilitation Program** is a federally funded program that provides deferred loans to rehabilitate privately owned rental property to support affordable, decent, safe, and energy efficient housing for lower income households. Tenants in the assisted units must have incomes at or below \$48,340 for a family of four in the Twin Cities. (60% of Median) Assistance ranges from \$3,000 to \$14,000 per unit. Owners are required to match program assistance on a one-to-three basis. A network of local administrators assists in administering this program.
- ◆ Emergency Assistance for Redevelopment of Abandoned and Foreclosed homes is a new appropriation included in the Housing and Economic Recovery Act. Funds may be used to establish financing mechanisms for the purchase and redevelopment of foreclosed residential properties purchase and rehabilitate abandoned and foreclosed residential properties to sell or rent the properties, establish land banks, demolish blighted structure and redevelop demolished or vacant properties. The Governor must designate a State Agency to administer the funds. The U.S Department of Housing and Urban Development will develop a formula for allocation of the funding among state and local units of government.

## Historical Perspectives

Home funding has been for the MURL program (Minnesota Urban & Rural Homesteading Program) to provide grants to non-profit organization and cities to acquire vacant or condemned single family homes, rehabilitate the homes and sell them to at risk families. The program utilized a contract for deed to transfer title. HUD reinterpreted some of its regulations to make it impractical to operate the MURL program with federal funds. Minnesota Housing has committed agency resources to the MURL program at the same level as the program had been previously funded.

## Key Activity Goals

The Minnesota Housing re/development activity is instrumental to achieving the Agency's strategic goals of:

- ◆ Preserving existing affordable housing.

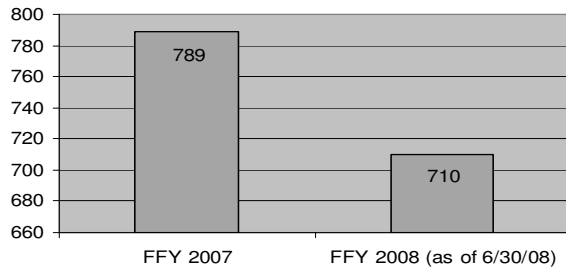
# HOUSING FINANCE AGENCY

**Program:** NON APPROPRIATED PROGRAMS

**Activity:** RE/DEVELOPMENT

Narrative

**Newly Constructed Rental Housing Units**



## Budget

Approximately 43% of the federal funding is budgeted for development and redevelopment activities. Additional funding may be available for this activity as a result of the Housing and Economic Stimulus Act.

## Contact

Assistant Commissioner of Housing Policy  
Phone: (651) 296-9820

For further information, visit Minnesota Housing's website at: [www.mnhousing.gov](http://www.mnhousing.gov)

**HOUSING FINANCE AGENCY**  
**Program: NON APPROPRIATED PROGRAMS**  
 Activity: RE/DEVELOPMENT

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<b><u>Expenditures by Fund</u></b>					
<b>Statutory Appropriations</b>					
Housing Finance Agency	8,128	10,438	7,650	7,650	15,300
<b>Total</b>	<b>8,128</b>	<b>10,438</b>	<b>7,650</b>	<b>7,650</b>	<b>15,300</b>
<b><u>Expenditures by Category</u></b>					
Payments To Individuals	966	238	0	0	0
Local Assistance	113	200	150	150	300
Other Financial Transactions	7,049	10,000	7,500	7,500	15,000
<b>Total</b>	<b>8,128</b>	<b>10,438</b>	<b>7,650</b>	<b>7,650</b>	<b>15,300</b>

#### Activity Description

Homeless prevention activities provide housing and other assistance to households who are at risk of becoming homeless due to a crisis situation, extremely low-incomes, or physical or mental health problems. These activities also assist households in moving out of emergency shelters and other temporary settings so that they do not become long-term homeless.

Supportive housing is permanent housing with support services. Supportive housing is an essential element of efforts to achieve the strategic goal of ending long-term homelessness. Supportive housing stabilizes housing for the poorest households or households with special needs so they can successfully address barriers to employment, complete school or training, and/or achieve independent living. For some households, providing both housing and services is essential to success; one without the other does not lead to success.

#### Activity at a Glance

- ◆ 125 households in Greater Minnesota received Housing Opportunities for Persons with Aids (HOPWA) funds in FFY 2007 for emergency assistance of rental, mortgage, and utility payments to assist in housing search and referral services.
- ◆ The Neighborhood Initiative Grant will be used for permanent housing for American Indian youth who are homeless or at risk of being homeless.

#### Population Served

This activity serves households facing a crisis that may have or already has resulted in the loss of permanent housing and those who cannot afford basic, permanent housing without a substantial subsidy. Supportive housing programs serve individuals and families with multiple barriers to obtaining and maintaining housing, including persons who are homeless or at risk of becoming homeless, and persons with mental illness, substance abuse disorders, or persons with HIV/AIDS.

#### Services Provided

Minnesota Housing's federally funded activities in the area of homelessness prevention and supportive housing have two components:

- ◆ The **Housing Opportunities for Persons with AIDS (HOPWA)** program is a federally funded program that is administered by the Minnesota Housing Agency. It provides resources to devise long-term and comprehensive strategies for meeting the housing needs of persons with AIDS or other related diseases. MHFA's HOPWA funds are used for rental subsidies.
- ◆ **Neighborhood Initiative Grant – Homeless Youth-** This is a one time only funding for a homeless youth project.

#### Key Activity Goals

This activity is essential to meeting Minnesota Housing's priority of:

- ◆ Ending Long-Term Homelessness. Minnesota Housing's strategic plan can be found at: [www.mnhousing.gov/news/reports/index.aspx](http://www.mnhousing.gov/news/reports/index.aspx).

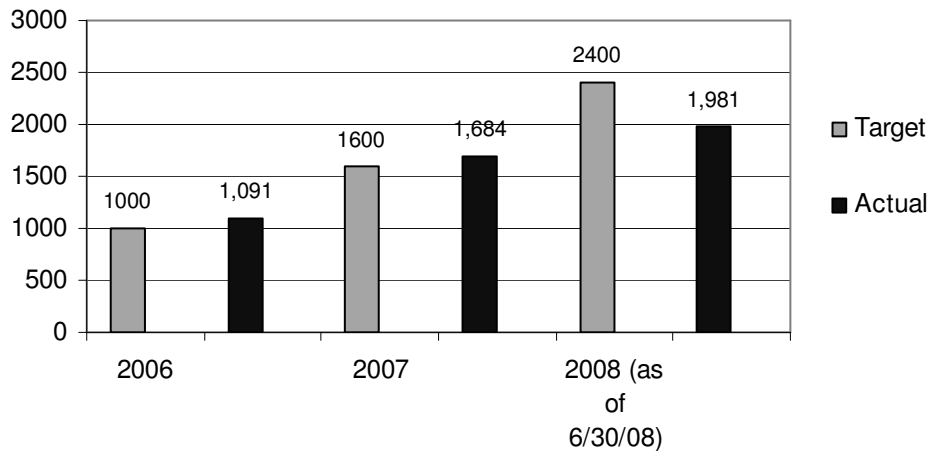
# HOUSING FINANCE AGENCY

**Program: NON APPROPRIATED PROGRAMS**

**Activity: HOMELESSNESS PREVENTION AND SUPPORTIVE HOUSING** Narrative

## Key Measures

Minnesota Housing, along with the Departments of Human Services and Corrections, is a key partner in implementing the Business Plan to End Long-Term Homelessness in Minnesota. Developed by a working group of public and private stakeholders, the Business Plan aims to provide permanent supportive housing to an additional 4,000 long-term homeless households by 2010.



## Budget

Approximately 0.15% of the federal resources are budgets for this activity.

## Contact

Assistant Commissioner of Housing Policy  
Phone (651) 296-9820

For further information, visit Minnesota Housing's website at: [www.mnhousing.gov](http://www.mnhousing.gov)

**HOUSING FINANCE AGENCY**  
**Program: NON APPROPRIATED PROGRAMS**  
 Activity: SUPPORTIVE HOUSING

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<b><u>Expenditures by Fund</u></b>					
<b>Statutory Appropriations</b>					
Housing Finance Agency	1,615	1,689	1,619	1,619	3,238
<b>Total</b>	<b>1,615</b>	<b>1,689</b>	<b>1,619</b>	<b>1,619</b>	<b>3,238</b>
<b><u>Expenditures by Category</u></b>					
Payments To Individuals	1,615	1,689	1,619	1,619	3,238
<b>Total</b>	<b>1,615</b>	<b>1,689</b>	<b>1,619</b>	<b>1,619</b>	<b>3,238</b>



# HOUSING FINANCE AGENCY

**Program:** NON APPROPRIATED PROGRAMS

**Activity:** HOMEOWNERSHIP LOAN

Narrative

## Activity Description

The homeownership loan programs combine state appropriations with bond proceeds and Minnesota Housing Finance Agency resources to provide affordable loans. Homeownership loan programs also conduct marketing and outreach aimed at reaching underserved populations. The homeownership loan program assists in achieving the strategic goal of increasing the homeownership rate of households of color.

## Activity at a Glance

In FY 2007:

- ◆ A total of \$755,000 funded 76 loans through the downpayment assistance program.
- ◆ 46.1% of assisted were households of color.
- ◆ Median household income was \$34,651

## Population Served

The homeownership loan programs serve first-time homebuyers.

## Services Provided

The non-appropriated homeownership loan program is the **American Dream Downpayment Initiative (ADDI)**. This program uses federal block grant funds to provide downpayment assistance towards the purchase of single-family housing by low-income families who are first-time homebuyers. Though a fairly new program, federal funding for the program is significantly reduced compared to the initial years.

## Key Activity Goals

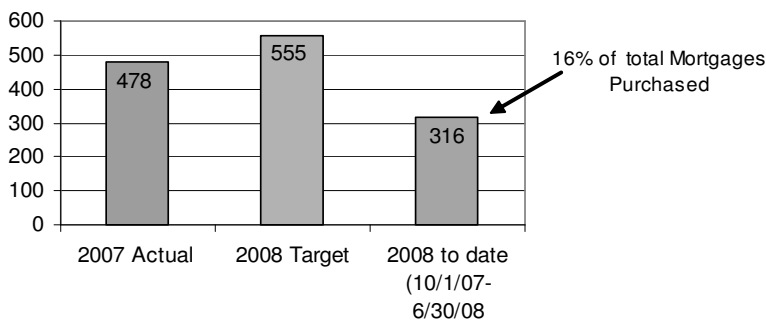
The homeownership loan activity advances the agency's strategic priorities of:

- ◆ Financing new affordable housing opportunities; and
- ◆ Increasing emerging market homeownership.

## Key Activity Measures

Minnesota Housing estimates that the homeownership gap between white households and households of color and/or Hispanic ethnicity in 2006 was 34 percentage points, placing Minnesota in the top ten states for the largest homeownership gap.

### Emerging Markets Mortgages Purchased



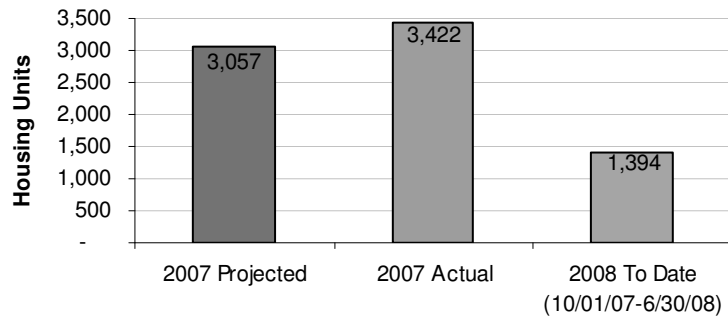
# HOUSING FINANCE AGENCY

Program: **NON APPROPRIATED PROGRAMS**

Activity: **HOMEOWNERSHIP LOAN**

Narrative

**Minnesota Housing Mortgage Loans Purchased**



## Activity Funding

The non-appropriated budget for this activity was approximately 2% of federal resources in the 2008-2009 biennium.

## Contact

Assistant Commissioner for Housing Policy

Phone: (651) 296-9820

For further information, visit Minnesota Housing's website at: [www.mnhousing.gov](http://www.mnhousing.gov)

**HOUSING FINANCE AGENCY**  
**Program: NON APPROPRIATED PROGRAMS**  
 Activity: HOMEOWNERSHIP LOAN

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<b><u>Expenditures by Fund</u></b>					
<b>Statutory Appropriations</b>					
Housing Finance Agency	8	4,000	4,250	4,250	8,500
<b>Total</b>	<b>8</b>	<b>4,000</b>	<b>4,250</b>	<b>4,250</b>	<b>8,500</b>
<b><u>Expenditures by Category</u></b>					
Other Financial Transactions	8	4,000	4,250	4,250	8,500
<b>Total</b>	<b>8</b>	<b>4,000</b>	<b>4,250</b>	<b>4,250</b>	<b>8,500</b>

# HOUSING FINANCE AGENCY

**Program:** NON APPROPRIATED PROGRAMS

**Activity:** PRESERVATION

Narrative

## Activity Description

This budget activity is one of the key means by which the Minnesota Housing achieves its strategic goal of strategically preserving existing affordable housing.

In order to preserve every unit of federally assisted rental housing as is economically feasible, the Minnesota Housing Finance Agency provides incentive or rehabilitation loans, or both, for new or existing owners who will commit to staying in the federal assistance program for a longer term. This housing was financed originally with Housing and Urban Development (HUD), Minnesota Housing or United States Department of Agriculture Rural Development programs. No existing development program — federal, state, or local — can produce housing that is as affordable to residents as the existing stock of federally assisted housing. Preserving this housing costs substantially less per unit than new construction and, in many cases, leverages federal rent or mortgage subsidies well into the future.

This housing stock is threatened for three reasons:

- ◆ Half of Minnesota's Section 8 housing stock was financed with 20-year mortgages that either have expired or will soon expire.
- ◆ Federal policies and requirements and the increasingly frequent changes in these policies and requirements make continued participation in any publicly funded rental housing program less attractive to owners. An increasing number of owners are choosing to opt-out of the programs for estate planning reasons.
- ◆ Physical deterioration threatens a significant portion of federally assisted housing.

Effective administration of housing assistance payment contracts on approximately 32,000 units of Section 8 housing is the other strategy employed by Minnesota Housing to preserve federally assisted housing.

## Population Served

Tenants of federally subsidized housing are generally among the lowest income households served by Minnesota Housing.

## Services Provided

Minnesota Housing's non-appropriated programs in the area of preservation of federally-assisted housing are as follows:

**Section 8 Housing Assistance Payments:** Minnesota Housing administers the federal Section 8 Housing Assistance Payments for developments that have contracted with Minnesota Housing. The assistance is in the form of rental subsidies to low and moderate-income tenants. The tenant pays no more than 30% of his or her income for rent and HUD pays the difference between the tenant's contribution and a rent amount set by contract between HUD and the owner. Tenants must have incomes less than 80% of area median income. For developments with Housing Assistance Payments contracts executed after 10-01-1981, 100% of the units must be occupied by households with incomes below 50% of area median income; developments with contracts executed before that date must rent at least 30% of the units to households with incomes below 50% of area median income. The Housing Assistance Payments are committed for the remainder of the mortgage term (30 or 40 years).

**HUD Contract Administration:** Minnesota Housing is the contract administrator for HUD developments with project-based Section 8. The assistance is in the form of rental subsidies to extremely low to moderate-income

## Activity at a Glance

For FFY 2007:

- ◆ \$71,036,886 in Section 8 Housing Assistance payments was disbursed for 12,209 units of rental housing;
- ◆ \$94,434,760 in Section 8 Housing Assistance payments was disbursed for 18,119 units of housing for which MHFA is the contract administrator;
- ◆ The median income of the households living in the Section 8 units was about \$11,300; and
- ◆ Every Minnesota County has at least one federally assisted rental project.

# HOUSING FINANCE AGENCY

**Program:** NON APPROPRIATED PROGRAMS

**Activity:** PRESERVATION

Narrative

tenants. The tenant pays no more than 30% of his or her income for rent, until their income exceeds the income limits and HUD pays the difference between the tenant's contribution and a rent amount set by contract between HUD and the owner. Tenants must have incomes less than 80% of area median income. Owners must rent 40% of their units to extremely low income tenants (incomes at or below 30% of area median income). Sixty percent of the turnover units may be rented to households with incomes below 50% of area median income. For developments with Housing Assistance Payments contracts executed after 10-01-1981, no more than 15% of the turn-over units may be rented to households with incomes between 50% and 80% of the area median income; developments with contracts executed before that date may not rent more than 15% of the turnover units to tenants with incomes at that level. The Housing Assistance Payments are committed for between one and five years.

**Section 236 Interest Rate Reduction Program:** The agency administers Section 236 interest rate reduction payments for 13 rental housing developments throughout Minnesota. The assistance is in the form of a shallow subsidy provided by HUD to lenders to cover the difference between a 1% interest rate and the market rate on a mortgage loan. Tenants must pay a basic rent, which is calculated on the basis of the reduced interest mortgage, or 30% of the tenant's income, not to exceed a market rent, whichever is greater. Tenants of the units covered by the interest-rate subsidy must have incomes at or below 80% of area median income. In general, the low-income use restrictions apply for at least 20 years.

## Key Activity Goals

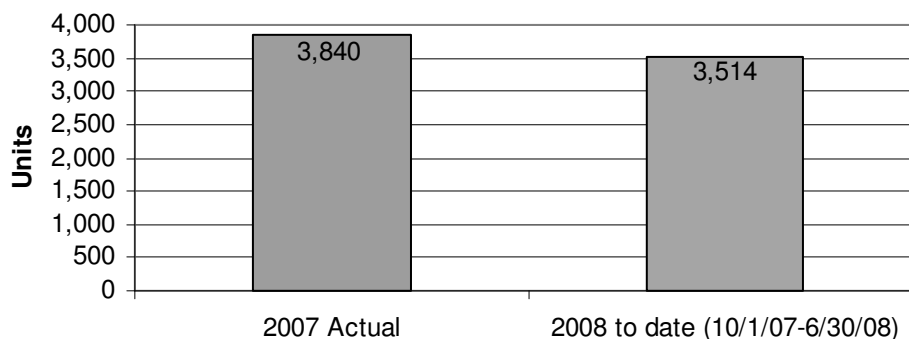
The preservation activity advances the agency's strategic priority of:

- ◆ Preserving existing affordable housing.

## Key Activity Measures

Minnesota Housing has established a performance measure that at least 90% of federally assisted units determined to be at risk for termination of their federal assistance program will be preserved as affordable housing. In FFY 2007, actual performance achieved preservation of 93% of all at risk units.

**Minnesota Housing Preservation of Affordable Housing**  
Total # of units preserved of rehabilitated by Minnesota Housing



## Activity Funding

The non-state budget for this activity was approximately 87% of federal resources 208-2009 biennium.

## Contact

Assistant Commissioner of Housing Policy  
Phone: (651) 296-9820

For further information, visit Minnesota Housing's website at: [www.mnhousing.gov](http://www.mnhousing.gov)

**HOUSING FINANCE AGENCY**  
**Program: NON APPROPRIATED PROGRAMS**  
 Activity: PRESERVATION

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<b><u>Expenditures by Fund</u></b>					
<b>Statutory Appropriations</b>					
Housing Finance Agency	165,322	167,203	168,000	168,000	336,000
<b>Total</b>	<b>165,322</b>	<b>167,203</b>	<b>168,000</b>	<b>168,000</b>	<b>336,000</b>
<b><u>Expenditures by Category</u></b>					
Payments To Individuals	165,322	167,203	168,000	168,000	336,000
<b>Total</b>	<b>165,322</b>	<b>167,203</b>	<b>168,000</b>	<b>168,000</b>	<b>336,000</b>

# HOUSING FINANCE AGENCY

**Program:** NON APPROPRIATED PROGRAMS

**Activity:** RESIDENT & ORGANIZATIONAL SUPP

Narrative

## Activity Description

This budget activity contributes to the Minnesota Housing Finance Agency's ability to preserve existing affordable housing by ensuring homeowners at risk of foreclosure receive appropriate intervention and counseling assistance.

In 2008, Minnesota Housing was awarded \$4.33 million through the federal National Foreclosure Mitigation Counseling Program, administered by NeighborWorks, a Neighborhood Reinvestment Corporation approved by HUD. The grant was awarded through a competitive application process. Minnesota Housing received the second largest award to a housing finance agency, behind California.

Minnesota Housing will use the grant funds to supply funding to sub-grantees to provide mortgage foreclosure intervention and loss mitigation counseling assistance to an estimated 16,000 households. The target clients are owner-occupants of single-family (one- to four-unit) properties that obtained subprime loans, are delinquent on their mortgages, and are at risk of default and foreclosure. The funds support counseling, program related support activities and operational oversight.

The funds supplement the existing agency program, the Foreclosure Prevention Assistance Program. The program services include foreclosure prevention counseling/advocacy and loan funds. However, given the dramatic increase in foreclosures across the state (foreclosures increased 84% from 2006 to 2007 and 73% from 2005 to 2006), the agency's counseling resources are insufficient in meeting the need for foreclosure prevention counseling.

## Population Served

⇒ Homeowners faced with foreclosure, especially owner-occupants of single-family properties with subprime loans who are at risk of default and foreclosure.

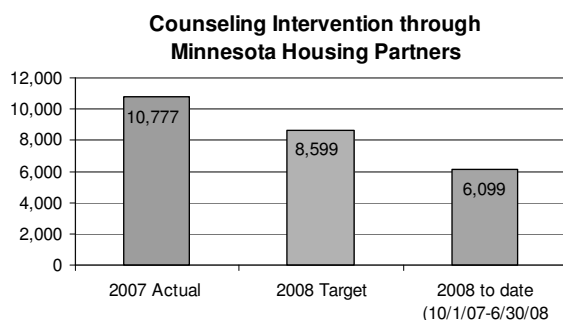
## Services Provided

The **National Foreclosure Mitigation Counseling Program** grant funding will be given to sub-grantees in Minnesota to provide mortgage foreclosure intervention and loss mitigation counseling assistance to an estimated 16,000 households. The funds support counseling, program related support activities and operational oversight.

## Key Activity Goals

The funding received through the National Foreclosure Mitigation Counseling Program will assist Minnesota Housing in reaching two of its strategic priorities: preserve existing affordable housing and increase emerging market homeownership.

## Key Activity Measures



## Activity at a Glance

- ◆ \$4.33 million awarded to Minnesota Housing in 2008 through the National Foreclosure Mitigation Counseling Program.
- ◆ An estimated additional 16,000 Minnesota households will receive mortgage foreclosure intervention and loss mitigation counseling assistance.

# HOUSING FINANCE AGENCY

**Program:** NON APPROPRIATED PROGRAMS

**Activity:** RESIDENT & ORGANIZATIONAL SUPP

Narrative

## **Activity Funding**

The non-appropriated budget for this activity was approximately 1.5% of federal resources in the 2008-2009 biennium.

## **Contact**

Assistant Commissioner of Housing Policy

Phone: (651) 296-9820

For further information, visit Minnesota Housing's website at: [www.mnhousing.gov](http://www.mnhousing.gov)



# HOUSING FINANCE AGENCY

## Program: NON APPROPRIATED PROGRAMS

Activity: RESIDENT & ORGANIZATIONAL SUPP

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium 2010-11
	FY2008	FY2009	FY2010	FY2011	
<b><u>Expenditures by Fund</u></b>					
<b>Statutory Appropriations</b>					
Housing Finance Agency	2,608	3,295	4,939	700	5,639
<b>Total</b>	<b>2,608</b>	<b>3,295</b>	<b>4,939</b>	<b>700</b>	<b>5,639</b>
<b><u>Expenditures by Category</u></b>					
Payments To Individuals	1,910	2,410	4,069	0	4,069
Local Assistance	698	885	870	700	1,570
<b>Total</b>	<b>2,608</b>	<b>3,295</b>	<b>4,939</b>	<b>700</b>	<b>5,639</b>

# HOUSING FINANCE AGENCY

**Program:** NON APPROPRIATED PROGRAMS

**Activity:** ADMINISTRATION

Narrative

## Activity Description

Through this budget activity, Minnesota Housing Finance Agency works to finance and advance affordable housing opportunities for low-and-moderate income Minnesotans to enhance quality of life and foster strong communities.

In April 2003 the governor appointed Tim Marx to be the fourth commissioner of the Minnesota Housing since its inception in 1971.

During the FY 2006-2007 biennium, the Minnesota Housing developed five strategic goals and began implementing a new strategic plan. A business plan to achieve the strategic goals of ending long-term homelessness was developed and a report delivered to the Minnesota Legislature in March 2004. Each annual goal under the plan for permanent supportive housing has been surpassed. In June 2005, an initiative regarding work on the goal of increasing the homeownership rate on emerging markets was launched. Progress has been steady though challenging given the turmoil in the housing market.

In response, in part, to a customer survey conducted annually, the multifamily division is engaged in efforts to improve customer service that includes eight specific activities. These actions are intended to streamline processes and make doing business with the Minnesota Housing easier and faster while retaining the ability to produce quality, affordable rental housing for those households not being served by the private sector. This is a continued improvement process that includes surveying of customers as part of every request for proposal (RFP) process.

Major information technology improvement efforts were implemented during the FY 2006-2007 biennium. A new centralized database for multifamily projects resulted in a web-based application and increased electronic interfaces for sharing and providing data between Minnesota Housing and its customers. A single-family mortgage online system now allows lenders to submit loans for approval and purchase via a web-based system. This will decrease costs and increase efficiency. Compliance monitoring will be augmented in the 2008-2009 biennium with the assistance of the improved technology.

A Housing Resource Advisory Committee was established to review the policies and practices adopted by the Minnesota Housing in allocating resources and to explore alternative allocations of resources in Minnesota so as to best advance the Agency's mission of meeting Minnesotans' needs for decent, safe, affordable housing and stronger communities. In 2007, a balanced scorecard was adopted to guide strategy management and decision-making. In preparation for changes in senior leadership, due to retirement is in the next couple years, the agency creating a team to develop a transition plan.

As of 6-30-2007, Minnesota Housing has approximately \$3.3 billion in assets.

## Population Served

Low and moderate-income tenants, homebuyers, and homeowners benefit from the administration of agency programs.

## Services Provided

Agency staff engages in a number of activities to ensure that both appropriated and non-appropriated funds are well invested and the investments are well managed.

## Activity at a Glance

For FY 2007:

- ◆ Disbursed \$458.6 million for homeownership programs;
- ◆ Disbursed \$48 million for home improvement and rehabilitation programs;
- ◆ Disbursed \$238 million for rental housing programs;
- ◆ Administered \$8.3 million in housing tax credits for 1700 units of rental housing;
- ◆ Oversaw a portfolio of more than 1,200 first mortgages and deferred loans for rental housing; and
- ◆ Issued an aggregate of \$669 million in bonds.

# HOUSING FINANCE AGENCY

**Program:** NON APPROPRIATED PROGRAMS

**Activity:** ADMINISTRATION

Narrative

For multifamily properties, one of the major activities is management monitoring with five major components that require review and oversight:

- ◆ underwriting;
- ◆ construction;
- ◆ marketing/initial rent-up;
- ◆ long-term management; and
- ◆ additional oversight for troubled properties.

In addition, monitoring for compliance with the federal Section 8, Section 236, Low-Income Housing Tax Credits, and Urban and Rural HOMEsteading Program (HOME) programs must be performed as well as monitoring for compliance with imposed rent and income restrictions.

Activities surrounding the various homeownership assistance provided by Minnesota Housing include processing loan reservations and disbursements, compliance monitoring of funds used for homeownership assistance, monitoring of loan services, and provision of delinquency assistance and loss mitigation tools.

The agency's portfolio grows as additional funds are appropriated for housing. A concomitant increase in the responsibilities for loan portfolio management, investment and debt management, and property management results from a larger portfolio.

The portfolio of federal housing tax credit is growing by approximately 1,200 units per year. Federal law requires that a portion of tax credit units be monitored every year.

## Key Activity Measures

In setting an administrative budget, the agency seeks to strike an appropriate balance between maximizing Agency resources available for housing needs and investing in adequate staff and technology to ensure efficient operations, appropriate oversight, and quality housing.

(Dollars in Thousands)

Assistance Provided	Year Ended 9/30/2001	Year Ended 9/30/2002	Year Ended 9/30/2003	Year Ended 9/30/2004	Year Ended 9/30/2005	Year Ended 9/30/2006	Year Ended 9/30/2007	Year Ended 9/30/2008 (Expected)
Total Assistance Provided by the Agency	\$383,016	\$520,956	\$466,806	\$533,983	\$637,314	\$717,616	\$744.983	
Actual Operating Costs	\$16,321	\$18,222	\$19,089	\$20,186	\$20,124	\$21,266	\$22,832	\$24,472
Operating Costs as a % of Assistance Provided	4.26%	3.50%	4.09%	3.78%	3.16%	2.96%	3.06%	

## Activity Funding

The cost of operating the Minnesota Housing in FY 2007 was approximately 10% of the agency's own resources. The agency pays for the costs of operation from agency earnings, primarily the spread on revenue bonds. The administrative costs of operating state-appropriated programs are recovered to the extent that there are interest earnings on state appropriations. No core state appropriation is used to fund agency operations.

## Contact

Assistant Commissioner of Housing Policy  
Phone: (651) 296-9820

For further information, visit Minnesota Housing's website at: [www.mnhousing.gov](http://www.mnhousing.gov)

**HOUSING FINANCE AGENCY**  
**Program: NON APPROPRIATED PROGRAMS**  
 Activity: ADMINISTRATION

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<b><u>Expenditures by Fund</u></b>					
<b>Statutory Appropriations</b>					
Housing Finance Agency	24,160	27,505	28,985	29,883	58,868
<b>Total</b>	<b>24,160</b>	<b>27,505</b>	<b>28,985</b>	<b>29,883</b>	<b>58,868</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	16,471	18,672	19,752	20,650	40,402
Other Operating Expenses	7,687	8,833	9,233	9,233	18,466
Local Assistance	2	0	0	0	0
<b>Total</b>	<b>24,160</b>	<b>27,505</b>	<b>28,985</b>	<b>29,883</b>	<b>58,868</b>
<b>Full-Time Equivalents (FTE)</b>	<b>199.6</b>	<b>197.0</b>	<b>197.0</b>	<b>197.0</b>	

# HOUSING FINANCE AGENCY

# Agency Revenue Summary

*Dollars in Thousands*

	Actual FY2008	Budgeted FY2009	Current Law		Biennium 2010-11
			FY2010	FY2011	
<b><u>Non Dedicated Revenue:</u></b>					
<b>Total Non-Dedicated Receipts</b>	0	0	0	0	0
<b><u>Dedicated Receipts:</u></b>					
<b>Grants:</b>					
Housing Finance Agency	177,223	181,286	183,628	179,219	362,847
<b>Other Revenues:</b>					
Housing Finance Agency	38,305	37,203	35,879	35,869	71,748
<b>Other Sources:</b>					
Housing Finance Agency	-16,685	-4,640	1,548	2,497	4,045
<b>Total Dedicated Receipts</b>	<b>198,843</b>	<b>213,849</b>	<b>221,055</b>	<b>217,585</b>	<b>438,640</b>
<b>Agency Total Revenue</b>	<b>198,843</b>	<b>213,849</b>	<b>221,055</b>	<b>217,585</b>	<b>438,640</b>