

# Task Force on Long-Term Sustainability of Affordable Housing

2024 Minnesota Session Law, Chapter 127, Article 15, Section 49

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PRESENTATION TO THE TASK FORCE ON LONG-TERM SUSTAINABILITY OF AFFORDABLE HOUSING

# General Duty

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To evaluate issues and provide recommendations relating to affordable housing sustainability, including displacement of tenants, preservation of housing previously developed with public financing, and long-term sustainability of new housing developments.

# Specific Duties

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- Assess underlying financial challenges to develop, operate, and preserve safe, affordable, and dignified housing, including:
  - Factors that are leading to increasing operating costs for affordable housing providers, including insurance availability and rates, labor costs, and security costs;
  - Factors that are leading to declining revenues for affordable housing providers, such as loss of rent and vacancy issues; and
  - The potential impact of the loss of housing units under current conditions, including preservation needs of federally rent-assisted properties and tax credit developments with expiring contracts.
- Evaluate current financing and administrative tools to develop, operate, and preserve safe and affordable housing, including:
  - Public and private financing programs, and the availability of funding as it relates to overall needs; and
  - Administrative tools including underwriting standards used by public and private housing funders and investors.
- Evaluate financial or asset management practices of affordable housing providers and support for asset management functions by funder organizations.

# Specific Duties

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- Recommend potential solutions to develop and preserve safe and affordable housing, including:
  - Additional funding for existing programs and administrative tools;
  - Any new financial tools necessary to meet current financial challenges that cannot be met by existing state and local government or private program and administrative tools including new uses, modified implementation, or other improvements to existing programs; and
  - Best practices for changes to financial or asset management practices of affordable housing providers and funders.
- Address other topics as identified by task force members during the course of its work.
- Consult with other organizations that have expertise in affordable rental housing, including entities engaging in additional external stakeholder input from those with lived experience and administrators of emergency assistance, including Minnesota's Tribal nations.

# Administration of the Task Force

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- Elect its own chair(s) at first meeting
- Subject to the Minnesota Open Meeting Law under Minnesota Statutes, chapter 13D

# Timeline

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Meetings will take place 10am-12pm:

- August 28, 2024
- September 18, 2024
- October 9, 2024
- October 30, 2024
- November 20, 2024
- December 11, 2024
- January 8, 2025
- January 22, 2025

# Final Report and Expiration

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- No later than February 1, 2025, the task force must submit a report to the commissioner of the Minnesota Housing Finance Agency, the Interagency Stabilization Group, and the chairs and ranking minority members of the legislative committees having jurisdiction over housing finance and policy. At a minimum, the report must:
  - Summarize the activities of the task force;
  - Provide findings and recommendations adopted by the task force; and
  - Include any draft legislation to implement the recommendations.
- The task force expires upon submission of the final recommendations.

# Questions?

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