

Task Force on Long-Term Sustainability of Affordable Housing

Final Report to the Minnesota Legislature

February 2025

Executive Summary

The Task Force on Long-Term Sustainability of Affordable Housing was charged with evaluating 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. The Task Force has identified a number of opportunities to enhance the long-term sustainability of affordable housing across the state and, therefore, is proposing the following 18 recommendations as solutions...

Table of Contents

| | |
|--|----|
| Final Report to the Minnesota Legislature | 1 |
| Executive Summary..... | 2 |
| Membership..... | 4 |
| Overview of the Task Force..... | 8 |
| Overview of Testimonies..... | 10 |
| Overview of Meetings..... | 11 |
| Recommendations..... | 13 |
| Appendix A: Statutory Authority | 23 |
| Appendix B: LCC Task Force on the Long-Term Sustainability of Affordable Housing: Terminology Resource | 26 |
| Appendix C: Task Force on Long-Term Sustainability of Affordable Housing: 8-28-2024 Mural Summary | 29 |
| Appendix D: TFAH Sept 18 Mural Transfer with Votes..... | 41 |
| Appendix E: External Resources | 49 |
| Appendix F: Anecdotal Evidence | 50 |

Membership

[Minnesota.Laws.8680?Chapter.78&Article.70&Section.06](#)

(a) The task force consists of the following members:

- (1) three members appointed by the commissioner of housing;
- (2) one member with expertise in insurance regulation appointed by the commissioner of commerce;
- (3) one member from a county that participates in the Interagency Stabilization Group appointed by the Association of Minnesota Counties;
- (4) one member from a greater Minnesota county appointed by the Association of Minnesota Counties;
- (5) one member with experience developing affordable rental housing appointed by the Metropolitan Consortium of Community Developers;
- (6) one member with experience n operating affordable rental housing appointed by the Metropolitan Consortium of Community Developers;
- (7) one member of the Minnesota Housing Partnership who has experience developing affordable rental housing;
- (8) one member of the Minnesota Housing Partnership who has experience operating affordable rental housing;
- (9) one member of the Minnesota Housing Partnership who has experience developing and operating affordable rental housing in greater Minnesota;
- (10) one member with experience developing or operating for-profit affordable housing appointed by the Minnesota Multi-Housing Association;
- (11) one member appointed by the Family Housing Fund;
- (12) one member appointed by the Greater Minnesota Housing Fund;
- (13) one member with experience in multifamily affordable housing lending appointed by the Minnesota Bankers Association;
- (14) one member appointed by the Insurance Federation of Minnesota;
- (15) one member appointed by the Twin Cities United Way;
- (16) one member appointed by the speaker of the house;
- (17) one member appointed by the house minority leader;
- (18) one member appointed by the senate majority leader; and
- (19) one member appointed by the senate minority leader.

The following individuals served on the task force:

James Lehnhoff

Assistant Commissioner for Multifamily at Minnesota Housing

Appointed by: Commissioner of Housing

Mike Goze

President and CEO of the American Indian Community Development Corporation

Appointed by: Commissioner of Housing

Elizabeth Flannery

President and CEO of Trellis

Appointed by: Commissioner of Housing

Peter Brickwedde

Assistant Commissioner of External Affairs at the Minnesota Department of Commerce

Appointed by: Commissioner of Commerce

Mai Chong Xiong

Commissioner of District 6 of Ramsey County

Appointed by: Association of Minnesota Counties

Mary Thompson

Executive Director for Heartland Lakes Development Commission

Appointed by: Association of Minnesota Counties

Jessie Hendel

Executive Director of Alliance Housing

Appointed by: Metropolitan Consortium of Community Developers

Kizzy Downie

CEO of Model Cities

Appointed by: Metropolitan Consortium of Community Developers

Scott Cordes

CFO and SVP of Operations at Project for Pride in Living

Appointed by: Minnesota Housing Partnership

Chris Sherman

President of Sherman Associates

Appointed by: Minnesota Housing Partnership

Nancy Cashman

Executive Director at Center City Housing Corp

Appointed by: Minnesota Housing Partnership

Joseph Abraham

Principal Owner of Pergola Property Management

Appointed by: Minnesota Multi-Housing Association

Ellen Sahli

President at Family Housing Fund

Appointed by: Family Housing Fund

Andrea Brennan

President and CEO of the Greater Minnesota Housing Fund

Appointed by: Greater Minnesota Housing Fund

Miranda Walker

Impact Capital Manager at U.S. Bank

Appointed by: Minnesota Bankers Association

Aaron Cocking

President and CEO at Insurance Federation of Minnesota

Appointed by: Insurance Federation of Minnesota

Shannon Smith Jones

Senior Vice President of Community Impact at the Greater Twin Cities United Way

Appointed by: Twin Cities United Way

Mike Howard

Minnesota Representative

Appointed by: Speaker of the House

Lindsey Port

Minnesota Senator

Appointed by: Senate Majority Leader

Overview of the Task Force

The Task Force on Long-Term Sustainability of Affordable Housing is charged by the Legislature to:

The task force must assess underlying financial challenges to develop, operate, and preserve safe, affordable, and dignified housing, including:

- (1) factors that are leading to increasing operating costs for affordable housing providers, including insurance availability and rates, labor costs, and security costs;
- (2) factors that are leading to declining revenues for affordable housing providers, such as loss of rent and vacancy issues; and
- (3) 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.

The task force must evaluate current financing and administrative tools to develop, operate, and preserve safe and affordable housing, including:

- (1) public and private financing programs, and the availability of funding as it relates to overall needs; and
- (2) administrative tools including underwriting standards used by public and private housing funders and investors.

The task force must evaluate financial or asset management practices of affordable housing providers and support for asset management functions by funder organizations.

The task force must recommend potential solutions to develop and preserve safe and affordable housing, including:

- (1) additional funding for existing programs and administrative tools;
- (2) 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
- (3) best practices for changes to financial or asset management practices of affordable housing providers and funders.
- (4) The task force may address other topics as identified by task force members during the course of its work.
- (5) The task force shall 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.

After six months of hearing testimony from state organizations and nonprofits, and discussions between key stakeholders, the Task Force has identified solutions and developed recommendations in line with its mandate.

Overview of Testimonies

In the third Task Force meeting, members heard testimony from James Lehnhoff, the Assistant Commissioner for Multifamily for Minnesota Housing. This testimony included an overview of Minnesota Housing, including a vision statement, “all Minnesotans live and thrive in a safe, stable home they can afford in a community of their choice,” and mission statement, “housing is foundational to a full life and a thriving state, so we equitably collaborate with individuals, communities and partners to create, preserve and finance housing that is affordable.” He went on to discuss the difference between Market Rate and Affordable Rental Housing. He presented on the role of the Federal Low Income Housing Tax Credit and how it can be used in conjunction with loans. The presentation also delved into rent and income limits to meet affordability requirements. He went on to explain underwriting standards as well as walk Task Force members through the multifamily consolidated RFP process including state and federal resources that are available. Finally, he spoke about Minnesota Housing’s preservation and stabilization work and challenges to the affordable housing landscape in Minnesota.¹ The Task Force also heard testimony in the third meeting from Corey Strong, the Tribal Liaison at Minnesota Housing. He explained that many of the issues that Tribal members are experiencing are like those experienced by individuals in the rest of the state. In particular, he identified that affordable housing locations are not serving the Tribal populations effectively as they are often far from where the residents work. Additionally, he explained that rent prices that are subsidized are still too high for many people, and that often younger people and older people have the highest need and least supports.

In the fourth meeting, Task Force members heard testimony from Peter Brickwedde, the Assistant Commissioner of External Affairs for the Minnesota Department of Commerce, on commercial insurance. He started with explaining the role of Commerce as well as the mission statement of his organization. He finished by explain how and why commercial insurance is less regulated than other insurances, as well as what factors are effecting affordability and availability.²

In the sixth meeting, members of the Task Force heard testimony from Ellen Sahli and Andrea Brennan, from the Family Housing Fund and Greater Minnesota Housing Fund respectively, on tenant perspectives. They provided a brief overview of the data they have been collecting in their Distressed Property Data Project and then spent some time discussing the qualitative feedback they have received from residents and those working on site.³

¹ The Minnesota Housing presentation given to the Task Force can be found at <https://www.lcc.mn.gov/ltsah/meetings.html>

² The Minnesota Commerce presentation given to the Task Force can be found at <https://www.lcc.mn.gov/ltsah/meetings.html>

³ These presentations given to the Task Force can be found at <https://www.lcc.mn.gov/ltsah/meetings.html>

Overview of Meetings

First Meeting- August 28, 2024

Co-Chair Howard called the first meeting of the Task Force on Long-Term Sustainability of Affordable Housing to order. Task Force members introduced themselves. Co-Chair Howard nominated himself and Sen. Port to serve as co-chairs. A roll call vote was taken and The Motion Prevailed. Evelyn Weiner, LCC Research Analyst, provided an overview of the enabling legislation and an overview of the Data Practices Act and the Open Meeting Law. Members used Mural to name and define key terminology and concepts, as well as explore issues and challenges members anticipate for the group.

Second Meeting- September 18, 2024

Senator Port called the meeting of the Task Force on Long-Term Sustainability of Affordable Housing to order. Katie Hatt, MAD Consultant, presented an overview of the roadmap of the Task Force. Evelyn Weiner, LCC Research Analyst, provided an overview of the approach for external consultation and a living document of definitions. Members reviewed and discussed key terminology and concepts brought up in the Mural activity in the previous meeting. Members worked in Mural to further elaborate on affordable housing and preservation. Members reviewed and discussed issues and challenges brought up in the Mural activity in the previous meeting. Members indicated priorities.

Third Meeting- October 9, 2024

Representative Howard called the meeting of the Task Force on Long-Term Sustainability of Affordable Housing to order. Representative Howard presented an overview of the agenda for the day and the meeting flow for the Task Force going forward. James Lehnhoff, Assistant Commissioner for the Multifamily Division at Minnesota Housing, presented on where Minnesota Housing's work intersects with the interests of the Task Force members and Task Force scope. Corey Strong, Tribal Liaison at Minnesota Housing, testified on affordable housing concerns for Tribal Nations. Members worked in breakout rooms to begin developing options for solutions based on previous input on terminology and challenges/issues.

Fourth Meeting- October 30, 2024

Senator Port called the meeting of the Task Force on Long-Term Sustainability of Affordable Housing to order. Senator Port presented an overview of the agenda for the day and the meeting flow for the Task Force going forward. Peter Brickwedde, Assistant Commissioner of External Affairs for the Minnesota Department of Commerce, presented on commercial insurance. Elizabeth Flannery of Trellis, Chris Sherman of Sherman Associates, and Deidre Schmidt of CommonBond Communities participated in a panel where they answered

questions about their work. Members worked in breakout rooms to develop options for solutions and priorities.

Fifth Meeting- November 20, 2024

Representative Howard called the meeting of the Task Force on Long-Term Sustainability of Affordable Housing to order. Representative Howard presented an overview of the agenda for the day and the meeting flow for the Task Force going forward. One member of each small group shared feedback on the group work. Representative Howard led a high-level walkthrough of the recommendations submitted by small groups and facilitated pulse-checks on members interest and feedback on each recommendation. Members worked in their existing small groups to edit the recommendations based on feedback heard in the meeting.

Sixth Meeting- December 11, 2024

Senator Port called the meeting of the Task Force on Long-Term Sustainability of Affordable Housing to order. Senator Port presented an overview of the agenda for the day and the roadmap for the Task Force going forward. Ellen Sahli and Andrea Brennan, presidents of the Family Housing Fund and Greater Minnesota Housing Fund respectively, provided testimony on their study of tenant perspectives. Evelyn Weiner, LCC Research Analyst, provided an overview of the table of contents for the final report and updated members on public testimony. Representative Howard led a walkthrough of the recommendations submitted by small groups and facilitated discussion around each recommendation. Members met with their existing small groups to discuss refining recommendations further.

Seventh Meeting- January 8, 2025

Eighth Meeting- January 22, 2025

Task Force Process

Recommendations

To address the ongoing challenges of communities across Minnesota in developing, operating, and maintaining affordable housing, the Task Force developed nineteen recommendations across...

1 Minnesota Housing and local suballocator jurisdictions amend current Qualified Allocation Plans (QAPs) for the allocation of Low Income Housing Tax Credits (LIHTCs) by June 1, 2025 to revise selection criteria structure. Until evaluations of each program is completed:

- Prioritize supportive housing in models with 100% or majority permanent supportive housing (PSH). Pause selection points for “integrated” PSH model.
- In primarily workforce LIHTC housing, limit the required ratio of units restricted to households with incomes at or below 30% AMI to no more than 10% of all units.
- Fund 100% PSH projects with only non-amortizing debt and review pre-2020 PSH projects for possible debt restructure to modify debt.

MHFA to be responsible for evaluating the effectiveness of 100% PSH developments, “integrated” PSH units, and 30% AMI units without designated services. Evaluation should consider service funding amounts and sources, financial performance of operations, and whether and to what degree tenant service needs are met. The evaluations should be reported back to Minnesota Legislature by January 1, 2026.

Implementation Considerations:

- Changes to state statute and rulemaking
- Changes to state agency administrative policies and procedures – not requiring statutory changes or rulemaking
- Changes to local government policies and procedures (not dependent on state or federal rules/statutory changes)
- Changes to provider and/or developer practices/approaches
- Staff time and/or increased staff

2 Minnesota Housing to develop a “policy framework” to support the sustainability of regulated affordable housing assets as a strategy distinct from new construction and the traditional approach to full recapitalization to preserve affordable housing developments with federal/HUD operating subsidy contract renewal options. Local public funders should adopt similar policy framework, strategies, and tools to support the stabilization of regulated affordable housing. The policy framework should be reported back to the Minnesota Legislature by January 1, 2026 and include:

- Identify strategies, tools, and funding for the stabilization of regulated affordable housing so that projects do not have to compete with new construction and the existing strategy of preserving federally-assisted affordable housing.
- Ensure a balance of funding in new construction, the existing strategy of preserving federally-assisted affordable housing, and the stabilization of regulated affordable housing.
- Do not require projects stabilizing regulated affordable housing to “add” PSH units to be competitive for funding.
- Consider options to release properties from restrictions if no resources are available for preservation.
- Use NOAH data to create statewide strategies for NOAH preservation.

Implementation Considerations:

- Changes to state agency administrative policies and procedures – not requiring statutory changes or rulemaking
- Changes to local government policies and procedures (not dependent on state or federal rules/statutory changes)
- Staff time and/or increased staff

3 Minnesota Housing to develop, revive, and/or implement new state strategies, tools, funding resources, and processes to address the stabilization of regulated affordable housing. Local public funders should use local resources, including, but not limited to SAHA and LAHA, to develop and implement similar programs. Programs, tools, and resources must be administered in a way that is responsive to the specific stressors and the marketplace, including:

- Fast, flexible, pipeline basis.
- In collaboration with other public, non-profit, and private funders, to ensure a comprehensive approach involving all funding partners.
- Flexible use of funds to support a range of needs, including debt relief/restructure, operating and service needs, asset management needs, repayment of advances from owner/sponsor, and funding depleted reserves.
- Consider public, Minnesota Housing and others, debt restructuring to include partial prepayment with new deferred loans, and re-amortizing the loan at the same interest rate, if lower than current rates.
- Use recapitalization process to simplify project financing to streamline building operations and support long-term stability. Provided as grants where possible and patient deferred debt where not possible.

Develop new programs, tools, and resources, if existing programs cannot be implemented to meet the stabilization needs.

Implementation Considerations:

- Changes to state statute or rulemaking
- Changes to state agency administrative policies and procedures – not requiring statutory changes or rulemaking
- Changes to local government policies and procedures (not dependent on state or federal rules/statutory changes)
- Changes to provider and/or developer practices/approaches
- More funding - ongoing
- Staff time and/or increased staff

4 Encourage the Minnesota Legislature and local municipalities to enact policy changes that make it easier to build and preserve affordable homes, including land use and zoning reforms, process improvements to improve speed of development, and reducing or eliminating barriers such as rent control policies that have been detrimental to the development, sustainability, and preservation of affordable housing. Recommend state and local support for existing and new rent subsidy programs and resources to ensure that low-income Minnesota residents can afford a home.

Implementation Considerations:

- Changes to state statute or rulemaking
- Changes to local government policies and procedures (not dependent on state or federal rules/statutory changes)

5 Department of Public Safety (DPS) to convene public safety leaders in Minneapolis, St. Paul, Hennepin County, Ramsey County, and select Greater Minnesota city(ies)/county(ies) to develop and implement a demonstration project that would:

- Identify affordable housing developments in respective jurisdictions with safety/security concerns, including but not limited to proximity to encampments and other known public safety concerns.
- Develop safety plan that involves mutual aid agreements among city police, county sheriff's offices, and state patrol to address capacity limitations in individual jurisdictions.
- Involve DHS and county human services in the public safety plan to ensure that service providers are involved in certain responses, as appropriate.

Implementation Considerations:

6 Minnesota Housing to track Key Performance Indicators related to the health of the affordable housing industry.

- County by county, the percent of rent collected on time.
- The percent of private and federal resources being leveraged to the benefit of the state, counties, and cities.
- Security expense to revenue ratio in affordable housing projects.

Implementation Considerations:

- Changes to state agency administrative policies and procedures – not requiring statutory changes or rulemaking
- More funding - ongoing

7 Minnesota Housing and other public lenders approve HUD/FHA-insured first mortgage products as senior debt in publicly funded multi-family affordable housing projects.

Implementation Considerations:

8 Close deals faster. Review models and identify opportunities for industry-wide processes, staffing, approval, and funding structures to get projects closed faster. Establish target time goal for closings and report publicly on success of meeting the goal.

Implementation Considerations:

- Changes to state agency administrative policies and procedures – not requiring statutory changes or rulemaking
- Changes to local government policies and procedures (not dependent on state or federal rules/statutory changes)
- Changes to provider and/or developer practices/approaches

9 Allow affordable housing projects to include asset management fees in the underwriting costs.

Implementation Considerations:

- Changes to state agency administrative policies and procedures – not requiring statutory changes or rulemaking
- Changes to local government policies and procedures (not dependent on state or federal rules/statutory changes)

- Changes to provider and/or developer practices/approaches
- More funding – one time and ongoing
- Staff time and/or increased staff

10 Retool underwriting standards to reflect expected future economic conditions and modify underwriting policies to move from 1.0 debt coverage ratio (DCR) in year 15 to a minimum of 1.10 or 1.15. Examine current operating expenses and consider historical operating expenses across the total portfolio of publicly financed projects to set the underwriting policies for new projects, such as vacancy loss and replacement reserves. Recognize and fund the operating deficits that new underwriting policies create. Work across funding partners to create transparency in underwriting standards. Policies need to be dynamic to ensure they account for the current economic environment and need to include a mechanism to “fix” recently/previously underwritten projects where revenue and expenditure assumptions are no longer valid.

Implementation Considerations:

- Changes to state agency administrative policies and procedures – not requiring statutory changes or rulemaking
- Changes to local government policies and procedures (not dependent on state or federal rules/statutory changes)
- Changes to provider and/or developer practices/approaches
- More funding - ongoing
- Staff time and/or increased staff

11 Reconsider incentivizing "leverage" of other public resources in the competitive funding of capital housing investments.

Implementation Considerations:

- Changes to state agency administrative policies and procedures – not requiring statutory changes or rulemaking
- Changes to local government policies and procedures (not dependent on state or federal rules/statutory changes)
- Staff time and/or increased staff

12 Adequate service funding is to be paired with capital funding for PSH units to help ensure full funding for services. The following options should be considered:

- Leverage model being used by Hennepin County to create capitalized reserves to fund supportive services for new or existing underfunded supportive housing projects.
- Coordinate across multiple sources.
- New legislation and appropriation sufficient to fund services/operating needs for all PSH projects.
- Identify ways for Medicaid to work better as a funding source for supportive housing.

If adequate funding isn't available:

- Adjust QAP scoring to de-incentivize supportive housing for new projects.
- Provide waivers around rent limits and provision of services, including allowing renting to households that don't require supportive services, until adequate funding is provided.

Capital funding should be evaluated independent from the formal underwriting of a project to ensure that projects that contain PSH may continue to operate effectively if adequate service funding is lost.

Implementation Considerations:

- Changes to state statute or rulemaking
- Changes to state agency administrative policies and procedures – not requiring statutory changes or rulemaking
- Changes to provider and/or developer practices/approaches
- Ongoing funding - possibly more funding or coordination of existing funding and mobilizing Medicaid waivers as a new source
- Staff time and/or increased staff
- Coordination across state agencies and county governments

13 Minnesota Housing and DHS partner to align eligibility and documentation requirements for formerly homeless households, and where possible and give clarification on low barrier strategies to meeting eligibility requirements. Additionally, state agencies and compliance organizations will provide training on low-barrier practices to get people housed. Minnesota Housing to make self-certification clear as an acceptable practice for formerly homeless people.

- Ensure that the housing that is being referred to has services and capacity that match the need of the person awaiting a referral.
- Coordinated Entry System (CES) should match applicant acuity level with the services level/expertise of the supportive housing development.

Implementation Considerations:

- Changes to state statute or rulemaking
- Changes to state agency administrative policies and procedures – not requiring statutory changes or rulemaking
- Changes to provider and/or developer practices/approaches
- Ongoing funding - possibly more funding or coordination of existing funding and mobilizing Medicaid waivers as a new source
- Staff time and/or increased staff
- Coordination across state agencies and county governments

14 Identify options to reduce regulation on affordable housing during the extended use period to ensure affordable properties can be properly maintained and to extend their long-term viability. Options may include:

- Flexibility in income/rent restrictions that enable the affordable property to operate successfully on behalf of its residents beyond year 15. Adjustments may include loosening affordability requirements in a portion of units and/or relaxing ongoing monitoring and compliance requirements. Guardrails should be implemented to ensure responsible use of public resources may include a focus on non-profit/mission-based ownership, as well as incentives to maintain affordability beyond 30 years.
- Outline an efficient, time sensitive process that responds to market conditions, such as utilizing a more robust and transparent ISG process.
- Explore the potential of income averaging in the extended use years.
- Add the above flexibility in the original LURA for new projects. A LURA for the first 15 years and a commitment to a new LURA for the 2nd 15 years that is based on current economics and performance.

Implementation Considerations:

- Changes to federal laws or policies
- Changes to state statute or rulemaking
- Changes to state agency administrative policies and procedures – not requiring statutory changes or rulemaking
- Changes to local government policies and procedures (not dependent on state or federal rules/statutory changes)
- Changes to provider and/or developer practices/approaches
- Staff time and/or increased staff

15 Grant authority to and strengthen the operating capacity of the Interagency Stabilization Group (ISG) to collaborate among funders to support both preservation and stabilization of affordable properties.

- Clearly communicate schedule of meetings.
- Clarify goals around project stabilization and preservation.
- Clarify how the ISG determines what projects they review.
- Create a process for owners to request a project review and support.

Criteria for project review should be inclusive of all types of preservation needs, specifically projects that currently have no funding path through the existing preservation funding RFPs due to scale, not having a deep operating subsidy to preserve or to underwrite new debt, geographic location, or don't score well or meet defined priorities.

Implementation Considerations:

- Changes to state agency administrative policies and procedures – not requiring statutory changes or rulemaking
- Changes to local government policies and procedures (not dependent on state or federal rules/statutory changes)
- Changes to provider and/or developer practices/approaches
- Staff time and/or increased staff

16 Increase funding for SAHA to enable counties flexible funding to stabilize affordable housing based on local needs and priorities.

Implementation Considerations:

- Changes to state statute or rulemaking
- Changes to local government policies and procedures (not dependent on state or federal rules/statutory changes)
- More funding - ongoing

17 Encourage and/or incentivize LAHA recipients to pool programs to maximize impact on the highest priority needs within the affordable housing system and alleviate fragmentation of resources and multiple funding applications across so many jurisdictions.

Implementation Considerations:

- Changes to state statute or rulemaking
- Changes to local government policies and procedures (not dependent on state or federal rules/statutory changes)
- More funding - ongoing

18 Direct the Department of Commerce and the Minnesota Housing Finance Agency to partner with affordable housing providers and the insurance industry to collect data on the state of the insurance market for affordable housing providers. The agencies should gather information about health of the market, insurance rates, variations of underwriting, and other practices of insurers, and assess unique aspects of the insurance market and practices that impact affordable housing providers and assess responses to this issue in other states and at a national level. The agency is directed to compile a report and submit to the House and Senate Housing Finance and Policy Committees and the House and Senate Commerce Committees with learnings and recommendations for potential changes in law or regulatory practices that promote equity, consistency, transparency in the insurance market for affordable housing providers.

Implementation Considerations:

19 Direct the Department of Commerce to partner with the Minnesota Housing Finance Agency, affordable housing providers, and the insurance industry to assess the benefits, costs, and feasibility of state-based financial support to mitigate excessive insurance premium increases, as well as to protect affordable housing providers that may be at risk of losing insurance coverage.

Implementation Considerations: