

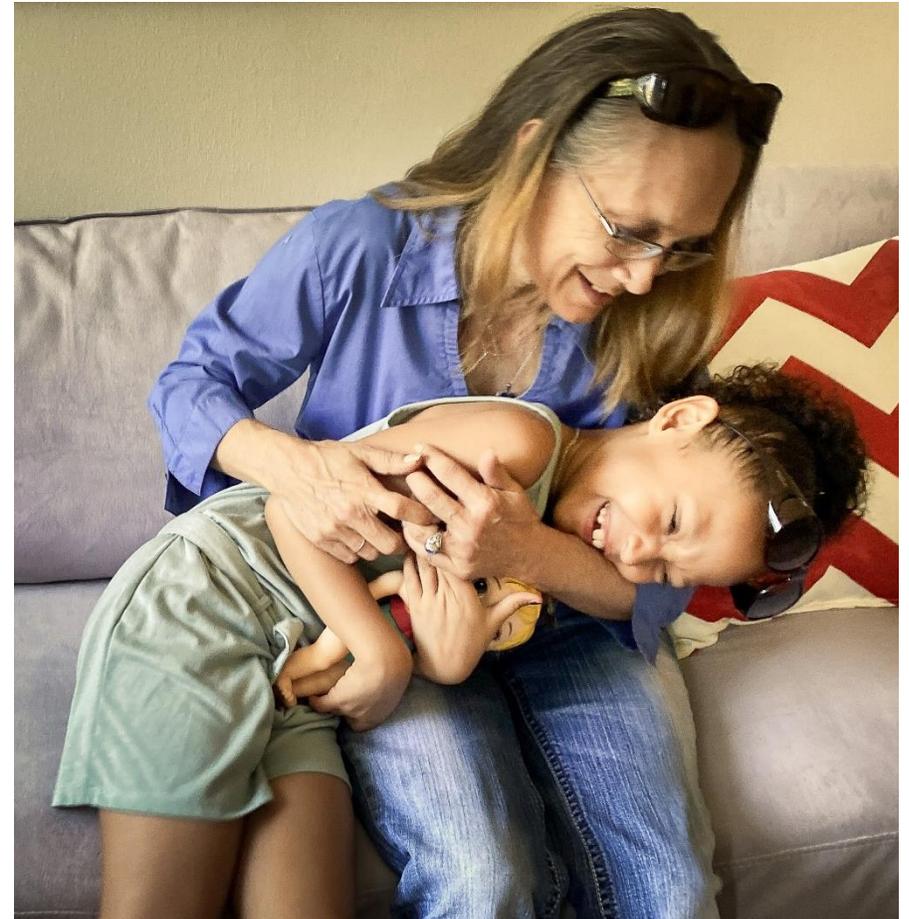


# Governor's Capital Budget Recommendations

March 4, 2024

# Minnesota Still Needs Investments in Housing

- Minnesota needs to build more housing, especially for those who earn the least.
- We need to preserve and support existing housing.
- Homelessness remains at high levels.
- Housing instability is impacting more Minnesotans.
- Racial disparities in housing are persistent across the continuum.



# Governor's Proposal – Every Dollar Matters



## **\$50 million** in Housing Infrastructure Bonds

- This will create or rehab an estimated 500 homes

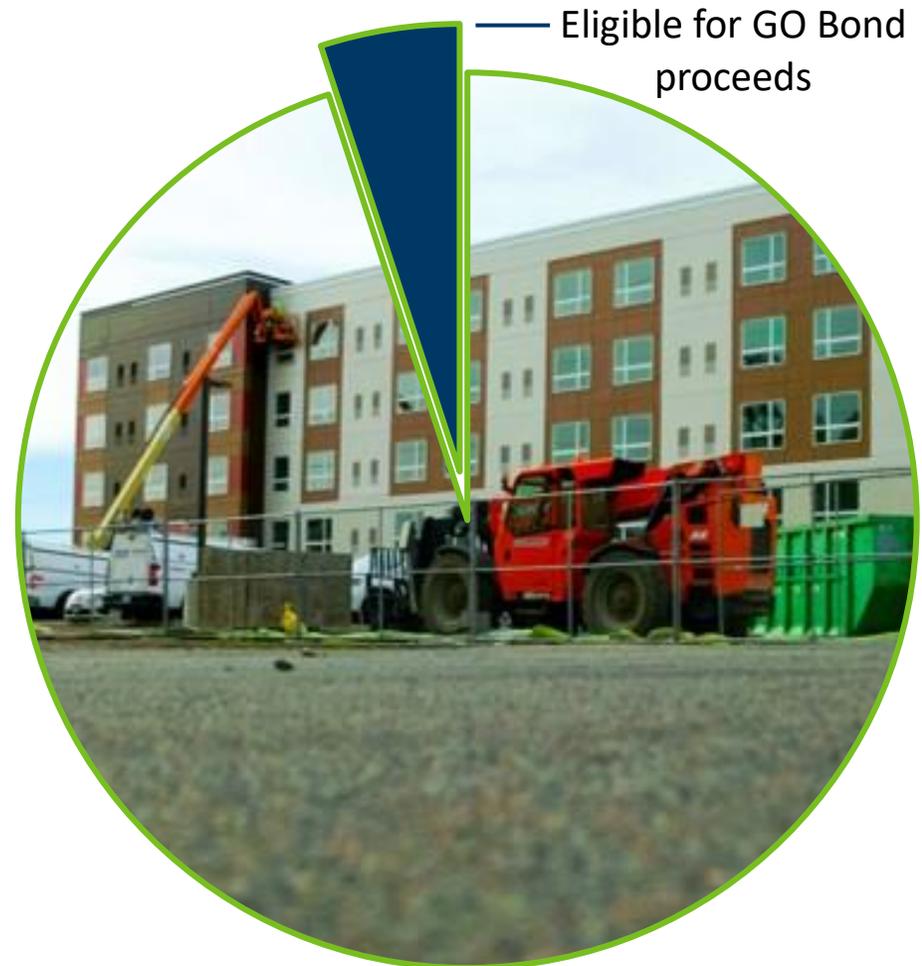
## **\$7.5 million** for Public Housing Rehab

- This will rehab/preserve an estimated 375 homes

# Housing Infrastructure Bonds

# Why HIB? Housing requires a different financing tool

- **95% of housing in Minnesota is privately owned.** State GO bonds for housing are limited to publicly owned units.
- Created in 2012, Housing Infrastructure resources are the **largest state source** of capital for housing development to address the lack of supply and to preserve existing housing
- HIBs remain unique to Minnesota and leverage federal resources.



# Housing Infrastructure Supports a Continuum of Uses



Preserve **federally assisted rental** housing



Build and rehab **permanent supportive** housing



Create **affordable housing for seniors** ages 55 and older



**Manufactured home community** acquisition and infrastructure



Develop **single-family homes**, including in community land trusts (*expanded in 2020*)



New construction of more **deeply affordable rental** housing (*expanded in 2023*)

# Permanent Supportive Housing New Construction



## Welch Place, Duluth

- \$5.2 million in Housing Infrastructure in 2023 for 30 units
- Includes supportive services with 24-hour front desk staffing.
- Located next to Wadena West (previously funded) which will provide efficiencies in property management and services for residents.

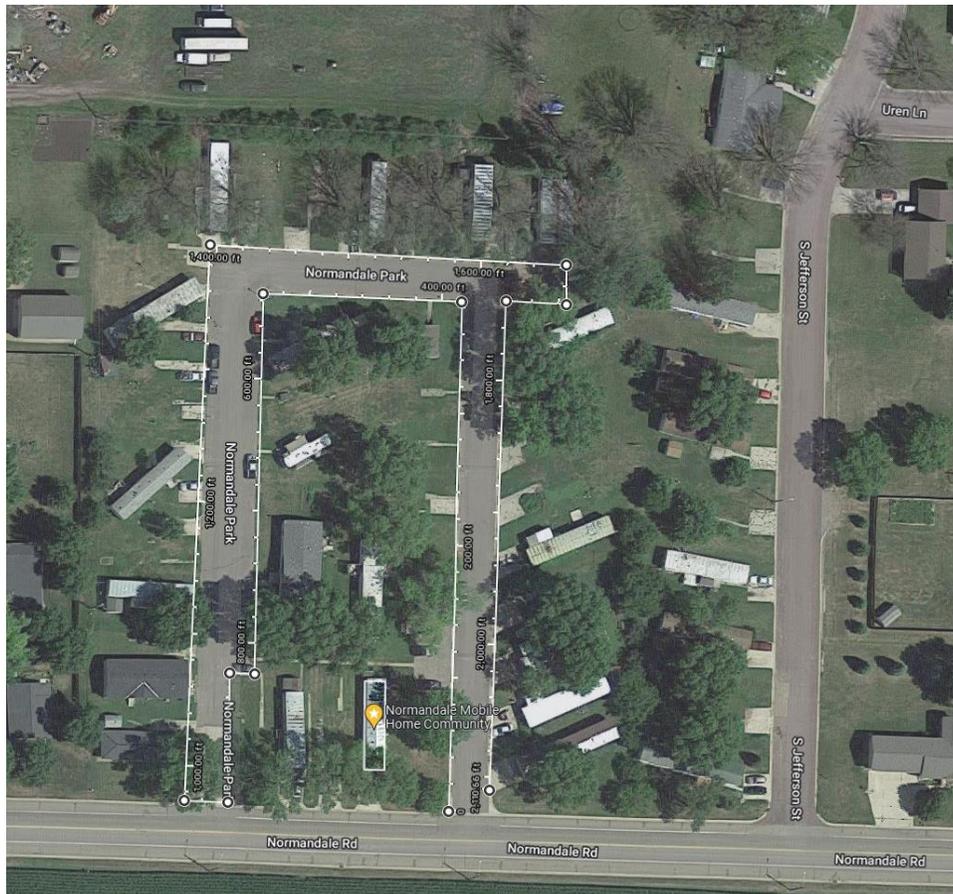
# Rental Housing Preservation

## **North Place Apartments, Hutchinson**

- \$2.3 million in Housing Infrastructure in 2023 for 24 units.
- Acquisition and rehabilitation of a two-story walkup apartment building by Southwest Minnesota Housing Partnership (SWMHP).
- An existing USDA Rural Development (RD) mortgage and rental assistance contract that could expire within the next five years.



# Manufactured Home Community Infrastructure



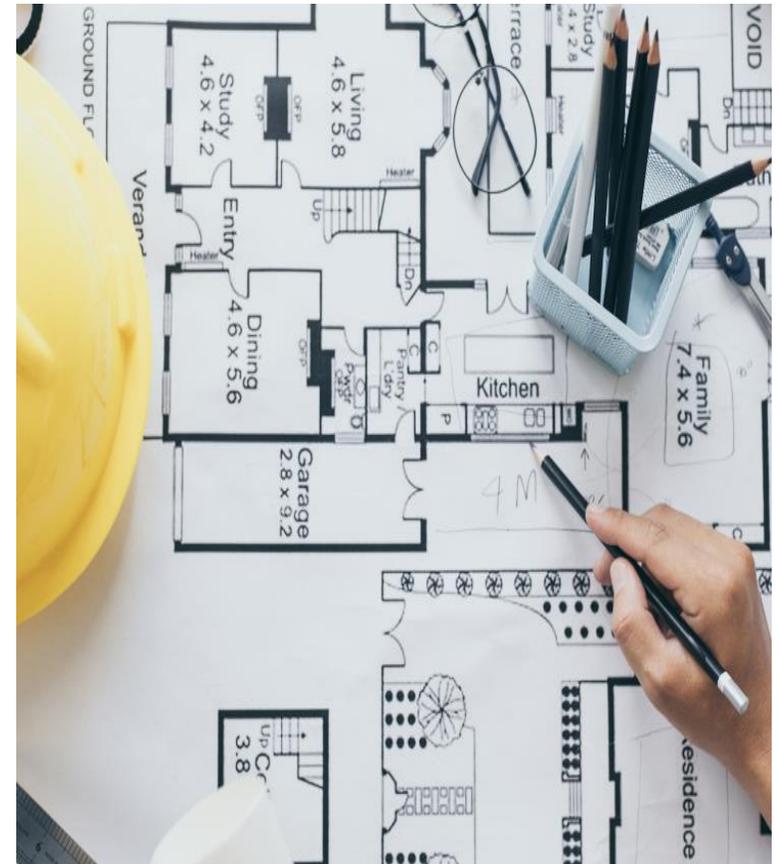
## Normandale Manufactured Home Community, Redwood Falls

- \$440,000 in Housing Infrastructure to support infrastructure related to 48 homes
- Improvements include replacing roads and sidewalks, and redesigning and replacing failing storm sewer system
- The City of Redwood Falls has committed to \$385,000 for the redevelopment of the community.

# Single Family New Construction

## Home Ownership Program for Equity (HOPE), Golden Valley

- \$3.3 million from Housing Infrastructure in 2023 for 20 new homes.
- The city has an initiative to make public land available for new construction of owner-occupied, single-family, duplex and row homes.
- All homes will be placed into the Community Land Trust to ensure long-term affordability.



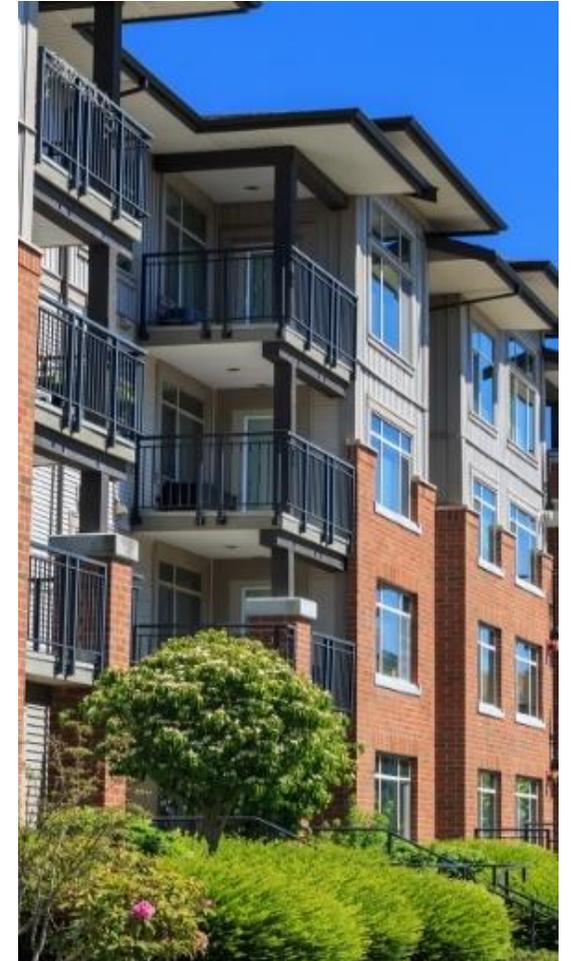
# Housing Infrastructure – Summary

## Rental Housing

- Over **\$612 million committed** since 2012, **leveraging over \$1.3 billion** in total development costs.
- Nearly **6,000 units created or preserved**, including units in the pipeline.
- In 2023, **55%** of renter households served were Black, Indigenous and people of color and about **56%** of households included a person with a disability.

## Newer/Expanded Eligible Uses

- Single Family Development (expanded in 2020) – nearly **\$80 million committed** impacting **over 1,300 homes**.
- Manufactured Home Community Acquisition and Infrastructure (added in 2018) - over **\$20 million committed** impacting over **1,700 lots**.



# Public Housing Rehabilitation

# Public Housing Funding and Priorities

- Minnesota funds capital improvements through the Publicly Owned Housing Preservation Program (POHP).
- Prioritizes life, safety and energy-efficiency projects, including fire suppression systems.
  - Elevator modernization
  - Plumbing
  - Windows and roofs
  - Fire suppression
  - Accessibility improvements

**2012-2020: \$63.5 million | 115 projects | 8,548 units**



# Public Housing Rehabilitation - Maintenance

## Lakeview Highrise, Willmar

127 one-bedroom units built in 1971

- General occupancy with preference given to elderly and disabled households. Owned and managed by Kandiyohi County HRA.
- Received funding in 2014, 2017, and 2018. The most recent scope includes replacing/caulking all building windows, flashing, air conditioning sleeves, exterior repairs and asbestos removal.



# Public Housing Rehabilitation – Safety Updates



## **Cedar High Apartments, Minneapolis**

25 stories, 191 units built in 1970

- One of four projects owned by the Minneapolis Public Housing Authority that applied for POHP funding in 2020 for the purpose of completing life-safety system upgrades.
- The scope of work included installation of a fire sprinkler system throughout the building including, but not limited to, common spaces and tenant units, fire pump panel replacement and fire alarm system upgrades.

# Public Housing Funding Available Now

- RFP for \$41 million is open now.
- Applications are due Wednesday, March 6, 2024.
- Intent to apply submissions indicate estimated need for nearly \$100 million.
- Agency staff meet with every applicant to provide technical assistance.

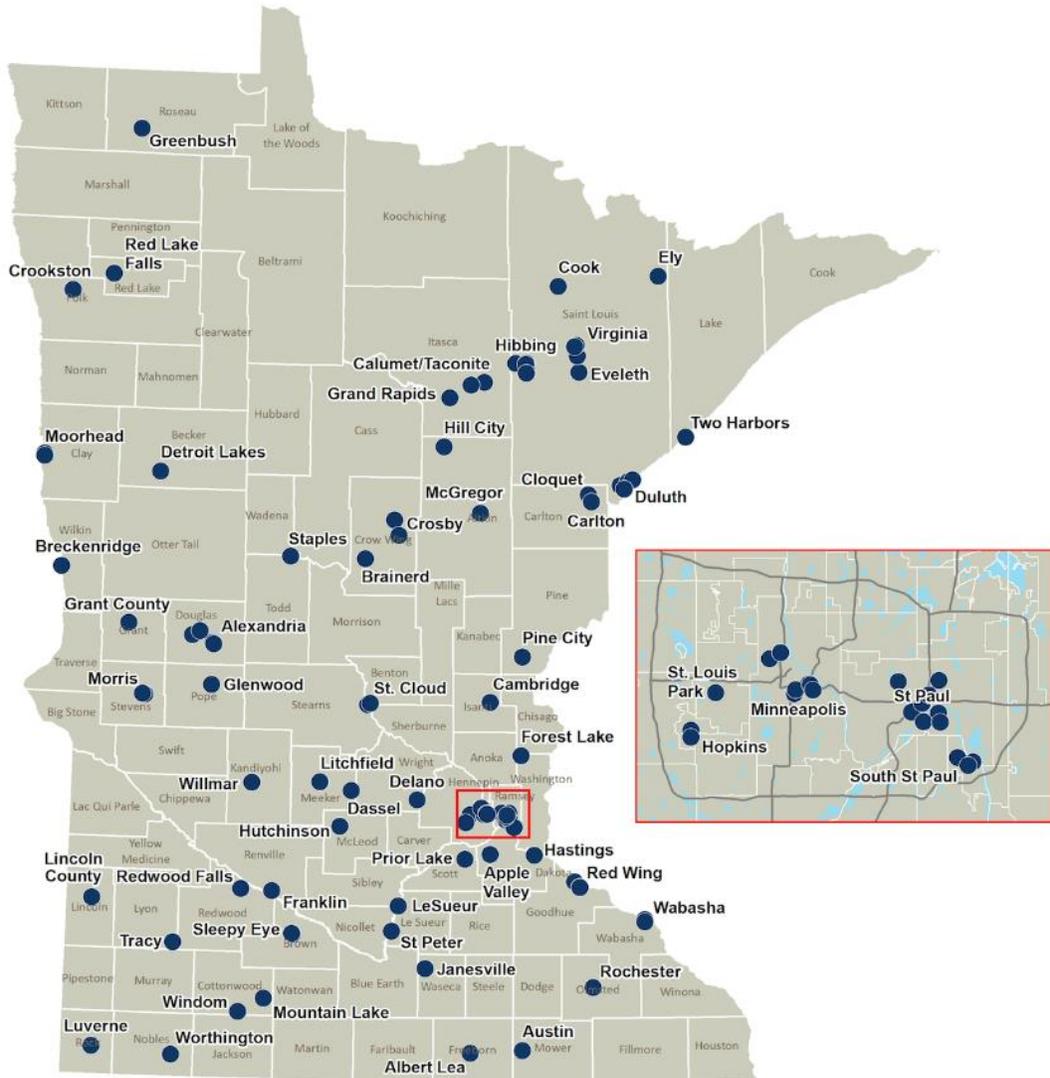
*See open and upcoming  
funding opportunities at  
[mnhousing.gov](https://mnhousing.gov)*



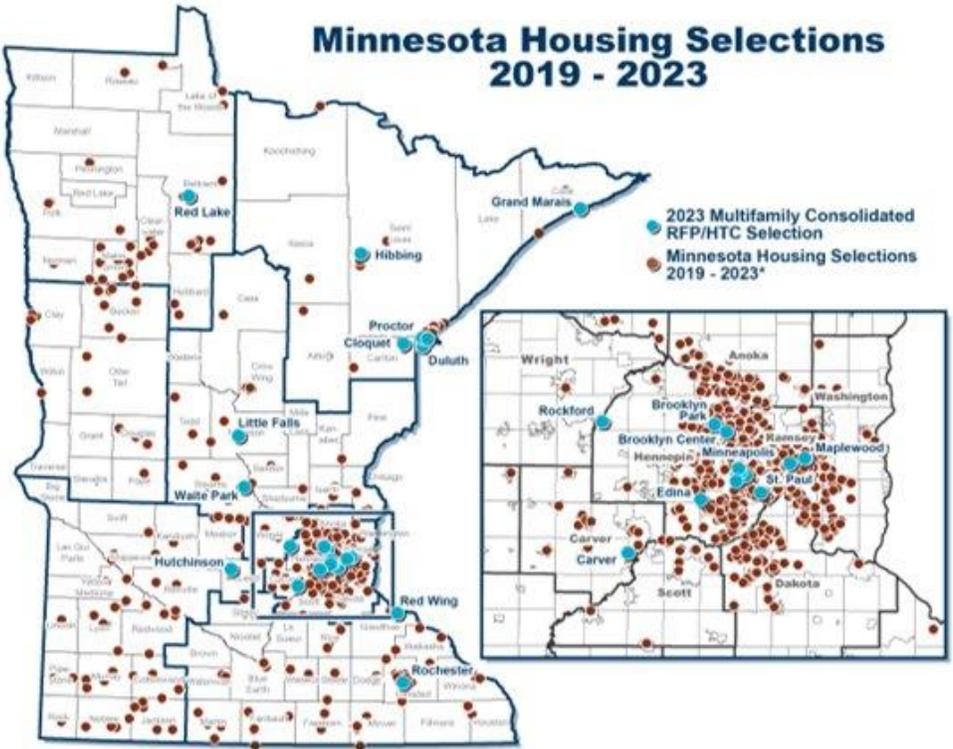
# POHP Serves All of Minnesota

## Funded projects, 2012-2020

- \$63.5 million to 115 projects impacting over 8,500 homes
- 64% of funds have gone to Greater Minnesota
  - Represents 50% of impacted units



# Thank you for helping us GO BIG for Minnesota



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