

# Preserving Public Housing

*with General Obligation Bonds*

*February 9, 2021*



# Presenters

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Who is Minnesota NAHRO?



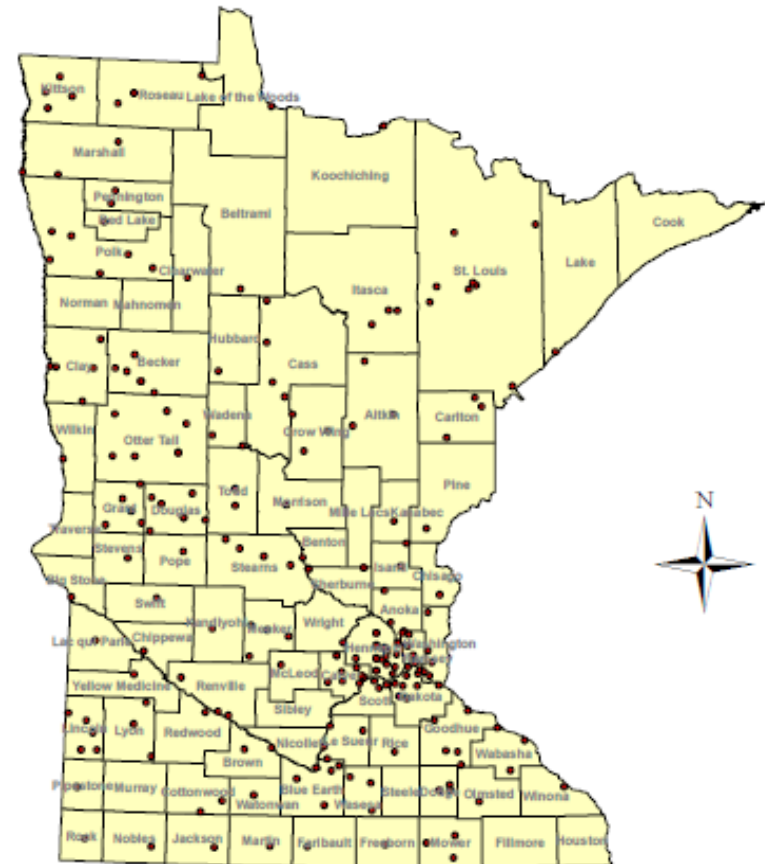
Preserving Housing in Minnesota



POHP Impact and Needs

# WHO IS MINNESOTA NAHRO?

## Cities with Public Housing by County



# HRA STATE STATUTE

## MN Statute 469

- (1) to provide a sufficient supply of adequate, safe, and sanitary dwellings in order to protect the health, safety, and welfare of the citizens of this state;
- (2) to clear and redevelop blighted areas;
- (3) to remedy the shortage of housing for low- and moderate-income residents

# WHAT WE DO

- Provide affordable housing in our communities
- Partner with local landlords through rent assistance programs
- Own and manage multi-family buildings that serve low-income persons
- Work with local developers to create new affordable housing
- Provide commercial and residential rehabilitation programs



*Wanda Evans, resident of Aspen Arms located in Cloquet, MN with Debra Shaff, Executive Director. Cloquet HRA*



# Who We Serve in Public Housing

- Over 36,500 very low-income Minnesotans
- Nearly 75 percent of public housing residents have annual incomes under \$15,000.
- 64% of the household are headed by seniors or those with disabilities
- One third of public housing residents are children, many at high risk of homelessness or recently homeless

# Preserving Publicly Owned Housing (POHP)

## Important Asset to Preserve

- Exists in all 87 counties & more than 95% of public housing units are 35+ years old
- Insured value totals **nearly \$2 billion statewide.**
- Used for health, safety and energy efficiency improvements
- Funding awarded by Minnesota Housing  
- Publicly Owned Housing Program (POHP)



# PRESERVATION

General Obligation Bonds for **Publicly Owned Housing Program (POHP)** leverages federal subsidies and preserves housing

Since 2012, about 6,612 units, or 33% of all publicly owned housing units, have been significantly improved.



Cedar High Rise Apartments, Minneapolis



# IMPACT: HEALTH & SAFETY

## Itasca County HRA

### BEFORE:

Condensation & Mold Risk



### BEFORE:

Old Inefficient Hot Water Heater



# IMPACT: HEALTH & SAFETY

## Itasca County HRA

**AFTER:**

New Attic Insulation



**AFTER:**

Energy Efficient Hot Water Heater



**AFTER:**

New Air Handler



# IMPACTS: HEALTH & SAFETY

## Willmar HRA

**BEFORE**



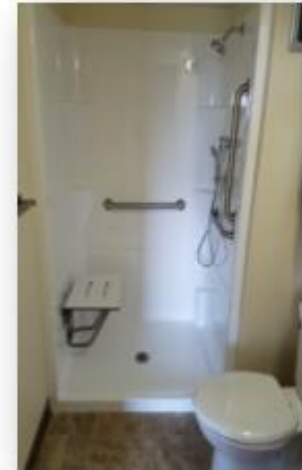
**AFTER**



**BEFORE**



**AFTER**



# IMPACT: HEALTH & SAFETY

## Virginia HRA Fire Safety Upgrades

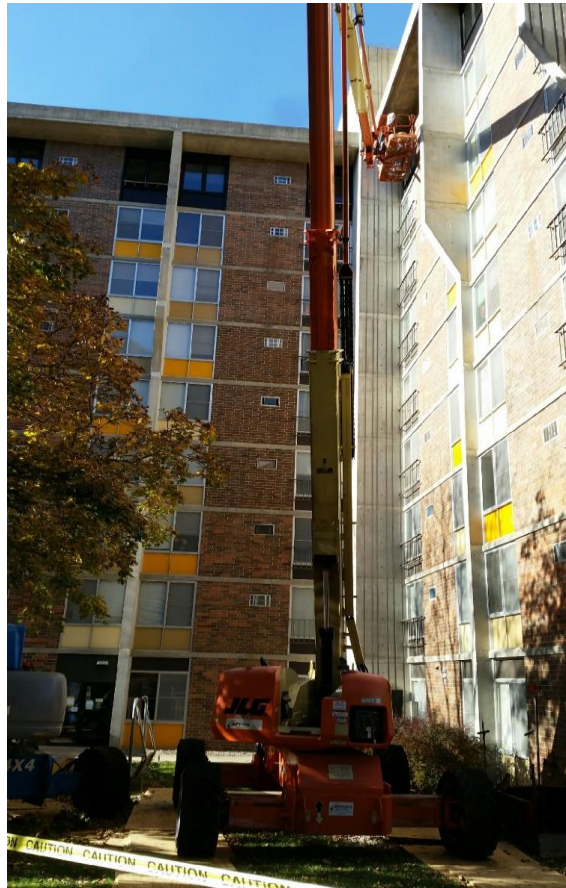




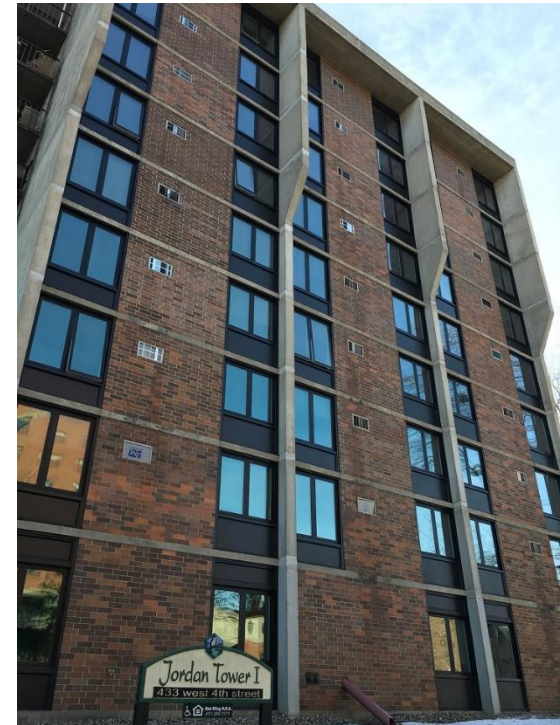
# IMPACT: SAFETY & EFFICIENCY

## Red Wing HRA

**BEFORE:**  
Old  
Windows



**AFTER:**  
ADA Compliant Windows



# IMPACT: SAFETY & EFFICIENCY

## Red Wing HRA

**BEFORE:**

Old Heating System 1974



**AFTER:**

New Heating System 2019



# IMPACT: SAFETY & EFFICIENCY

## Dakota County CDA

### BEFORE:

Weathered exterior, aged fixtures & access



### AFTER:

Updated Hardi siding, improved exterior lighting for safety, more durable construction





# IMPACT: SAFETY & EFFICIENCY

## St Paul PHA Dunedin Terrace

### MODERNIZATION PROJECT:

- 88 townhome apartments
- Serving families with 2-5 bedrooms units
- 8-acre site comprised of 22 buildings & surroundings
- Leveraged \$6.085M of HUD Capital Fund
- 7 year project & multiple POHP awards



# IMPACT: SAFETY & EFFICIENCY

## St Paul PHA Dunedin Terrace



SERVING MINNESOTA'S HOUSING & COMMUNITY DEVELOPMENT NEEDS

# IMPACT: SAFETY & EFFICIENCY

## Minneapolis Public Housing Authority



**Failed Galvanized Waste Pipe**



**Roll-in showers**



**New Plumbing Rough-In**



**Fire Sprinkler Systems**



# PRESERVATION TOOLS

## State Tools

- Publicly Owned Housing Program (POHP) funded by GO Bonds

## HUD financing tools that address capital needs

- POHP was created before there were many HUD financing tools available
- POHP needs to be updated to allow HRAs to leverage these federal tools
- For example, in one approach, HUD requires the HRA to create its own entity, wholly owned by the HRA, but this public ownership structure is not currently recognized as eligible for POHP

## Compatibility Issue

- Clarification is needed that publicly owned housing includes public ownership structures required by HUD financing tools
- This will ensure compatibility & allow HRAs to use all available tools while still maintaining public ownership

# Publicly Owned Housing Rehab

## GO Bonds for Public Housing Rehabilitation Awards

Year	Amount	# of Projects	# of Units	Project Status
2012	\$5.5 million	14	950	All projects complete
2014	\$20 million	35	2,438	All projects complete
2017	\$10 million	27	1,844	All projects complete
2018	\$10 million	16	1,380	All projects complete or under construction
Total	\$45.5 million	92	6,612	
2020	\$16 million	TBD	TBD	RFP issued January 2021

# Publicly Owned Housing Needs

- Based on the March 2019 report commissioned by Minnesota NAHRO
- Total Immediate Critical Needs of \$354,952,433 or \$16,790 per unit
- Over 60% of the POHP awards to date have been in Greater Minnesota
- Sprinkler Bill: this bill must include a public funding source to address the cost & sufficient timeframe to implement

Projected Public Housing Critical Needs				
	Immediate	5 years	10 years	Total
Survey	\$187,702,015	\$103,089,867	\$136,011,290	\$426,803,172
Extrapolation	\$167,250,418	\$91,700,037	\$121,153,199	\$380,103,654
Total	<b>\$354,952,433</b>	\$194,789,904	\$257,164,489	\$806,906,826

# Our Ask: Housing GO Bonds Language

- Purpose: To preserve and improve publicly owned housing, a critical community asset, that provides stable homes for our most vulnerable residents, including seniors, children, and those with disabilities.
- Why: To maximize state and federal resources and provide the opportunity for HRAs to access financing



# Our Ask: \$100M GO Bonds for Publicly Owned Housing Rehab

- Purpose: To preserve and improve publicly owned housing, a critical community asset, that provides stable homes for our most vulnerable residents, including seniors, children, and those with disabilities.
- Why: General Obligation Bonds for Publicly Owned Housing Program (POHP) leverages federal subsidies and preserves “our” housing infrastructure



Thank you!  
Questions?