



Housing Infrastructure Bonds

Jennifer Leimaile Ho, Commissioner

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Our Unique Role



- Established in 1971
- Seven-member board of directors
-includes State Auditor
- Annual independent financial audit
- Does not own or operate housing
- AA+ Bond ratings from Moody's and Standard & Poor's

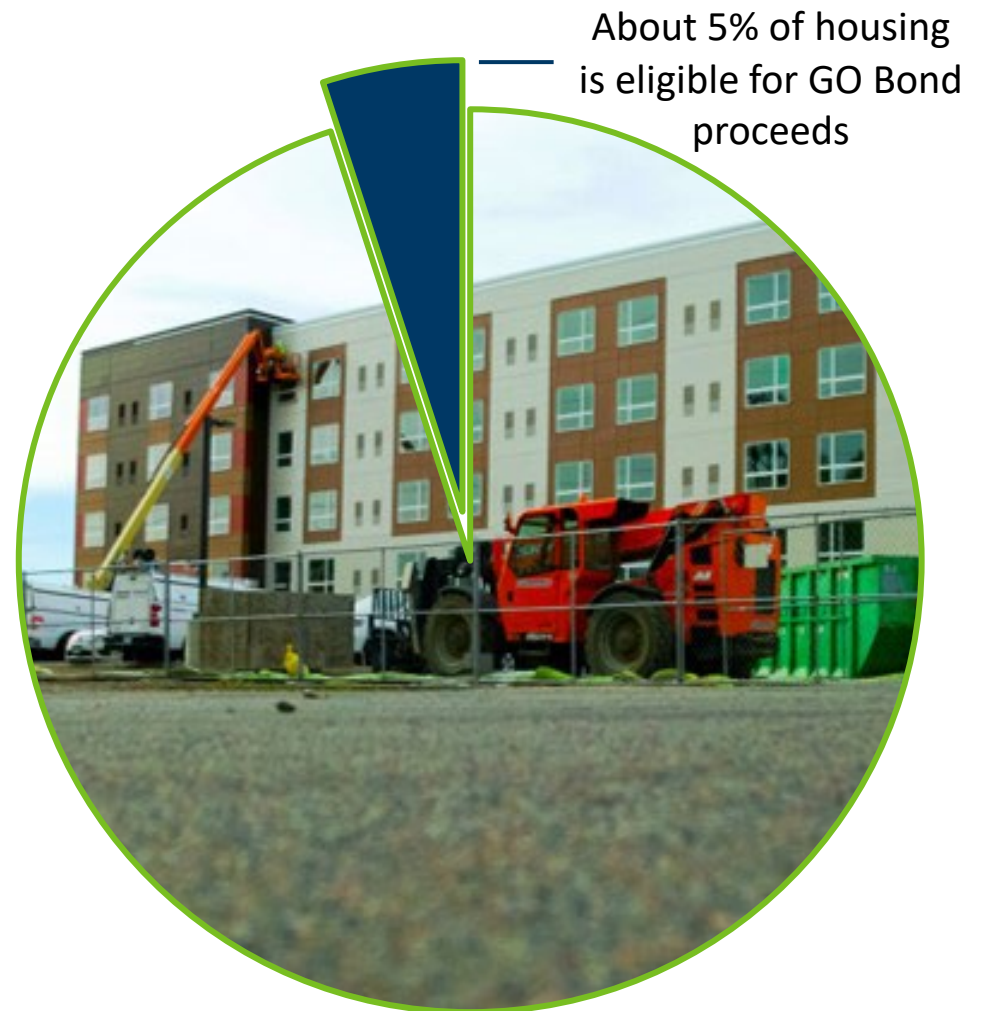
Housing Affordability is a Statewide Problem



- 642,000 households pay 30% or more of their income for housing.
- The cost of a modest new home is unaffordable at the median homeowner income.
- 80% of Extremely Low Income Minnesota renters are cost burdened.
- The January 2024 HUD Point-in-Time count found 9,000 people facing homelessness on a given night.

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.
- 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 including federal low-income housing tax credits.



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*)



Construction of more **deeply affordable rental** housing and cooperatives

Housing Infrastructure at Work: 2012-2024



	Number of Units	Housing Infrastructure (Committed)	Total Development Costs
Rental Housing New Construction and Preservation	6,600	\$690 million	\$1.5 billion
Single Family Development*	1,400	\$90 million	\$330 million
Manufactured Home Community Infrastructure**	1,600	\$21 million	\$34 million
TOTAL	9,600	\$801 million	\$1.86 billion

*new use added in 2020

**new use added in 2018

Annual Consolidated Applications Open in April

Multifamily Consolidated RFP

Single Family (Impact Fund) Consolidated RFP

- Applicants complete one request to be considered for multiple sources of funds.
- Agency staff match requests to sources of funding to meet project needs and ensure highest utilization.
- Funds appropriated/authorized in the current legislative session can be applied to projects selected in December.

Recent Housing Infrastructure Authorizations

2023 Session: \$200 million in appropriations

Rental:

2023	\$101.9 million (12 developments, 783 homes)
2024	\$25.2 million (6 developments, 318 homes)

Single Family:

2023	\$51.6 million (39 proposals, 725 homes)
2024	\$9.5 million (8 proposals, 99 homes)

Manufactured Home Communities:

2023	\$6.5 million (4 communities, 309 homes)
2024	\$680,000 (1 community, 202 homes)

Recent Authorizations, Continued

2024 Session: \$50 million in Housing Infrastructure Bonds

December 2024: Selected 6 rental developments for 286 homes
(4 preservation and 2 permanent supportive housing)

Fall 2025: First HIB will be issued in after Minnesota Management and
Budget issues GO Bonds

Historic Resources; Still Oversubscribed

Even with unprecedented investments, more proposals turned away than could be funded.

Multifamily RFP	2023:	Selected 28 projects of 97 applications
	2024:	Selected 21 projects of 64 applications

Fewer resources are available to award in 2025

Rental Housing	2023/2024:	\$330 million in state and federal resources awarded
	2025:	~\$30-45 million in awards anticipated
Single Family	2023/2024:	\$174 million in state resources awarded
	2025:	~\$15-20 million in awards anticipated



Recently Funded Projects

Housing Preservation

Perspectives (Bickham Court)

St. Louis Park (2024 Selection)

- **\$8.6 million in Housing Infrastructure for 56 units.**
- Residents feared displacement after the property entered bankruptcy. Trellis Co., an experienced developer, stepped forward to preserve the community.

“When we found out that...we didn't have to move, it was a huge relief. This burden I was carrying on my shoulders was finally lifted.”



Workforce and Supportive Housing New Construction



Cobb Cook Place, Hibbing (2024 Selection)

- **\$4.05 million in Housing Infrastructure** award that will build **52 new homes**.
- The development includes affordable/workforce units, units for people with disabilities, and units for people who have recently experienced homelessness.

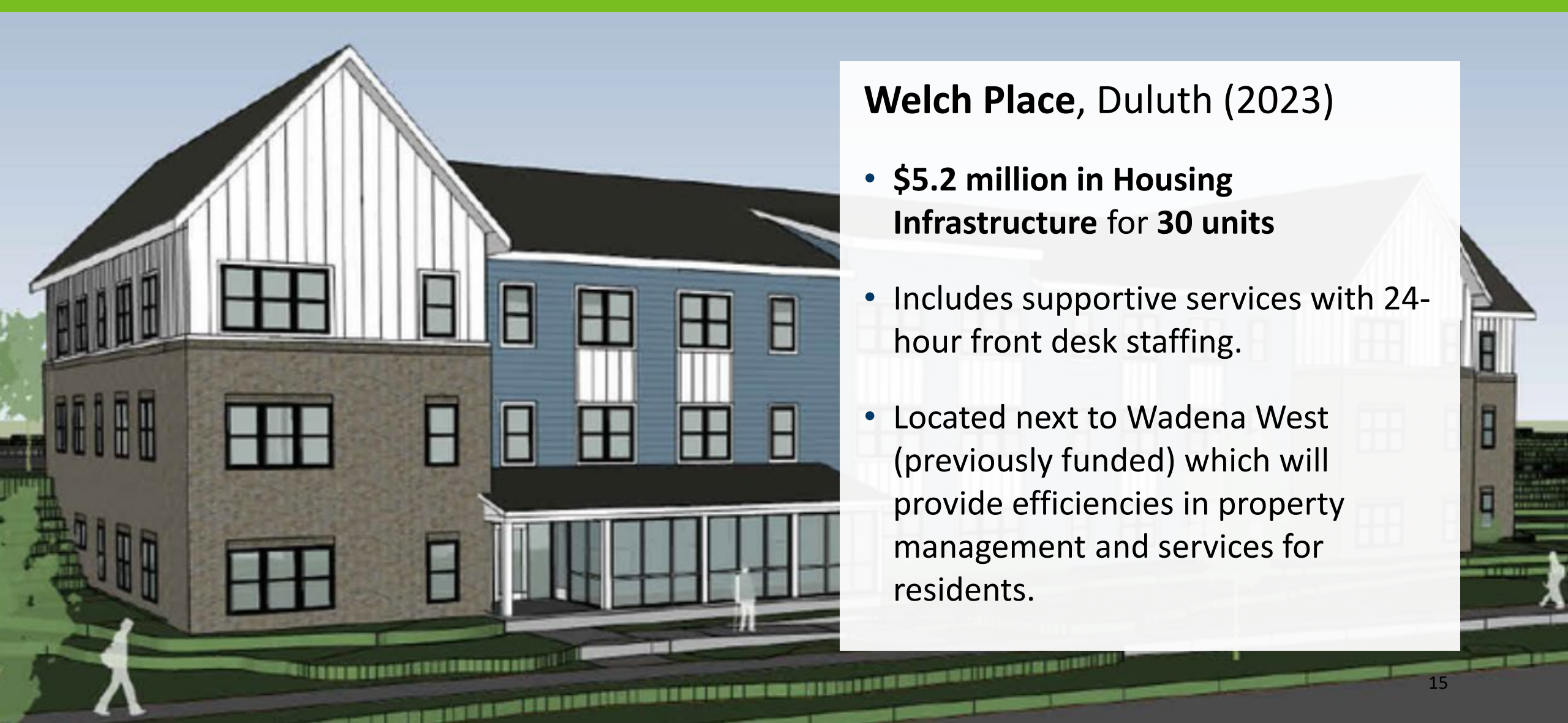
Single Family New Construction

Minnetonka Mills Church Project, Minnetonka (2024)

- **\$1.01 million in Housing Infrastructure** will be used to build **10 new twinhome units** on underutilized church property.
- All homes will be placed into a Community Land Trust to ensure long-term affordability.



Permanent Supportive Housing New Construction



Welch Place, Duluth (2023)

- **\$5.2 million in Housing Infrastructure 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.

Manufactured Home Community Infrastructure



Woodlawn Terrace Cooperative, Richfield (2023 Selection)

- **\$712,000 in Housing Infrastructure** to support infrastructure related to **54 homes**.
- The funds supported repaving roads within the community and connecting to city water.

Thank you for your partnership!

Contact Us

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