

# \$500 MILLION in BONDS for HOUSING



## What are Housing Infrastructure Bonds?

Housing Infrastructure Bonds (HIBs) are the largest state source of capital for affordable housing development and preservation. The proceeds of HIBs are used to fund loans and grants that finance critically needed affordable housing across the state.

Since 2012, HIBs have preserved or created over 7,000 homes in Minnesota.

### DID YOU KNOW?



Black, Indigenous, and People of Color (BIPOC) households are disproportionately impacted by the cost of housing. **57% of Black renters are cost-burdened compared to 45% of white renters.**

*Minnesota Housing Partnership, 2023*



**Only 31% of Black households own their home,** compared to 78% of white households in MN.

*Minnesota Housing Partnership, 2023*



#### Average AMI for Households Across MN

**30% AMI**  
for a family of 4

Metro - \$37,250  
Greater MN - \$30,271  
*HUD, 2023*

**50% AMI**  
for a family of 4

Metro - \$62,100  
Greater MN - \$45,756  
*HUD, 2023*



#### Annual Affordable Housing Need in MN

*Minnesota Housing Partnership, 2021*

**30.1% to 50% AMI**  
**2,000 Needed**  
**400 Built**

**30% AMI & under**  
**2,500 Needed**  
**150 Built**

# What would the bill change?

## Expand Eligible Uses

This bill would expand and clarify eligible uses to include **the development of housing cooperatives** and **recapitalization needs for existing units of affordable housing**.

## Recapitalization

Recapitalization is necessary to address the physical and financial needs of government supported affordable housing, including deferred maintenance, debt restructuring, and security upgrades. Minnesota lawmakers have a responsibility to preserve existing affordable housing assets across the state.

## Housing Cooperatives

A Housing Cooperative is a form of homeownership collectively owned and controlled by its residents. Housing Cooperatives provide residents with a sense of community, access to wealth, and perpetual housing affordability.

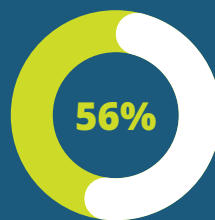
## Prioritization of Funds

This bill would create a prioritization for recapitalization, which would ensure that Minnesota can address the physical and financial needs of our existing state funded affordable housing properties.

## WHY DO WE NEED HOUSING INFRASTRUCTURE BONDS?



**Only 1 in 4 housing projects** that apply to MHFA for funding are funded and able to move forward



56% of unhoused people stated they are unhoused because **they could not find an affordable place to live**



**590,430 Minnesotans** are spending more than 30% of their income on housing



More than **2,250 households** are at risk of losing their **homes** over the next 2 years if we do not preserve our existing affordable housing stock



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