



Housing Infrastructure Bonds and 2021 Selections

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Why Housing Infrastructure Bonds?

- 95% of the housing in the state is privately owned
- State General Obligation bonds for housing limited to public ownership
- Created in 2012, Housing Infrastructure Bonds are the **largest state source** of capital for housing development, unique around the country
- Bonds leverage local, federal and private investment and spur development that otherwise would not happen



Types of housing impacted by Housing Infrastructure Bonds

- Build and rehabilitate permanent supportive housing for individuals or families experiencing or at risk of homelessness, and for people with behavioral health needs
- Preserve federally assisted rental housing
- Create affordable housing for seniors 55+ (a new use as of 2018)
 - Statutory preference for 30% AMI units
- Finance manufactured home community acquisition and infrastructure (new in 2018)
- Develop single-family homes, including homes in community land trusts (expanded in 2020)

Housing Infrastructure Bonds – Summary

- Just over \$500 million authorized since 2012, leveraging over \$960 million in total development costs
- More than 6,200 units created or preserved, including units in the pipeline
- A critical resource to support households at 30% AMI levels, including permanent supportive housing and new construction senior housing



2021 Selections

Spotlight on Housing Infrastructure Bonds

2021 Housing Infrastructure Bond Authorization

- \$100 million was authorized in 2021 Legislative Session
- The new Housing Infrastructure Bond authority was contingent on potential federal action
- \$33.333 million of the \$100 million is set aside for single-family development (\$18.333 million) and manufactured home community acquisition and infrastructure (\$15 million)
- The set-asides are available until January 16, 2024

2021 Annual Consolidated RFP Timing

- January to April 2021 – RFP Technical Assistance and Outreach
- April 14 – Request for Funding Process Opened
- June 29 – Omnibus Housing Bill Passed and Signed into Law
- July 15 – Application Period Closed
- August to December – Agency Reviews and Due Diligence
- December 31 – Housing Infrastructure Bonds
Legislative Contingency for Federal Infrastructure Expired
- January 16, 2022 – Housing Infrastructure Bonds Authority
Available
- January 27 – Minnesota Housing Board of Directors Selections

2021 RFP Selections

- 1,546 units were selected with Housing Infrastructure Bonds, the most ever.
- Housing Infrastructure Bonds are an estimated 25% of the total development costs for rental housing selections.
- Largest amount selected to date for single-family development and manufactured home community infrastructure using Housing Infrastructure Bonds.

2021 Multifamily Selections

Spotlight on Housing Infrastructure Bonds

Housing Infrastructure Bonds

Rental Demand and Selections

2021 RFP	Eligible HIB Projects	Amount of HIB	Number of Units	Projects in Greater MN	Projects in Twin Cities Metro
Requested	25	\$224M	1,513	40%	60%
Selected	11	\$94M	669	36%	63%

Rental Housing Development Selections



Supportive Housing

- \$37.4 million for 4 proposals, supporting 225 units

Senior Housing

- \$55.6 million for 6 proposals, supporting 364 units

Preservation

- \$1.5 million for 1 proposal, supporting 80 units

Project Highlight: Settler Commons – Senior Housing

- Located in Buffalo
- New construction of 40 units
- Central Minnesota Housing Partnership as developer
- Cities with less than 20,000 in population meet a statutory priority
- 12 of 40 units (30%) serve households at 30% of area median income



Project Highlight: Simpson Community Shelter & Housing

- Located in Minneapolis
- New construction permanent supportive housing in Minneapolis
- 42 units of permanent supportive housing and 70 emergency shelter beds.
- Project for Pride in Living as developer
- Housing Infrastructure Bonds are strictly for funding the permanent supportive housing component of the project.



2021 Single-Family Selections

Spotlight on Housing Infrastructure Bonds

Minnesota Housing Single Family-Resources

- Mortgage and Downpayment Loan Programs
- Homeownership Education and Counseling
- Home Improvement/Rehab Loans
- Community Development – Development Resources
- Manufactured Housing



Single-Family Consolidated RFP Selections

Single-Family Selections:

Total Request - \$36.8 million for 41 proposals, 760 units

Total Selections - \$12.5 million for 36 proposals, 322 units



- Challenge Program
 - \$6.7 million for 19 proposals
- Housing Infrastructure Bonds Selections
 - \$5.3 million for 16 proposals
 - Largest selections for Housing Infrastructure Bonds for single-family development
- Interim construction loans - \$500,000 from agency resources, 1 proposal

Project Highlight: St. Paul Housing and Redevelopment Authority

- "Inspiring Communities" project in St. Paul
- Awarded \$1.1 million for 9 new units
- New construction homes that will include single-family homes and multi-units to:
 - Broaden housing choices
 - Provide intergenerational living (duplexes or homes with Accessory Dwelling Units)
- Targeting households at 115% AMI, with a focus on households at 80% AMI

Project Highlight: West Central Community Land Trust

- Selected for 6 units for \$330,000 in Douglas, Pope and Ottertail counties
- Homes will be placed in the Land Trust
- Partnering with Department of Corrections Inter-Corrections Work Crew and subcontractors to build the homes
- Partnering with Habitat for Humanity of Douglas County on 3 homes



Other Single-Family Development Programs

Workforce and Affordable Homeownership Program

- Received a one-time increase of \$3.5 million for FY 2022-23 budget
- \$3.4 million in 8 proposals for 40 units, as well as an additional \$5.1 million in interim construction loans
- Based on stakeholder engagement, selections had a focus on smaller, new construction projects in Greater Minnesota
- 7 of 8 proposals are in Greater Minnesota
- 6 of 8 proposals are new construction

2021 Manufactured Home Community Selections

Spotlight on Housing Infrastructure Bonds

Housing Infrastructure Bonds

Manufactured Home Community Infrastructure

- Requested – 14 proposals for \$9.5 million
- Selected – 12 proposals for \$7.5 million, impacting 1,247 homes
 - State Appropriations: \$2.1 million
 - Housing Infrastructure Bonds: \$5.4 million



Supporting communities in every region of the state:

- 8 in Greater Minnesota
- 4 in the 7-county metro

Housing Infrastructure Bonds

Manufactured Home Community Infrastructure

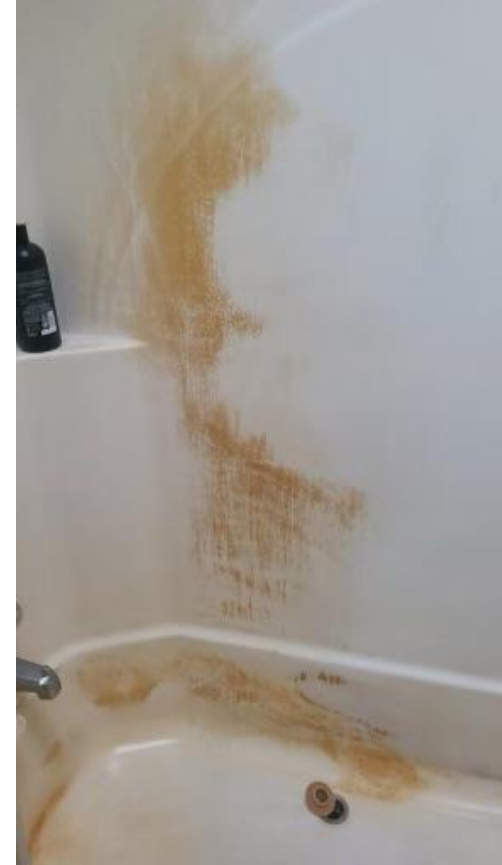
Award highlights:

- Two resident-owned cooperative communities, one city-owned and nine privately owned
- 5 new storm shelters to create a safe place during inclement weather
- 4 proposals repair damaged roadways to allow safe passage of vehicles through the community, including household waste removal and school buses
- 7 proposals repair sewer and water delivery systems, improving health by removing waste and giving residents access to safe drinking water
- 3 proposals provide upgrades to electric systems that don't meet code

Project Highlight:

Manufactured Home Community – Woodlawn Terrace

- Located in Richfield
- Sale from private owner, transitioning to resident-owned cooperative ownership model
- Currently 30 occupied units (and up to 30 infill)
- Agency approved lending activity for acquisition, improvements and permanent financing in June 2021
- \$2.28M Agency acquisition loan closed December 2021
- First wave of 7 new units planned for May 2022
- Also received \$1.04M in Housing Infrastructure Bonds for infrastructure improvements
- Current residents do not drink the water because it is brown and has sulfuric order



Project Highlight:

Twin Haven Estates

- Private family-owned community in Detroit Lakes
- Awarded \$600,000 in Housing Infrastructure Bonds to help replace failing septic system
- Sewage leaking above ground in the community and owners currently paying more than \$2,000 to pump out the sewage
- Residents will have a healthy and safe environment with the new system

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