



Governor's Capital Budget Recommendations

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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



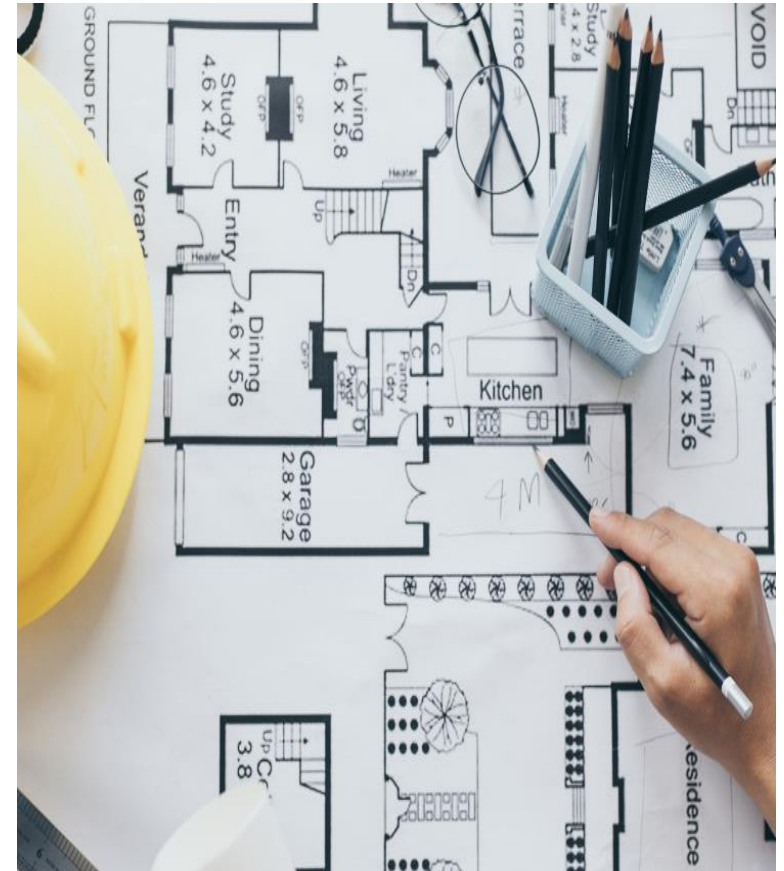
Normandale Manufactured Home Community, Redwood Falls

- \$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

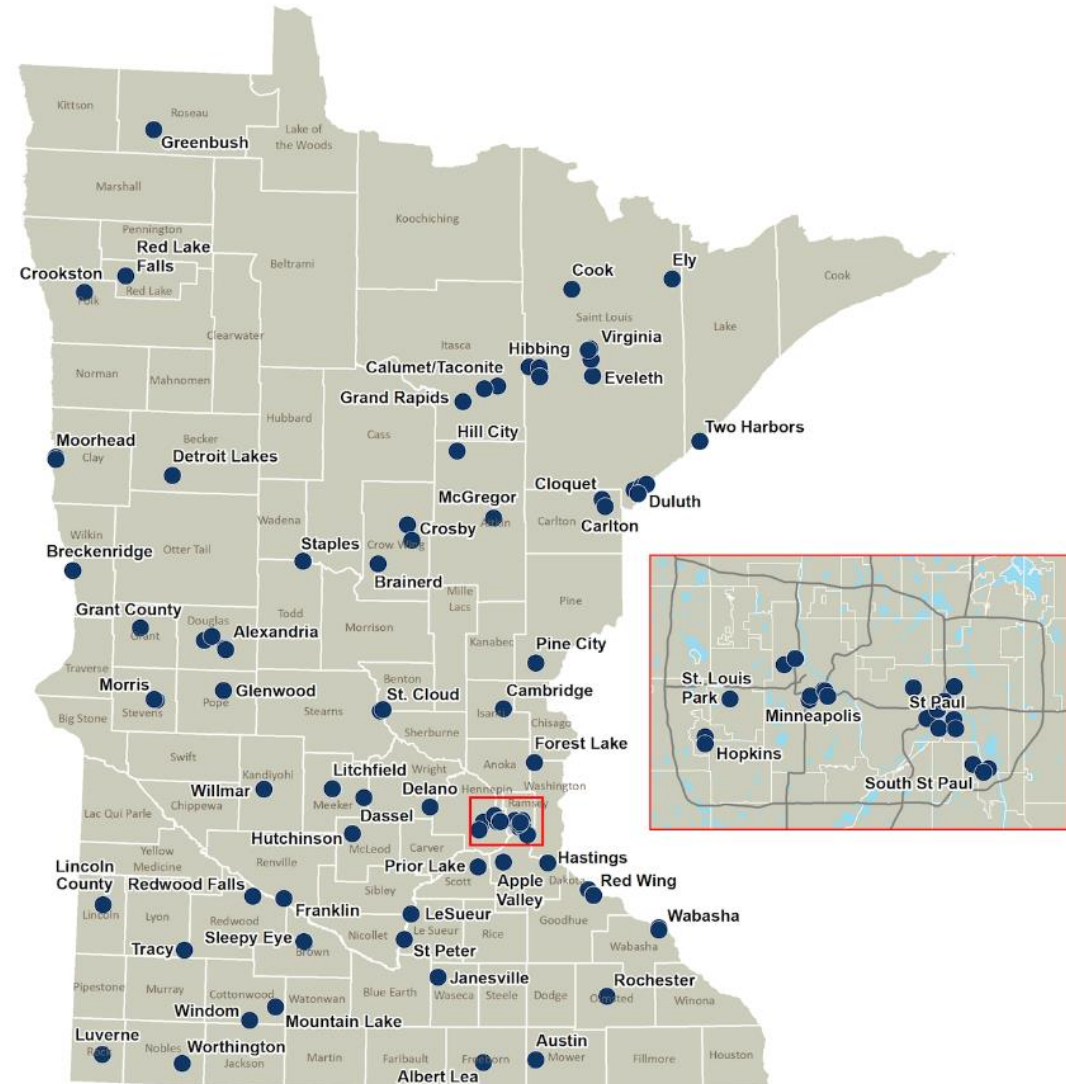
25 stories, 191 units built in 1970

- 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.

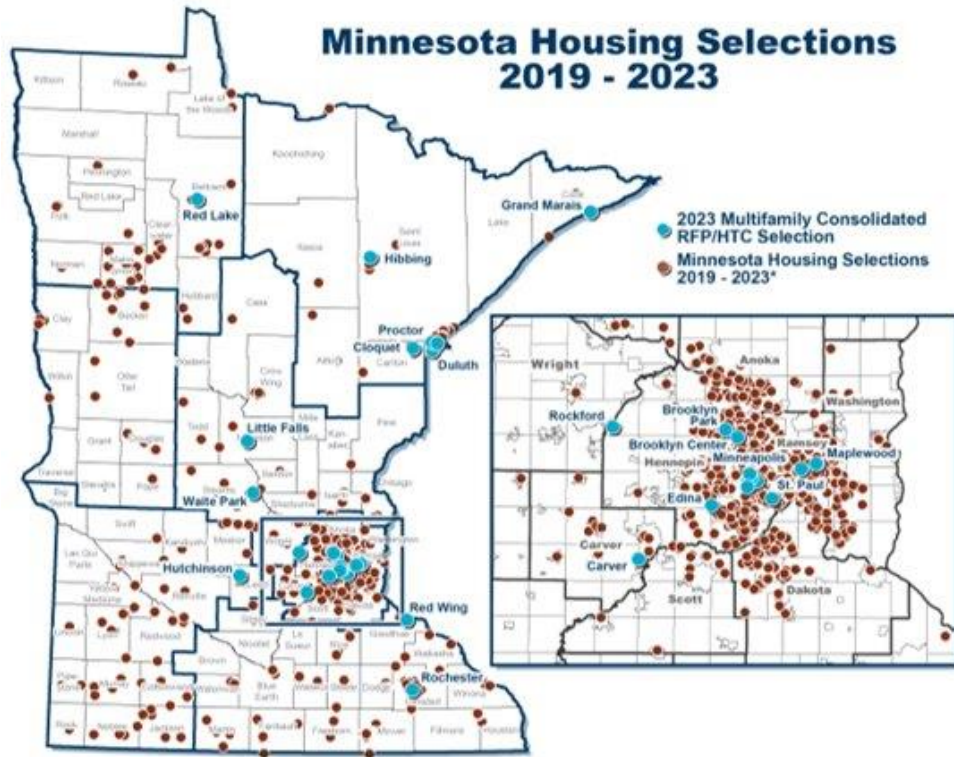
POHP Serves All of Minnesota

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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