



Minnesota Housing  
Finance Agency

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**To:** Supportive Housing for Persons Experiencing Chronic Homelessness  
Working Group

**From:** Bob Odman, Assistant Commissioner, Multifamily

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**Subject:** Cost Containment of Supportive Housing

The enclosed outline provides a list of considerations to be taken into account when developing permanent supportive housing and deciding what measures might be taken to achieve the most cost effective alternative to meet the need of housing chronically homeless households. After convening two meetings with Agency staff and two meetings with professionals actively engaged in the design, construction, development, financing and operation of supportive housing, the following are recommendations of measures the Minnesota Housing Finance Agency and its funding partners should take to house the maximum number of households the most cost effectively consistent with meeting the divergent needs of chronically homeless households.

- Establish a preference for the use of existing multifamily rental housing as opposed to new construction.
- Encourage the integration of chronically homeless households into existing MHFA financed multifamily rental developments, particularly, project based Section 8 housing.
- Encourage the adaptive reuse of nursing homes, hotels, and motels for housing single persons when economically feasible.
- Reduce the size of new construction housing units and program space.
- Continue to review the underwriting process to streamline and expedite loan processing.
- Work with MHFA architects and client architects to develop standard, replicable plans that can be constructed cost effectively and reduce design costs.
- Work with MFHA assigned Attorney General Staff and partner and client attorneys to implement the use of standard benchmark legal documents to expedite closing process and reduce legal fees.
- Conduct annual cost containment roundtable discussions at the Working Together Multifamily Conference.
- Use durable, cost effective materials to reduce long term operating costs.
- Work with contractors, architects, attorneys, accountants, providers, and funders on an ongoing basis to look for ways to control and reduce costs.