The Need and Demand

- Nearly 600,000 households in Minnesota pay more than 30 percent of their income for housing. Since 2000, that number has increased by 69 percent.
- More than 7,500 Minnesotans were homeless in January 2015. Three out of four adults experiencing homelessness on a given night have at least one of the following: a chronic health condition, serious mental illness or substance abuse disorder.
- We are making progress:
  - Between 2014 and 2015, the number of homeless dropped by 10 percent from 8,377 to 7,509.
  - The number of people in homeless families with children dropped by 17 percent from 4,725 to 3,912.

The Request

- **$70 million in housing infrastructure (appropriation) bonds** to increase the supply of and stabilize affordable housing in communities throughout the state.
- Funds will be used to:
  - Preserve existing federally subsidized rental housing.
  - Construct or acquire and rehabilitate supportive housing, particularly for persons experiencing or at risk of experiencing homelessness.
  - Acquire land by community land trusts for single family homes for homeownership.
- **$20 million in General Obligation Bonds** for rehabilitation of existing public housing.
  - Funds will be used for health, safety and energy efficiency improvements in existing public housing.

The Impact

- Approximately 1,100 housing units will be constructed or rehabilitated with Housing Infrastructure Bond proceeds.
- With our 2014 awards, every $1 in state funding for gap financing for preservation leveraged approximately $3 in private capital funding.
- Every $1 in state funding for preservation sustains $4 in federal housing assistance.
- Housing Infrastructure Bonds allow us to access federal tax-exempt bonds that would otherwise go unused.
- Approximately 2,400 public housing units will be rehabilitated and preserved with GO bond proceeds.
The Timeline
Funds provided during the 2016 legislative session will be awarded in October 2016 with projects beginning to break ground the following year.

The Process
- Funds will be awarded through a competitive process.
- Funds will be made available for eligible projects throughout the state.
- Housing must be affordable to and occupied by low-and moderate income households.
- Affordability must be maintained for at least the term of the bonds (20 years).
- Annual debt service on $70 million is $5.6 million; a standing appropriation for the term of the bonds must be made. Costs to the State of appropriation bonds are not materially different from costs of GO bonds.
- GO Bonds will be awarded through separate RFP process. Only public housing authorities are eligible to apply.

The Results

### Housing Infrastructure Bonds

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount Appropriated</th>
<th>Amount Awarded</th>
<th># of Multifamily Projects</th>
<th># of Single Family Projects</th>
<th># of Units</th>
<th>Total Development Costs (Multifamily)</th>
<th>Project Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$30 million</td>
<td>$30 million</td>
<td>7</td>
<td>5</td>
<td>472</td>
<td>$59.1 million</td>
<td>All projects completed</td>
</tr>
<tr>
<td>2014</td>
<td>$80 million</td>
<td>$70 million</td>
<td>11</td>
<td>5</td>
<td>1,239</td>
<td>$120.4 million</td>
<td>All projects closed or in closing process</td>
</tr>
<tr>
<td>2015</td>
<td>$10 million</td>
<td>$20 million</td>
<td>4</td>
<td>4</td>
<td>162</td>
<td>$34.9 million</td>
<td>Funding committed 10/22/15</td>
</tr>
<tr>
<td>Total</td>
<td>$120 million</td>
<td>$120 million</td>
<td>22</td>
<td>14</td>
<td>1,873</td>
<td>$214.4 million</td>
<td>-</td>
</tr>
</tbody>
</table>

50% of multifamily projects are located in Greater Minnesota and 50% are located in the Metro.

### GO Bonds

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th># of Projects</th>
<th># of Units</th>
<th>Project Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$5.5 million</td>
<td>14</td>
<td>950</td>
<td>All projects completed</td>
</tr>
<tr>
<td>2014</td>
<td>$20 million</td>
<td>35</td>
<td>2,438</td>
<td>17 projects closed or in closing process</td>
</tr>
<tr>
<td>Total</td>
<td>$25.5 million</td>
<td>49</td>
<td>3,388</td>
<td>-</td>
</tr>
</tbody>
</table>

75% of projects are located in Greater Minnesota and 25% are located in the Metro.