



STATE OF MINNESOTA
L'Étoile du Nord

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Governor Dayton Announces \$80 Million in New Affordable Housing Investments

*State investment will leverage \$300 million in private and local funding
Funding will create and preserve 1,831 affordable housing opportunities across the state*

ST. PAUL, MN – Joined by Minnesota Housing Finance Commissioner Mary Tingerthal and community leaders, Governor Mark Dayton today announced \$80 million in funding to create and preserve 1,831 affordable housing units throughout the state. These investments will leverage private and local resources to support \$300 million in total development costs and support more than 2,800 jobs.

“This funding will stimulate jobs and economic development across our state, while providing housing for more Minnesotans in need,” said Governor Dayton. **“Unfortunately, without a bonding bill last session, the housing needs of 3,000 more Minnesota families will go unmet. I will continue fighting for more resources to meet Minnesota’s growing housing needs during the coming legislative session.”**

This funding comes as housing costs continue to increase and vacancy rates remain extremely low. Existing affordable housing is being purchased and converted to market-rate housing, displacing low- and moderate-income families.

“The housing built and preserved with these resources is a smart investment in Minnesota’s future and will be an important foundation for success for kids, families and workers across Minnesota,” said Mary Tingerthal, Minnesota Housing Commissioner. **“We are battling housing costs that are rising faster than incomes. We must continue our commitment to provide more Minnesotans with access to affordable homes in communities of their choice.”**

Between 2000 and 2015, the number of Minnesota households spending more than 30 percent of their income on housing increased 63%, from 350,000 to 570,000.

“We are fortunate in Minnesota to have a public partner like Minnesota Housing which is at the heart of a unique public-private partnership that creates and preserves affordable homes throughout the state and makes it possible for less fortunate Minnesotans to have a secure place to call home and a better foundation for their family’s future,” said Warren Hanson, President & CEO of Greater Minnesota Housing Fund. **“We are proud to partner with Minnesota Housing to jointly finance these much needed affordable homes for low-income families and individuals.”**

\$80 Million for Affordable Housing in Minnesota

This year the Minnesota Housing Finance Agency and its funding partners – the Greater Minnesota Housing Fund, the Minnesota Department of Employment and Economic Development, and the Metropolitan Council – reviewed requests for more than \$233 million in affordable housing projects.

Each project was selected through a process where developers and administrators can apply for a variety of financing sources through one common application.* The \$80 million in funding awarded today includes \$4.7 million from funding partners.

Proposals were reviewed to consider their support for rural, suburban, and urban communities, serving prospective homebuyers, renters, and current homeowners. Housing projects funded by the \$80m announced today include:

- **Accessing opportunity** – New construction rental buildings in Coon Rapids, Ramsey, and Prior Lake will provide affordable apartments to families with access to transportation, jobs, and good schools.
- **Preserving what we have** - Preserving existing affordable housing is a cost-effective way to keep people in their homes and ensure federal rental subsidies are not lost. Como by the Lake is one example of the 99 affordable homes that were nearly eliminated last year when the previous owners acted to terminate their Section 8 contract and sell. Aeon bought the building and the Minnesota Housing Finance Agency funding will pay off that debt and allow Aeon to make improvements to the building.
- **Serving seniors** - In addition to supporting seniors living in existing affordable housing like Como By the Lake, the Minnesota Housing Finance Agency also selected proposals that will help seniors age in place by making accessibility improvements, as well as build new senior rentals in Woodbury and Mora.
- **Supporting small towns** –In many areas of the state, apartments originally financed by USDA Rural Development are the only affordable rental housing in town. The Minnesota Housing Finance Agency was able to help preserve 267 of these apartments in 11 buildings in Owatonna, Watertown, Gaylord, Kasota, Cold Spring, and Waseca. In Perham, the Minnesota Housing Finance Agency is leveraging down payment assistance funds from local businesses, like Arvig Communications System and KLN enterprises, to help residents become homeowners.
- **Bringing housing and jobs together** – Developments like Dublin Crossing in Mankato, Agassiz Townhomes in Crookston, and Fox Pointe Townhomes in Austin are examples of the Minnesota Housing Finance Agency’s commitment to support economic growth across the state by creating housing that is affordable to the local workforce.
- **Helping people rejoin communities** – Models like Solace apartments in St. Peter and Great River Landing in Minneapolis will provide housing for people exiting correctional facilities with support and services to help them successfully reenter their communities.

The agency awarded \$92 million in 2015, \$161.6 million in 2014, \$54.2 million in 2013, and \$134.5 million in 2012. You can view a catalog of funded developments, maps and a detailed breakdown of all funding awards [here](#).

*Financing sources include deferred loans, amortizing loans and tax credits.

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