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Minnesota Housing’s 2021 Project Selections Deliver Deep Affordability

Resources like federal housing tax credits and Housing Infrastructure Bonds will create and preserve 4,631 homes Minnesotans can afford

SAINT PAUL, MINNESOTA (January 28, 2022) — On January 27, the Minnesota Housing board of directors selected a slate of proposed multifamily, single family and manufactured home community infrastructure projects for funding. The selections include \$220.5 million for the creation and rehabilitation of 1,095 multifamily rental units; \$12.5 million for the creation, preservation and financing of 322 single-family homes; and \$7.5 million for infrastructure investments in 12 manufactured home communities across the state. Additional selections made in 2021, such as for publicly owned housing and workforce homeownership, bring the total to \$266 million in selections to create and preserve 4,631 homes Minnesotans can afford.

Funding allocated in the project selection process is made in the form of federal housing tax credits, as well as grants and loans financed with federal and state funding sources.

A significant portion of the funds Minnesota Housing uses to finance selected projects comes from Housing Infrastructure Bonds, which are authorized by the Legislature.

“Thanks to the Legislature, we can say ‘Yes’ to more communities across the state with far more funding than we’d have with federal resources alone,” said Governor Walz. **“We’re saying yes to Big Lake, Buffalo, and Cambridge. We’re telling Pipestone, Ottertail, and International Falls: Your housing needs matter. No matter where you live, what age you are, what income you earn, we all share the universal need for a safe, stable place to call home.”**

The multifamily project selections are guided by a set of priorities developed by the agency with significant community input. In this round of annual selections, a priority was to expand agency investments in deeply affordable units. “Deeply affordable” means a housing unit is affordable to

someone who earns 30% or less of the area median income. This rent level is nearly impossible for the private market to build without state or federal assistance.

This year, 377 rental units, or one-third of Minnesota Housing's multifamily selections, will be deeply affordable. Communities that will see new developments with deeply affordable units are Big Lake, Buffalo, Mankato, Minneapolis, St. Paul, Golden Valley and Rogers.

Additionally, 355 of the multifamily units will be permanent supportive housing, which provide supportive services in addition to highly affordable rental homes. The board also selected a total of 444 units that will serve seniors.

The Legislature recently broadened the use of Housing Infrastructure Bonds (HIB) to include rehabilitation and new construction single-family homes beyond the previous eligible use for community land trusts. With the expanded HIB uses and state funding from the Challenge program, the grants and loans will serve 322 households across the state through building new affordable homes, preserving existing homes, and providing financing for low- and moderate-income families to purchase homes. These selections add to the creation of 40 homes through projects selected this past November, most in communities throughout Greater Minnesota, funded by the one-time infusion of \$3.5 million Workforce and Affordable Homeownership Development funds from the Legislature.

In the manufactured home community selections, funds can be used for infrastructure projects such as water and sewer upgrades, storm shelter construction or repairs, electrical work, and road and sidewalk improvements.

The agency's manufactured home selections of \$7.5 million are up threefold from 2020 due to new funding commitments from the Minnesota Legislature, including Housing Infrastructure Bonds. The agency's grants will improve 1,247 home lots in manufactured home communities located in every region of the state.

Today Minnesota Housing released a [30-minute video](#) about its selections, featuring Governor Walz, Commissioner Ho and residents of several selected projects.

For further information about the 2021 Selections, visit Minnesota Housing at www.mnhousing.gov.

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