

# \$1 BILLION in BONDS for HOUSING

HF 302 | SF 1094

Housing Infrastructure Bonds (HIBs) are the largest state source of capital for housing development and the proceeds of HIBs are used to fund loans and grants that finance critically needed affordable housing across the state. Since 2012, HIBs have preserved or created over 6,000 homes in Minnesota.

## What are Housing Infrastructure Bonds?

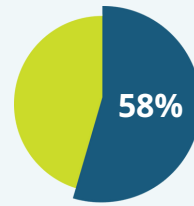
### \$750 million in Housing Infrastructure Bonds



Minnesota's greatest housing need is for homes at 50% AMI and below.

There is no funding source to build or preserve affordable housing units at 50% AMI and below that do not need wrap around supportive services.

### \$250 million to preserve and improve Public Housing

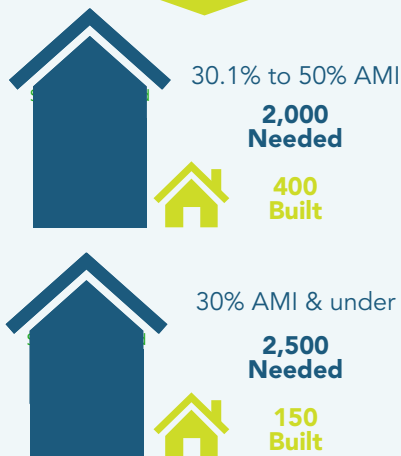


Black, Indigenous, and People of Color (BIPOC) households are disproportionately impacted by the cost of housing. **58% of Black renters are cost-burdened** compared to 44% of white renters.



**Only 25% of Black households own their home**, compared to 76% of white households in MN.

#### Annual Affordable Housing Need



**30% AMI for a family of 4**

Metro - \$31,450  
Greater MN - \$23,964



**50% AMI for a family of 4**

Metro - \$52,000  
Greater MN - \$39,942



Minnesota Housing's budget (including bonds) represents just **0.4% of the overall state budget**. The time is now for transformative investments in housing.

## Current Eligible Uses

- **Permanent supportive housing** for individuals and families experiencing homelessness
- **Affordable housing for seniors 55+** with a preference for serving seniors at the lowest incomes
- **Preservation of federally assisted rental housing**
- **Homeownership, Community Land Trusts, and manufactured home park infrastructure**

## Why Housing Infrastructure Bonds?



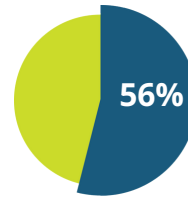
Public Housing in Minnesota has over **\$350 million in deferred maintenance**



**Only 1 in 4 housing projects** that apply for funding are funded and able to move forward



59% of renters living disabilities cited **"not enough accessible units"** as the reason why they could not find housing



56% of unsheltered people stated they are unsheltered because **they could not find an affordable place to live**

## What Would the Bill Change?

- Expand eligibility of Housing Infrastructure Bonds to include the development and preservation of **housing at 50% AMI and under** for households that don't need wrap around supportive services.
- Address inconsistent definitions of what makes housing "accessible" to ensure that **people with disabilities have housing that is both affordable and accessible to them.**
- Clarify that homeownership investments through HIBs will be **through grants**, not loans.
- Authorize half of the HIBs for 2023, and the other half for 2024 to help **create a more predictable pipeline of funding for affordable housing.**



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