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Walz-Flanagan Administration Announce Nearly $200 Million to Increase Access to Affordable Housing Across Minnesota

State and federal resources will leverage $334 million in private and local funding to create and preserve nearly 2,400 homes in Minnesota communities

December 17, 2020

[ST. PAUL, MN] – Governor Tim Walz, Lieutenant Governor Peggy Flanagan and Minnesota Housing Commissioner Jennifer Leimaile Ho announced in an online presentation today that the Minnesota Housing board of directors approved staff recommendations of $195 million to create and preserve 2,387 homes throughout the state, including rental units and single-family homes.

Full details on all of the selected and advancing developments, including maps and videos, are available online at www.mnhousing.gov/sites/np/2020selections (https://gcc01.safelinks.protection.outlook.com/?url=http%3A%2F%2Fwww.mnhousing.gov%2Fsites%2Fnp%2F2020selections&data=04%7C01%7Cwalz.press%40state.mn.us%7C58c477b4d80249d3a72408d8a2c67966%

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The announcement outlined 73 developments that support more than 5,300 jobs and will leverage $334 million in private and local resources for more than $529 million in total development costs. Each of the projects included in today's announcement were reviewed through a single common application process with funding from Minnesota Housing, the Metropolitan Council, Ramsey County and Greater Minnesota Housing Fund.

"Every Minnesotan deserves access to affordable housing," said Governor Tim Walz. **"That has never been clearer than this year as we seek stable places to live, raise families, and shelter from the virus. We must increase affordable housing options for Minnesotans across the state, and today's announcement is a critical step toward making that a reality."**

Prior to the pandemic, Minnesota faced a significant housing shortage, especially for low- and moderate-income residents. Nearly half a million households in Minnesota were spending more than 30% of their income on housing. The economic impact of COVID-19 has made the situation worse.

"Minnesota Housing's 2020 selections and advancements chart the future of the state's housing investments with equity at the center," said Lieutenant Governor Peggy Flanagan. **"Housing is health. It's the foundation for success, a safe place to be, and a springboard for opportunity. Every Minnesotan deserves housing that is affordable and fits their needs."**

Part of this investment is made possible by the $100 million in Housing Infrastructure Bonds passed by the Minnesota Legislature and signed into law by Governor Walz, five months later than usual. Eleven projects are proceeding for further review because of these Housing Infrastructure Bonds. Minnesota Housing worked with great speed to put the new resources to work to address the pressing housing needs in the state.

"It's tremendous that the Legislature passed $100 million in Housing Infrastructure Bonds this year, and it's amazing to be able to talk about putting them to work just two months after they passed," said Commissioner Ho. **"Housing Infrastructure Bonds make it possible for us to create some of the most deeply affordable homes and serve Minnesotans with extremely low incomes. The permanent supportive housing we can create with these bonds are desperately needed and are in short supply across the state."**

The developments advanced today will strengthen Minnesota's communities and meet the state's growing housing needs by:

- **Creating and preserving more rental housing in suburban areas and Greater Minnesota.** A mix of housing options is essential to a thriving community for all residents. This year, 27 selected and advancing multifamily developments will create and preserve more than 923 rental housing opportunities in suburbs like Anoka, Eagan, Hopkins, Waconia and Woodbury, and Greater Minnesota cities like Fergus Falls, Moorhead, North Branch, Winona and Duluth.

- **Providing more housing to help Minnesota's economic competitiveness** . We need to build more housing in the State of Minnesota to support our economy. More than half of the projects announced today will fund new construction rental homes that will provide critical housing for workers and help provide housing for employers. New workforce housing will support businesses large and small in Greater Minnesota communities like Big Lake, Mankato, Pine Island, Rochester and Duluth, as well as the Twin Cities metro area**.**
- **Preventing and ending homelessness and creating permanent housing stability.** These selections support Governor Walz's and Lieutenant Governor Flanagan's commitment to preventing and ending homelessness by investing in 527 multifamily units for people experiencing or at risk of homelessness. Two permanent supportive housing developments included in today's announcement are Bethesda Cornerstone Village in Oakdale and Vista 44 in Hopkins proposed by Beacon Interfaith Housing Collaborative.
- **Commitment to Community Land Trust model.** With the October 2020 bonding bill, a new eligible use of Housing Infrastructure Bonds expands the agency's ability to finance single-family development and rehabilitation. This expanded use is put into action in the 2020 selections to support the unique model of community land trusts that maintains the affordability of the home over generations. Proposals from Cass Clay Community Land Trust in Moorhead, Twin Cities-based City of Lakes Community Land Trust and Rondo Community Land Trust are among today's selections.
- **Expanding opportunities for homeownership.** Minnesota Housing invests in a range of ways to bring homeownership opportunities to more Minnesotans, recognizing that homeownership is the primary way that most families build wealth. We help drive down the cost of single-family homes by financing first mortgages, providing down payment assistance, and helping acquire, rehabilitate and construct high quality homes. This year we'll invest $15.8 million to support the creation and preservation of 383 single-family homes.

When Minnesota Housing's other 2020 project selections are included, the agency's selections total $211 million for 3,521 units created or preserved in 2020. The other $16 million in selections include $2.6 million in grants to support 327 units of Manufactured Housing, also selected today, as well as $3.5 million in Multifamily Workforce Development Loans (129 units) and $9.6 million in Rental Rehabilitation Development Loans (544 units), selected earlier this year.

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