

**2014 Entry Form**  
**(Complete one for each entry.)**

Fill out the entry name *exactly* as you want it listed in the program.

**Entry Name** \_\_\_\_\_

**HFA** \_\_\_\_\_

**Submission Contact** \_\_\_\_\_

**Phone** \_\_\_\_\_ **Email** \_\_\_\_\_

Qualified Entries must be received by **Tuesday, July 1, 2014.**

For more information about Qualified Entries, [click here to access the 2014 Entry Rules.](#)

Use this header on the upper right corner of each page.

HFA \_\_\_\_\_

Entry Name \_\_\_\_\_

Communications	Homeownership	Rental Housing	Special Needs Housing
<input type="checkbox"/> Annual Report <input type="checkbox"/> Promotional Materials and Newsletters <input type="checkbox"/> Creative Media	<input type="checkbox"/> Empowering New Buyers <input type="checkbox"/> Home Improvement and Rehabilitation <input type="checkbox"/> Encouraging New Production	<input type="checkbox"/> Multifamily Management <input type="checkbox"/> Preservation and Rehabilitation <input type="checkbox"/> Encouraging New Production	<input type="checkbox"/> Combating Homelessness <input type="checkbox"/> Housing for Persons with Special Needs
Legislative Advocacy	Management Innovation	Special Achievement	Are you providing visual aids?
<input type="checkbox"/> State Advocacy <input type="checkbox"/> Federal Advocacy	<input type="checkbox"/> Financial <input type="checkbox"/> Human Resources <input type="checkbox"/> Operations <input type="checkbox"/> Technology	<input type="checkbox"/> Special Achievement	<input type="checkbox"/> YES <input type="checkbox"/> NO



## Minnesota Housing Veterans Housing at Fort Snelling

To say making this deal work was difficult is an extreme understatement. Most affordable housing development financial structures are difficult, but the VA Housing Fort Snelling (“Fort Snelling Development”) was the product of great vision and multiple leaps of faith. With a wide variety of funding sources and sometimes conflicting rules and regulations, this development happened because of the commitment, creative partnerships and the development team behind it. The project required tremendous coordination and perseverance from everyone involved. We were fortunate to be a part of this team and believe we have created a very special place to serve veterans who have served us.

Key partners for the project include: Minnesota Housing, which provided approximately \$6 million in housing infrastructure bonds and other deferred funding and issued the tax exempt bonds, which allowed the use of 4% Low Income Housing Tax Credits (LIHTC); UnitedHealth Group, in partnership with the Minnesota Equity Fund, provided \$9.3 million in tax credit equity proceeds; and CommonBond Communities, which is the developer, property manager, service provider and part of the ownership for the project. In addition to Minnesota Housing’s investment, historic tax proceeds accounted for 22% of the total capital funding. Minnesota created a state historic credit in 2010 and 16 projects have used it to leverage approximately \$559 million in private equity. Additional funding partners include the Department of Veterans Affairs (“VA”), Home Depot Foundation, Metropolitan Council and the Family Housing Fund, the Minnesota Twins. Operating funding partners include the Metro Housing and Redevelopment Authority (“Metro HRA”), HUD, Hennepin County, and NeighborWorks.

After years in the making, we closed the deal in May and celebrated the renovation for this development located near the VA Medical Center in Minneapolis, on the site of an historic fort built in the 1820’s (see attached historic photos and renderings). The \$17.2 million development includes the renovation of five adjacent two-story buildings including former officer quarters and horse stables into a 58-unit studio, one-, two- and three-bedroom apartment community to provide permanent supportive housing for homeless veterans and their families.

In addition to providing housing, the new community will contain many amenities for the residents, including central air conditioning, vaulted ceilings, walk-in closets, an onsite business center, computer lab, court yard, elevators, laundry, and community room. A comprehensive set of supportive services will be provided onsite, managed by CommonBond Advantage Services, the Department of Veterans Affairs and third-party providers. Clinical services will include health, trauma informed care, mental health support counseling and monitoring, academic and social support, job training, and crisis management. A full-time community supervisor and two full-time staff people will be located on-site.

Veterans groups, project partners and various community leaders heralded the Fort Snelling Development as vital in helping reach a goal of ending homelessness among military veterans in Minnesota. We are on pace to meet that goal by the end of 2015, and this development marks a major step in our progress.

The team’s biggest challenge was securing the project-based rent assistance needed to adequately house this population who had little or no income. The development could have failed at many points because of the timing of the commitments, and procuring it required extraordinary steps. The team secured 20 units of Group Residential Housing (“GRH”) rental assistance and services and 38 Section 8 vouchers from the Metro HRA. The Metro HRA also applied for 20 project-based Veterans Affairs Supportive Housing (“VASH”) vouchers on the development’s behalf after the team successfully made

**Minnesota Housing**  
Veterans Housing at Fort Snelling

our case to HUD Secretary Shaun Donovan. Our effort included a letter of support signed by every member of our Congressional Delegation representing the entire political spectrum (Rep. Michelle Bachman and Rep. Keith Ellison signed the same letter). A VASH voucher has two components—Section 8 rent assistance and VA case management service funding. The development has also secured operating grants from NeighborWorks and from the Minnesota Twins baseball team for supportive services.

From the alignment in investor mission to the unique underwriting, this development offered a good economic return, revitalization of historic buildings and improved quality of life.

Our investment makes possible an innovative, comprehensive approach to serving homeless veterans that can be a model for other locations and organizations. The investment also leverages unique federal rent assistance for veterans and leverages substantial private resources for supportive services.

Please see the attachments for a full understanding of the innovation and partnership woven throughout this very special development.

**Congress of the United States**  
Washington, DC 20515

January 25, 2013

Secretary Shaun Donovan  
Department of Housing and Urban Development  
451 7<sup>th</sup> Street S.W.  
Washington, DC 20410

Dear Mr. Secretary,

We are happy to see that the U.S. Department of Housing and Urban Development (HUD) has taken valuable steps towards the goal of ending veteran homelessness. Moving homeless veterans into stable housing with supportive services as quickly as possible is a laudable goal. In that spirit, we request your assistance in creating an environment that encourages providers to invest in developing housing projects for homeless veterans.

In 2008, Congress created the HUD-VA Supported Housing (HUD-VASH) program, which provides housing vouchers to homeless veterans. "Project based" HUD-VASH vouchers are reserved for use at specific housing developments dedicated to helping veterans. Often they are used for project developments that are built on Veterans Administration (VA) owned federal property, which allows veterans living there to get more than just a place to sleep. They also receive peer-on-peer counseling support and better access to VA service agencies. In Minnesota, the guarantees of project based vouchers are an important incentive for housing providers to attract the capital needed to build veteran specific supportive housing.

A number of our local stakeholders suggest that Minnesota needs more project based housing for veterans. Currently, HUD allows Public Housing Authorities (PHAs) to designate no more than twenty percent of their vouchers as project based. We are concerned that Minnesota PHA's will not receive enough VASH vouchers to support future projects intended to address the long-term needs of our state's homeless veterans. We would like your assistance in overcoming the obstacles that make it difficult to develop long-term, comprehensive housing and healthcare solutions for chronically homeless veterans.

In order to build more homes for veterans in a more efficient and flexible manner, we suggest you consider modifying your policies for allocating project based HUD-VASH vouchers. In order to build more homes for veterans in a more efficient and flexible manner, we suggest you consider modifying your policies for allocating project based HUD-VASH vouchers. We hope that HUD will allocate some of the total HUD-VASH vouchers as project based through a competitive process, and that the determination is based on a project's readiness to proceed and the long-term needs of veterans. We want to ensure that project based HUD-VASH vouchers can be put to use as quickly as possible.

**Congress of the United States**  
Washington, DC 20515

Based on the feedback we have received from our local housing and veterans partners, there is a strong need for additional veteran housing in Minnesota. We are eager to work with you to ensure the needs of our local veterans are met. As you develop a process for allocating HUD-VASH vouchers, we ask you to ensure that project based vouchers are allocated to urban and rural communities that lack quality housing for homeless veterans.

Sincerely,



Amy Klobuchar  
UNITED STATES SENATOR



Al Franken  
UNITED STATES SENATOR



Collin Peterson  
MEMBER OF CONGRESS



Betty McCollum  
MEMBER OF CONGRESS



John Kline  
MEMBER OF CONGRESS



Tim Walz  
MEMBER OF CONGRESS



Keith Ellison  
MEMBER OF CONGRESS



Michele Bachmann  
MEMBER OF CONGRESS



Erik Paulsen  
MEMBER OF CONGRESS



Rick Nolan  
MEMBER OF CONGRESS



400 Sibley Street | Suite 300 | Saint Paul, MN 55101-1998 | 651.296.7608  
800.657.3769 | fax: 651.296.8139 | tty: 651.297.2361 | [www.mnhousing.gov](http://www.mnhousing.gov)  
*Equal Opportunity Housing and Equal Opportunity Employment*

January 24, 2013

**VIA ELECTRONIC MAIL**

The Honorable Shaun Donovan, Secretary  
U.S. Department of Housing and Urban Development  
451 7th Street S.W.,  
Washington, DC 20410

RE: Project-basing of VASH Vouchers

Dear Secretary Donovan:

I am writing to request your assistance in creating an environment that encourages project-basing VASH vouchers, while at the same time moving homeless veterans as quickly as possible into stable housing with supportive services.

I understand that HUD is currently in the process of developing its recommendations for allocating VASH vouchers that are included in the FY2013 budget. Based on previous experience, HUD will make one of two choices for allocation: (1) The Department could allocate 100% of the vouchers to cities and states based on the number of homeless veterans in the homeless census count; or (2) HUD could designate a set-aside of a percentage of the vouchers to a national competition for projects needing project-based vouchers and then allocate the balance of the vouchers based on the homeless census count. I ask that HUD take the second approach, setting aside 15% of the total vouchers to a national competition for project-basing VASH vouchers.

The program already allows public housing authorities (PHAs) to project-base some of their VASH vouchers. PHAs may also project-base some of their other Housing Choice Vouchers (HCVs) in a project for homeless veterans. Both options are available, but as a practical matter, there are obstacles that discourage PHAs from project-basing vouchers of either kind to support the development of projects solely for veterans.

In many cases, a local PHA may not receive enough VASH vouchers through the census-based allocation to support a project to be developed near the VA hospital in their community. For example, in FY2012, HUD awarded a total of 15 VASH vouchers to the St. Cloud, MN PHA, but the project selected by the VA to receive an enhanced use lease of VA land at the St. Cloud hospital is designed to house 35 veterans.

Allocating regular HCVs as project-based to a project for homeless veterans raises other concerns related to the provision of services.

Mr. Shaun Donovan, Secretary  
RE: Project-basing of VASH Vouchers  
January 24, 2013  
Page 2 of 3

A direct award by HUD of project-based VASH vouchers to specific projects would eliminate these barriers. To help meet the Administration's goal of ending homelessness among veterans by 2015, it is important for HUD and the VA to establish a small percentage of the total VASH vouchers for project-basing in their FY2013 allocation plan.

1. A set-aside of project-based vouchers is an incentive to PHAs.

Experience shows that if HUD provides encouragement through a set-aside of project-based VASH vouchers, PHAs will apply for project-based vouchers. HUD has offered project-based vouchers under two PIH notices, 2010-40 and 2011-50. PIH 2010-40 provided a one-time set-aside of 500 project-based vouchers. Under that competition, 746 units received project-based vouchers. Under PIH 2011-50, which had no set-aside for project-based vouchers, only 450 to 500 project-based vouchers were awarded. Set-asides create positive incentives for PHAs to apply for project-based vouchers.

2. A set-aside of project-based vouchers will encourage Veterans Affairs Health Care Systems (VAHCSs) or Community-Based Outpatient Clinics (CBOCs) to approve their use.

An award of project-based vouchers depends, in part, on the approval of the VAHCS or CBOC. Some VAHCSs and CBOCs are reluctant to approve project-basing vouchers out of normal allocations because they are held accountable for the amount of time that vouchers are not in use. The time between when vouchers are awarded to a project and when they are put into use will be longer for project-based vouchers because of the time to construct developments. If HUD establishes a minimum set-aside of project-based vouchers, VAHCSs will be less concerned if there is a delay in voucher utilization because construction is an expected outcome of project-basing. Those project-based VASH vouchers can be tracked separately on their own timeline.

3. Delays in the availability of vouchers to veterans can be minimized through selective awarding practices.

The delay in award of vouchers and their use can be minimized by limiting the awards to projects that have some or all of their financing arranged at the time of application. This approach can achieve the balance we all want between housing veterans as quickly as possible and providing them access to the best possible services. For example it would be logical for priority to be given to projects that are fully funded and/or projects that are sited on VA Enhanced Use Lease (EUL) land. There are two such veterans projects in Minnesota (35 units at the St. Cloud VA and 58 units at Fort Snelling) that are EUL projects and have received commitments from Minnesota Housing and other funders for 100% of the financing needed to construct them.



Mr. Shaun Donovan, Secretary  
RE: Project-basing of VASH Vouchers  
January 24, 2013  
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4. Rules and statute limit the amount of voucher budget authority PHAs may project-base.

Under current rules and statute, Public Housing Agencies (PHAs) may project-base VASH and Housing Choice Vouchers up to 20% of their budget authority. This limitation works against PHAs in Minnesota that have already stepped up to end homelessness by project-basing a good portion of their housing choice vouchers for permanent supportive housing projects. Because this limitation is statutory, there is no short term solution. I encourage you to develop a resolution to this problem that permits a greater share of budget authority to be used for project-based vouchers that support permanent supportive housing for homeless and formerly homeless individuals and families.

5. Project-basing some VASH vouchers provides another link in the continuum of housing and services that is needed to address the wide variety of individual circumstances that result in homelessness among veterans. The tenant-based VASH model may be preferred by many participants and service providers, but some will operate best in a project-based model.

A 15% set-aside for project-based vouchers for the FY2013 allocation can help create an environment for assisting veterans obtain housing and easy access to the full range of support services that the VA offers.

Thank you for your consideration.



Mary Tingerthal  
Commissioner

CC: Laure Rawson, Director, Housing Voucher Management and Operations Division  
U.S. Department of Housing and Urban Development  
451 7th Street S.W.,  
Washington, DC 20410



# Homeless Veteran Housing Fort Snelling Upper Post May 8<sup>th</sup>, 2014



# Panel

Andrew Michaelson – CommonBond Communities

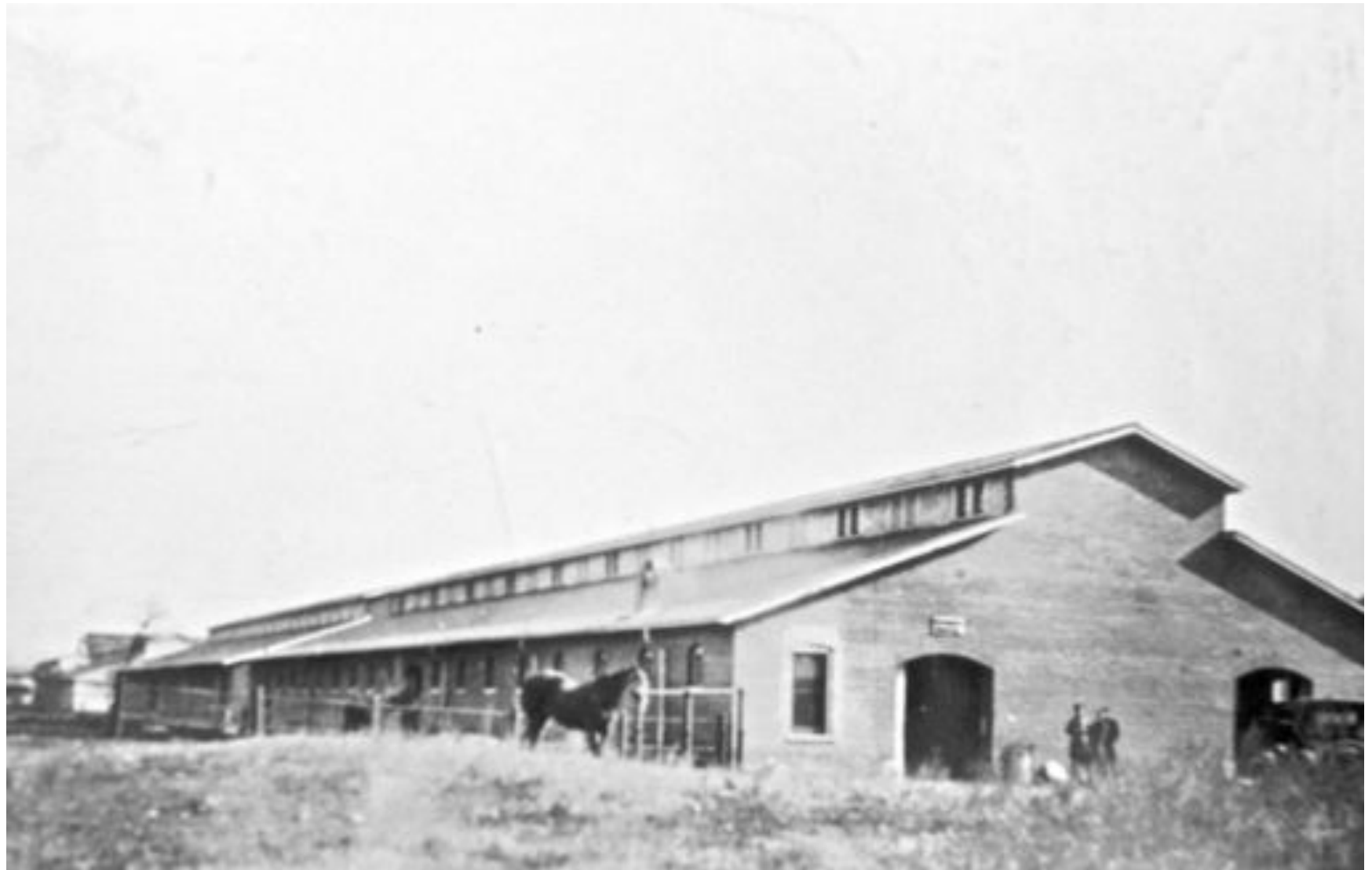
Jeremy Bork – Sand Architects

Dan Walsh – Minnesota Housing

Sonja Simonsen – Minnesota Equity Fund

Jeff Koerselman – Winthrop & Weinstine (Moderator)

Past...



...and Present



# VA's Commitment to Ending Veteran Homelessness

- Currently one of VA's top three priorities
- Jan 2009: **75,609** homeless Veterans nationwide
- Jan 2011: **67,495** homeless Veterans nationwide
- Jan 2012: **62,619** homeless Veterans nationwide
- Goal to end Veteran homelessness by 2015

# The 'BURR Initiative'

- BURR: Building Utilization Review & Repurposing
- VA effort to identify empty buildings and land suitable for re-purposing as affordable supportive housing for Veterans and their families who are homeless, or at risk of homelessness
- Often has additional beneficial effect: allows VA to preserve and restore some of its many historically valuable structures



# How does VA re-purpose these buildings?

- Through VA's 'enhanced-use leasing' (EUL) authority
- A special legislative authority that allows VA to lease surplus land and buildings to private-sector entities for purposes that will enhance VA's mission, and simultaneously enhance the land/buildings in question

# Key Project Partners

- CommonBond Communities

  - Developer

  - Service Provider

  - Property Management

- Sand Companies, Inc

  - Architect – Sand Architects

  - General Contractor – Sand Construction

- Minnesota Equity Fund

  - Tax Credit Syndicator

- Minnesota Housing

  - Tax Credit Allocator, Major Lender

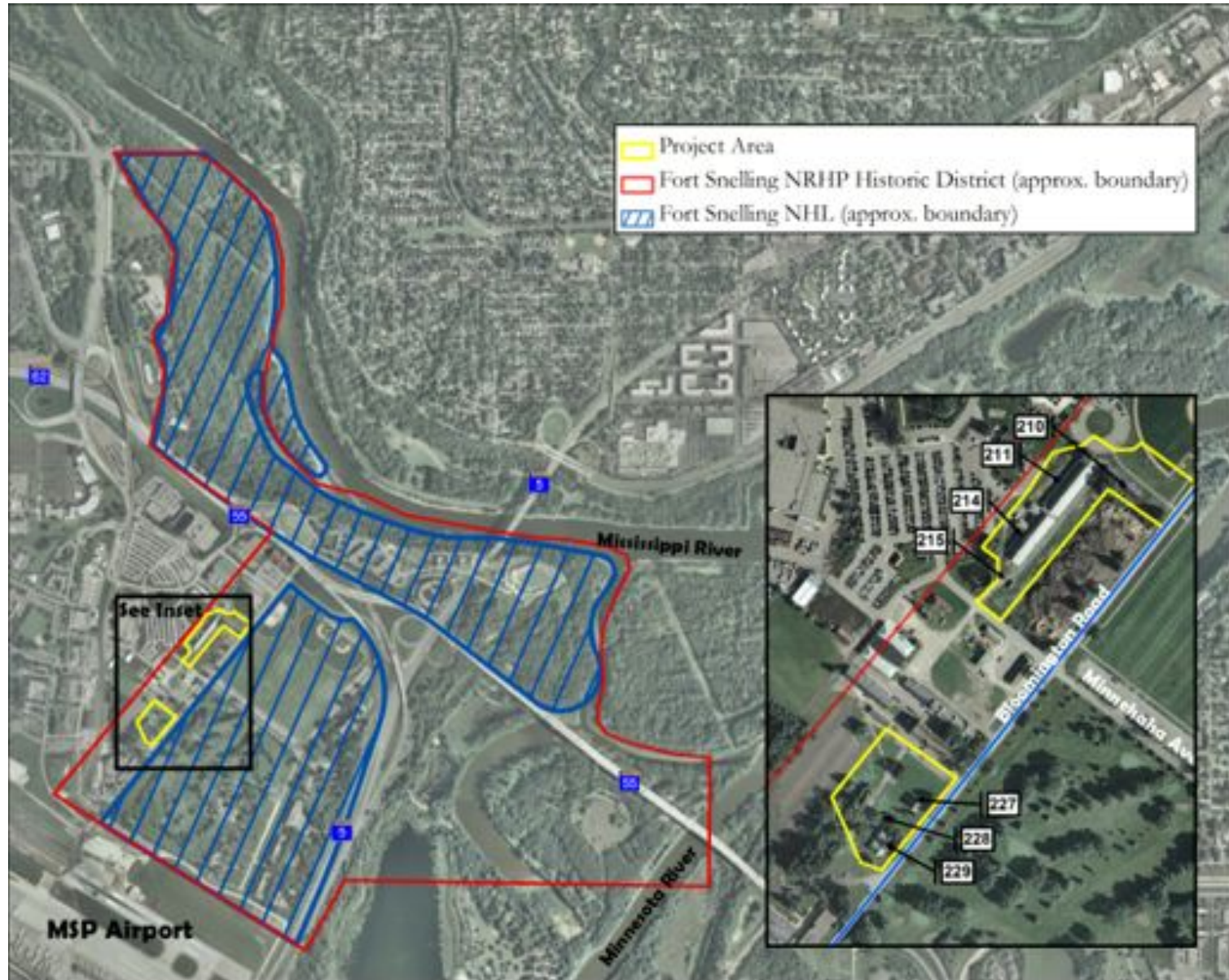
- Department of Veterans Affairs

  - Health Care and Homelessness Outreach

# Project Consultants

- Miller Dunwiddie Architecture  
Historic Design Consultants
- Hess Roise and Company  
Historic Tax Credit consultants
- Winthrop & Weinstine  
Developer's Counsel

# Fort Snelling





# North Site



# South Site



# The Buildings

- Building 210
  - Ordnance & Civil Works Service Office & Warehouse, Shops
  - Built: 1907
- Building 211
  - Quartermaster Stable; Tank Park
  - Built: 1909
- Building 214
  - Quartermaster Stable; Veterinary Hospital; Motor Repair Garage
  - Built: 1910



# The Buildings

- Building 227
  - NCSO Quarters
  - Built: 1904
- Building 229
  - NCSO Quarters
  - Built: 1907



# The Project

<u>Building</u>	<u>No. Units</u>	<u>Unit Type</u>
210	5	One Bedroom
211	23	Efficiency
214	22	Efficiency
	2	One Bedroom
227	2	Two Bedroom
229	4	Three Bedroom
	58	units

Also: Computer Lab  
Community Room  
Resident Lounge  
Management/Service Staff Offices  
Meeting Rooms



# Project Financing

## Sources

LIHTC / Historic Equity	\$ 9,338,996
Housing Infrastructure Bonds	\$ 5,420,799
VA Abatement Funds	\$ 788,090
Challenge Funds	\$ 598,893
CommonBond Capital	\$ 436,559
Home Depot Foundation	\$ 300,000
Family Housing Fund	\$ 200,000
Sales Tax Rebate	\$ 200,000
<b>Total</b>	<b>\$ 17,283,337</b>

## Uses

Architect / Historic Design	\$ 427,700
Rehab and Construction	\$ 10,618,000
Contingency	\$ 1,165,848
Abatement	\$ 788,090
Soft Costs / Financing	\$ 1,073,359
Developer Fee	\$ 1,350,000
Fixtures / Furnishing / Equipment	\$ 352,938
Property Reserves	\$ 355,661
Services Reserve	\$ 1,151,741
<b>Total</b>	<b>\$ 17,283,337</b>

# Project Timeline

- **July 2011:** BURR Initiative identifies the Ft. Snelling campus as a potential site for affordable permanent supportive housing
- **September 2011:** VA issues a Request for Proposals
- **October 2011:** VA selects CommonBond as its preferred developer for this project
- **December 2011:** VA and CommonBond VA Housing sign an initial Enhanced-use Lease, securing site control to develop 58 units of housing at the Fort Snelling site
- **January 2012:** Preliminary architectural and engineering studies begin
- **May 2012:** Minnesota Legislature approves Housing Infrastructure Bonds
- **June 2012:** Application to MHFA for LIHTC/HIB

# Project Timeline (cont.)

- **November 2012:** MHFA Funding Awarded
- **January 2013:** Entire MN Congressional delegation sends letter to HUD Secretary Donovan urging set-aside allocation of project-based HUD-VASH vouchers for veterans projects
- **August 2013:** Part 2 Historic Application
- **December 2013:** Hennepin County awards GRH rental subsidy for 20 units
- **April 2014:** Metro HRA awards 38 PBV Sec. 8 / HUD-VASH vouchers
- **April 2014:** NPS issues Part 2 Approval (w/ conditions)
- **May 2014:** Financial Closing  
Construction Begins



Jeremy Bork  
Sand Architects

# Historical Context



# Building 210





# Building 211



# Building 214





# Loft - Buildings 211 and 214



# Loft - Buildings 211 and 214





# Roofing, Heating, and Insulation



# Linking Buildings 210, 211, and 214





# Porches – Buildings 227 and 229



# Porches – Buildings 227 and 229

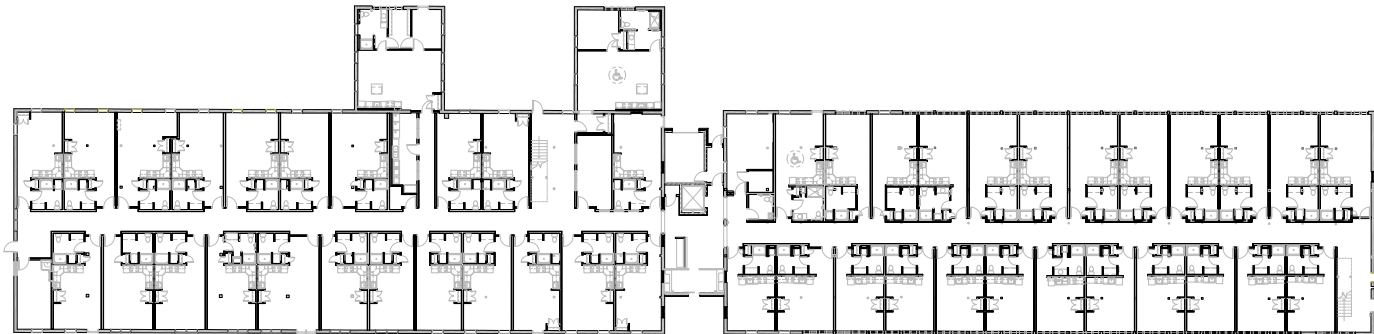




# Building 215 and “Building” 228

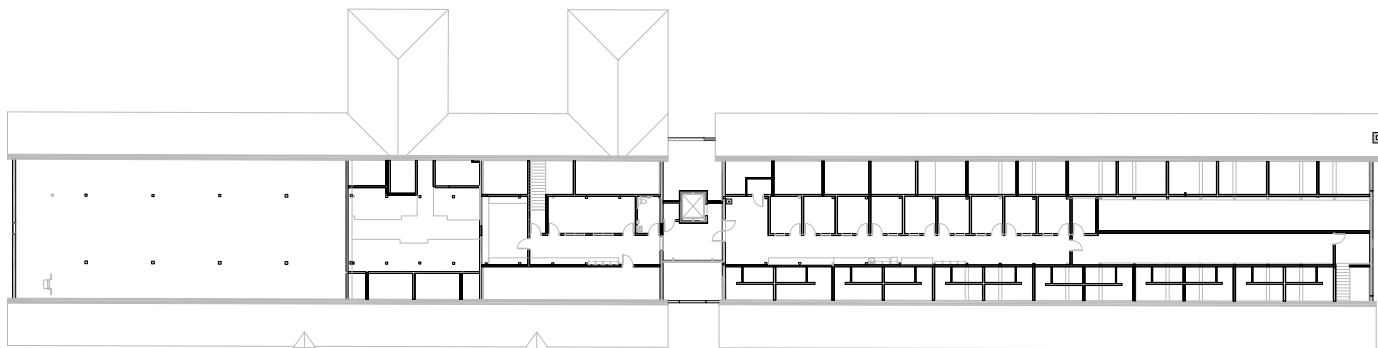


# Architectural Plans



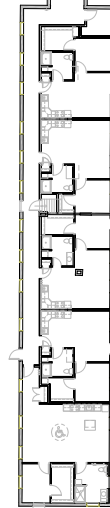
**Building 214 - Main Level**

**Building 211 - Main Level**



**Building 214 - Loft Level**

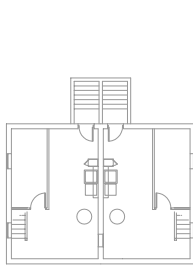
**Building 211 - Loft Level**



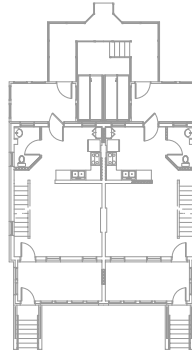
**Building 210 - Main Level**



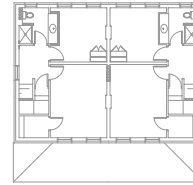
# Architectural Plans



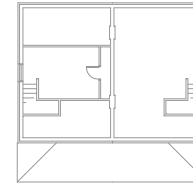
Basement Level



Main Level

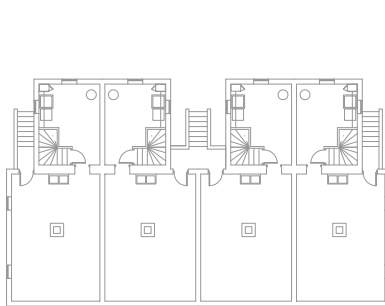


Upper Level

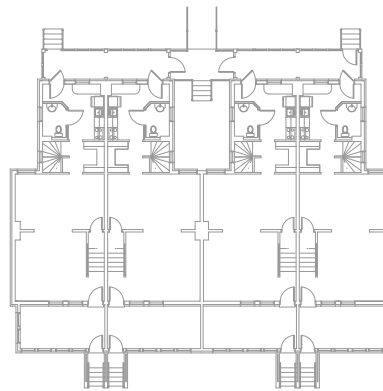


Attic Level

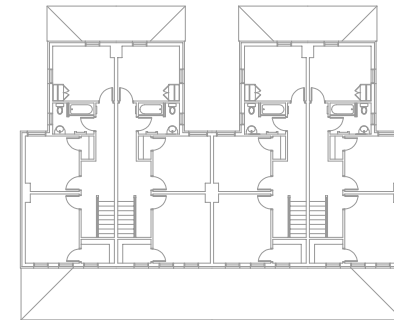
## Building 227



Basement Level



Main Level



Upper Level

## Building 229

# Renderings



# Renderings



# Renderings





# Renderings





Dan Walsh  
Minnesota Housing



# Minnesota Housing



- Early Funder
- Many Different Roles

# Minnesota Housing

## Why Did the Agency Get Involved?

- Strong supportive services model
- Strong team with an effective partnership with the Veterans Administration
- Great location for formerly homeless veterans
- Leverages significant, non-typical resources



# Minnesota Housing

How Could the Agency Get Involved?

Big Part of the Answer: Housing Infrastructure Bonds



- What they are
- How they work
- Rationale and why now

Sonja Simonsen

Minnesota Equity Fund

&

Greater Minnesota Housing Fund



# Investing in Affordable Housing at Ft. Snelling

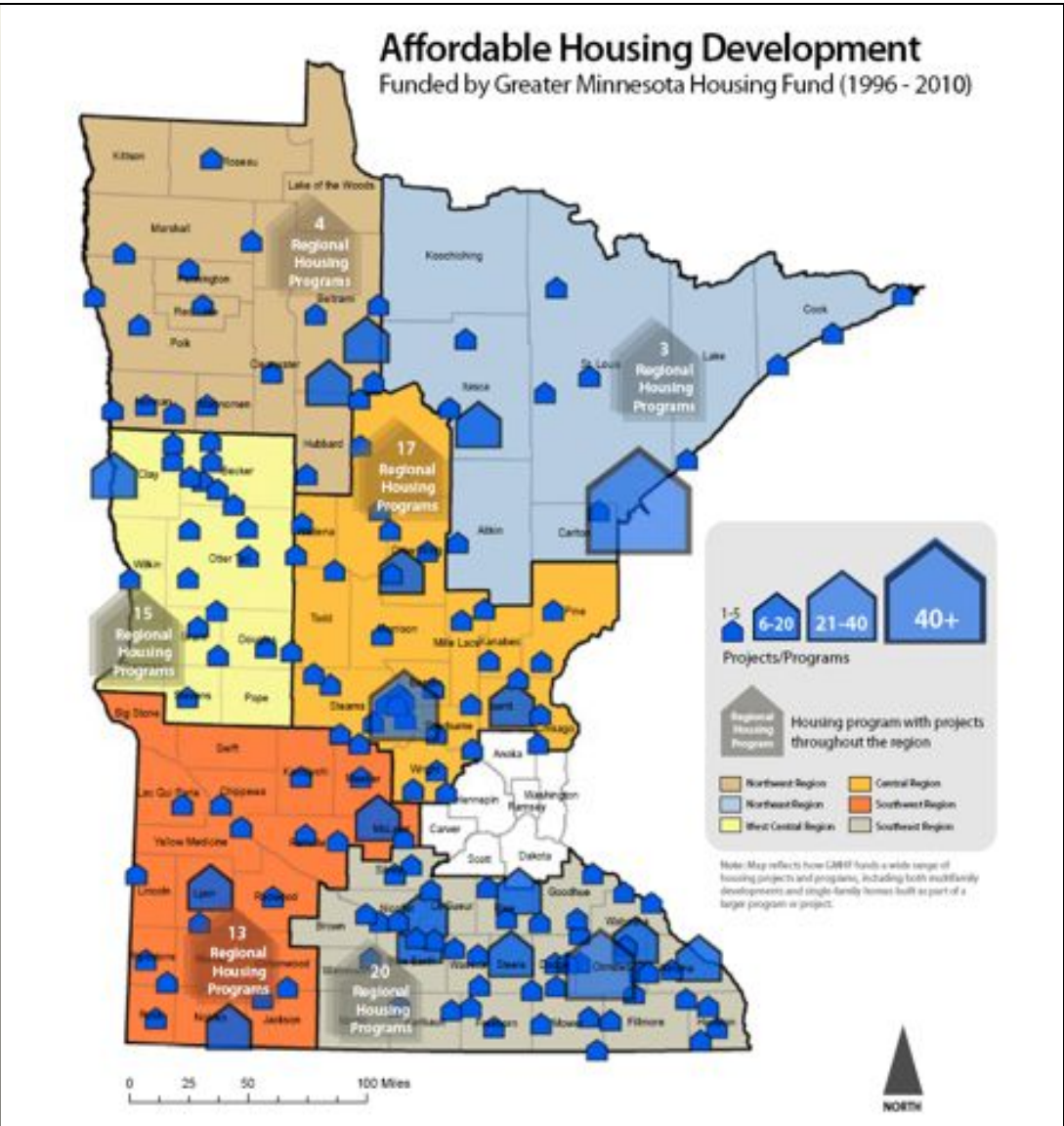
*Using Federal Low Income Housing Tax Credits (LIHTCs)*

**MINNESOTA EQUITY FUND**

# GREATER MINNESOTA HOUSING FUND

Supporting affordable housing throughout Minnesota for 17 years.

Financed over **550** developments in over **150** cities to support the creation of over **12,000** units of affordable housing in greater Minnesota.







## **1. Minnesota Equity Fund Partners:**

- **Greater Minnesota Housing Fund (GMHF)**
- **Great Lakes Capital Fund (GLCF)**

## **2. Investor's Mission**

## **3. Underwriting Considerations**

## **4. LIHTC Investment Risks and Mitigants**

# Good Investor Mission Alignment

**Particular Focus on Permanent Supportive Housing with Services For Children, Families, And Veterans**

**Classic Double Bottom Line Opportunity:**

- **Good Economic Return**

- Dollar for Dollar Tax credit
- Other Tax losses and Benefits

- **Good Social Return**

- Revitalization of communities & improved Quality of Life



# Unique Ft Snelling Underwriting Factors

- 4% LIHTC – Equity amount \$4 million
  - This is less than 50% of a 9% LIHTC development
  - Funded 23% of development
- Federal Historic Credits -- \$2.95 million (17%)
- State Historic Credits -- \$2.95 million (17%)
  - = Total Tax Credit Equity of over \$10 million (57%)
- Development feasibility hugely dependent on historic tax credits and particularly the state credits
  - 2010 law and 16 projects completed in 2011 -2012 resulted in total leveraged economic impact w/ Minnesota Historic Tax Credit = \$559 million

# Strengths of Development

- CommonBond Track Record
  - (Development, Management, Human and Cmmtly Services)
- Strong Capital Stack
  - Veteran's Admin Support
  - Deep and wide breath of philanthropic resources for CommonBond
  - State of MN through housing infrastructure bonds and Challenge Funds
  - Family Housing Fund
- Comprehensive Support Services Dedicated to Development
  - CommonBond Advantage Center, Other Providers
  - Dedicated Services Reserve Fund – approx. 2 years (very unique)

# Addresses State Plan to End Homelessness

## State Plan to End Homelessness

- Ending Veteran's Homelessness by 2015
  - Ending Family and Children's Homelessness by 2020
  - Shared Priority Goal: MN Equity Fund, CommonBond, MN Housing Finance Agency and scores of other agencies and org.
- 
- Ft. Snelling is a major step toward ending Veterans homelessness in the State
- Approx. 580 homeless vets in 2012, Jan 2013 less than 350
  - Ft. Snelling development creates 58 housing opportunities for Veterans

# Dynamic and Creative Working Partnerships and Dev Team

- Given the large number of federal, state, and local agencies, organizations and programs required tremendous coordination and perseverance on the part of all involved
- Syndicator and Investor had to maintain an attitude of flexibility





# Minnesota Equity Fund

*A Partnership of the Greater Minnesota  
Housing Fund  
and Great Lakes Capital Fund*



## Contact Information:

▫



**Warren Hanson, President & CEO**  
**Sonja Simonsen, Director of Syndication and Senior Lender**

651-221-1997

whanson@gmhf.com / ssimonsen@gmhf.com

▫



**Jim Logue, COO**

517-364-8929

jlogue@capfund.net

▫



**Broker for Minnesota  
Equity Fund**

**Joe Herbert**

415-765-1825

joseph.r.herbert@baml.com



Questions?





## NEWS RELEASE

### Contacts:

Jeff Nelson, CommonBond, 651-290-6201  
Lynne High, UnitedHealth Group, 952-979-5861

Megan Ryan, Minn. Housing, 651-297-3566  
Warren Hanson, MEF, 651-221-1997

### *For Immediate Release*

## **Construction Underway for New Affordable-Housing Community for Homeless Military Veterans and Their Families**

- *Transforming five historic structures at Fort Snelling into affordable housing for homeless veterans supports statewide initiative to end homelessness among veterans by 2015*
- *Groundbreaking in May coincides with National Military Appreciation Month honoring current and former members of the U.S. Armed Forces for their service and sacrifice*

**MINNEAPOLIS (May 29, 2014)** – Military veterans and their families struggling with homelessness will have access to new housing and resources to help end the cycle of homelessness, as construction is now underway for a new, 58-unit affordable-housing community at historic Fort Snelling.

Veterans groups, project partners and various community leaders heralded CommonBond’s Veterans Housing at Fort Snelling as vital in helping reach a goal of ending homelessness among military veterans in Minnesota. According to Heading Home Minnesota, a public-private partnership to end homeless in the state, more than 10,000 Minnesotans are homeless on any given night, including more than 350 veterans.

Today’s ceremonial groundbreaking event coincided with the conclusion of National Military Appreciation Month.

The development project will transform five historic structures into 58 studio, one-, two- and three-bedroom apartments on the Fort Snelling Upper Post. Onsite support for residents will include clinical health care services, social and support counseling and monitoring, academic support, job training, and other vital services.

The new community will also feature an onsite business center, computer lab, courtyard, elevators, laundry facility and community room. Each apartment will include central air conditioning, vaulted ceilings and walk-in closets, among other amenities.

Funding for the \$17.2 million veterans community project was secured through a collaboration of public- and private-sector partners.

Minnetonka-based UnitedHealth Group (NYSE: UNH) provided \$9.3 million in equity through a partnership with the Minnesota Equity Fund, using Low Income Housing and Historic Preservation Tax Credits approved by the state. Minnesota Housing, the other major investor, allocated \$5.5 million in Housing Infrastructure Bonds. Additional funding partners include the Family Housing Fund, Hennepin County, Home Depot Foundation, Metropolitan Council, Neighborhood Works America and the U.S. Department of Veterans Affairs.

“Minnesota’s heroes should never be homeless,” said Governor Mark Dayton. “Our veterans risked their lives to protect our state, our country, and our freedoms. They have more than earned safe and affordable places to live. I thank UnitedHealth Group, the Minnesota Housing Finance Agency, and the other partners, who have come together to build this wonderful new community.”



“I am thrilled to be part of this historic public-private partnership to support our military veterans who have sacrificed for our country,” said Minnesota Housing Commissioner Mary Tingerthal. “With continued investments, we could be the first state in the country to essentially end veteran and chronic homelessness.”

Commissioner Tingerthal co-chairs the Minnesota Interagency Council on Homelessness, the coalition of 11 state agencies that recently launched a new plan to prevent and end homelessness – including ending homelessness for veterans and for people experiencing chronic homelessness – by 2015.

“We are grateful for the opportunity to partner with the many public and private organizations that are making a difference in the lives of military veterans who have given so much for our country,” said retired Vice Adm. John Mateczun, chief medical officer of UnitedHealthcare Military & Veterans, which provides health care services for nearly 2.9 million service members, military retirees and their families. “This is an important project that will have a tremendous impact in helping to end homelessness, and it will serve military veterans in our state for years to come.”

CommonBond Communities, which has served the region for more than 40 years and is the Midwest’s largest nonprofit provider of affordable housing with supportive services, will develop and manage the new veterans community. CommonBond Advantage Services, the Department of Veterans Affairs and third-party providers will manage the onsite support services.

“This new community at Fort Snelling will be a model for addressing the growing need for permanent housing and services for military veterans,” said Paul Fate, president and CEO of CommonBond Communities. “We are honored to join with so many exceptional partners to lead the transformation of these buildings into dignified housing for the people who have served our country so courageously.”

The \$9.3 million investment by UnitedHealth Group in collaboration with MEF is part of more than \$150 million the company has provided since 2011 to finance affordable-housing communities with supportive services throughout the United States. These investments have included building affordable housing in communities with large veterans populations and is one of many ways the company supports military veterans and their families.

UnitedHealth Group is a member of the 100,000 Jobs Mission, a coalition of major U.S. corporations that share the goal of hiring 100,000 transitioning service members and military veterans by 2020, a goal that has already been exceeded. UnitedHealth Group partners with a variety of organizations to help source military and veteran candidates such as the Military Spouse Employment Partnership, RecruitMilitary and the Wounded Warrior Project.

MEF was established in 2013 by the Greater Minnesota Housing Fund (GMHF). Its mission is to enable socially motivated corporations and financial institutions to make sound economic investments in high-quality affordable-housing developments that qualify for federal housing tax credits. UnitedHealth Group and MEF have already partnered together to finance five additional housing communities in Minnesota and the Great Lakes region as part of a \$50 million commitment to build affordable housing and improve the quality of life for families in need.

“MEF provides a vehicle for socially motivated corporations like UnitedHealth Group and financial institutions to make economic investments in well-designed, high-quality affordable-housing developments in growing communities throughout Minnesota,” said Warren Hanson, president and CEO of GMHF. “Our partnership in this new veterans development will help meet the critical need to provide military families with quality, permanent housing with supportive services.”

Construction for the new development is expected to be completed in spring 2015.

**About CommonBond Communities:** CommonBond Communities, the Midwest's largest nonprofit provider of affordable housing with services, has served the region for over 40 years. CommonBond develops, owns or manages over 5,400 affordable rental apartments and townhomes throughout 50 cities in Minnesota, Wisconsin and Iowa. CommonBond is considered a national leader and innovator in the affordable housing and community development field. For more information visit [www.commbond.org](http://www.commbond.org).

**About Minnesota Housing Finance Agency:** Minnesota Housing finances affordable housing opportunities for low- and moderate-income Minnesotans while fostering strong communities. Find out more at [www.mnhousing.gov](http://www.mnhousing.gov), Twitter @mnhousing and at [www.facebook.com/minnesotahousing](http://www.facebook.com/minnesotahousing).

**About The Minnesota Equity Fund:** MEF is a subsidiary of the Greater Minnesota Housing Fund (GMHF), a non-profit Community Development Financial Institution, established by The McKnight Foundation and Blandin Foundation. GMHF provides loans, equity investments, grants and technical assistance to create affordable housing in Minn. MEF's initial fund is a strategic partnership between GMHF and Great Lakes Capital Fund (GLCF), a nationally recognized syndicator of low-income housing tax credits with \$2.5 billion under management and expertise in affordable housing.

**About UnitedHealth Group:** UnitedHealth Group (NYSE: UNH) is a diversified health and well-being company dedicated to helping people live healthier lives and making health care work better. With headquarters in Minnetonka, Minn., UnitedHealth Group offers a broad spectrum of products and services through two distinct platforms: UnitedHealthcare, which provides health care coverage and benefits services; and Optum, which provides information and technology-enabled health services. Through its businesses, UnitedHealth Group serves more than 80 million people worldwide. For more information, visit UnitedHealth Group at [www.unitedhealthgroup.com](http://www.unitedhealthgroup.com).

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**Exhibit 5**

Senator Al Franken at the groundbreaking

