

NCSHA 2015 Annual Awards Entry Form

(Complete one form for each entry)

Deadline: Wednesday, June 10, 2015

Visit ncsha.org/awards to view the Annual Awards Call for Entries.

Instructions: Type entry information into the form and save it as a PDF. Do not write on or scan the form. If you have any questions contact Matt Cunningham at mcunningham@ncsha.org or 202-624-5424.

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

Entry Name: _____

HFA: _____

Submission Contact: (Must be HFA Staff Member) _____ **Email:** _____

Please provide a 15-word (maximum) description of your nomination to appear on the NCSHA website.

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

HFA: _____

Entry Name: _____

Select the appropriate subcategory of your entry and indicate if you are providing visual aids.

Communications	Homeownership	Legislative Advocacy	Management Innovation
Annual Report	Empowering New Buyers	Federal Advocacy	Financial
Creative Media	Encouraging New Production	State Advocacy	Human Resources
Promotional Materials and Newsletters	Home Improvement and Rehabilitation		Operations
			Technology
Rental Housing	Special Needs Housing	Special Achievement	Are you providing visual aids?
Encouraging New Production	Combating Homelessness	Special Achievement	Yes
Multifamily Management	Housing for Persons with Special Needs		No
Preservation and Rehabilitation			

The \$100 Million Partnership: Collaborating for a Record Housing Investment in 2014

Over the years, Minnesota Housing has successfully secured hundreds of millions of dollars in state appropriations to help fund the development of affordable housing and programs that prevent and end homelessness. While we have long received state appropriations, it is only more recently that we secured the authority to issue Housing Infrastructure Bonds from the Legislature, a strong addition to our array of financing opportunities for multifamily and single family housing.

Housing Infrastructure Bonds are simple. They are appropriation bonds issued by Minnesota Housing and for which the state makes a standing appropriation to pay the debt service. The Legislature approves the funding and Minnesota Housing issues the bonds. There are four eligible uses of Housing Infrastructure Bonds:

- New construction or acquisition and rehabilitation of permanent supportive housing
- Preservation of federally-assisted housing (Project-Based Section 8 or USDA Rural Development)
- New construction or acquisition and rehabilitation of multifamily housing on foreclosed properties
- Land acquisition by community land trusts for affordable single family housing for homeownership

We are able to blend Housing Infrastructure Bonds with our regular sources of funds and award the dollars through our one-stop, consolidated Request for Proposal process.

In 2014, by partnering with a wide-ranging group of stakeholders and legislators, Minnesota Housing successfully secured \$100 million in bonding authority from the State Legislature. This \$100 million included \$80 million in Housing Infrastructure Bonds and \$20 million in General Obligation Bonds for the rehabilitation of public housing.

Housing Infrastructure Bonds are an important addition to the funding opportunities we offer. Under state law, General Obligation bonds may only be used to finance construction or capital improvements of publicly owned buildings. However, most affordable housing is privately owned. Housing Infrastructure Bonds help fill this gap. They allow the state to invest in critical affordable housing infrastructure and in turn, private owners agree to keep the housing affordable for the term of the bonds.

Largest housing investment in state history

Although housing makes up less than one percent of the state's general fund budget, this represented ten percent of the state's total bonding bill for the session and marked the largest capital investment in housing in state history. This investment would not have been possible without our strong collaboration and partnership with housing advocates and legislators. It is a prime example of what consistent and clear messaging and grassroots advocacy can achieve.

The Innovative Partnership

In order to attain our investment goal, we needed to clearly explain the affordable housing need to the State Legislature. To do that, we partnered with housing advocates across the state to develop a simple and effective message that resonated with lawmakers:

Too many Minnesotans pay more than they can afford for housing and too many Minnesotans are homeless.

With this message comes the clear cut solution that we need more resources for affordable housing development.

To keep our message consistent throughout the session, we created a handout (***Unified messaging - Attachment 1***) and associated presentations and collateral. Housing advocates, including more than 150 organizations, used the same handout with their logos as they spoke separately with legislators. This kept all of the messages, facts and figures constant and lawmakers repeatedly heard the same request.

On our own, we have achieved great results at the legislature throughout the years and developed strong relationships with lawmakers on both sides. However, the strong voices of advocates in 2014 were undoubtedly key to the increased investment. From social media campaigns to events to creating an overarching brand called “Homes for All,” the advocates effectively communicated the need and urgency of our request at the Capitol.

The Homes for All organizers also empowered the public to take a stand for this issue. They provided a robust online toolkit of talking points, marketing materials, communications tips and side by side proposal comparisons. They made their presence known with matching apparel and made a splash on social media with a photo campaign that encouraged people to share their meaning of home. This example of grassroots advocacy with on-point messaging was impactful and could not be ignored by lawmakers.

The Impact

The efforts of Minnesota Housing and our advocate partners helped secure \$100 million in bonding for Minnesota Housing – the largest single capital investment in housing in the state’s history. We got the money out the door efficiently and effectively to more quickly start serving our communities. The financing approved by the legislature was awarded five months after the end of the legislative session as part of our annual RFP process to developers and organizations statewide.

The \$100 million translated into 526 units of supportive housing, the preservation of 582 units of federally-assisted housing, and the rehabilitation of 2,438 units of public housing (***Catalog of developments - Attachment 2***). These units are located in communities across the state and house a wide variety of Minnesotans, from individuals exiting homelessness to families living and working in growing economic centers (***Statewide Reach – Attachment 3***).

This additional investment came at a particularly urgent time and helped us meet a statewide need for more affordable housing. Minnesota has 10,000 homeless individuals on any given night. For the past decade Minnesota Housing has focused on creating new supportive housing opportunities for people who have experienced homelessness. Housing Infrastructure Bonds have been a significant source of funding for creating brand new supportive housing opportunities for individuals and families across the state, in both urban and rural communities.

In addition, nearly 600,000 Minnesota households are cost-burdened, paying more than 30 percent of their income for housing. Preservation of federally-assisted housing is one of Minnesota Housing's strategic priorities. Housing Infrastructure Bonds allow us to preserve these already existing, critical units of affordable housing so that units do not go into disrepair or so owners do not opt out of the program. Every \$1 the state invests in preservation secures \$4 in federal assistance.

With the support of our advocacy partners, our consistent messaging and our record of successful housing outcomes, we achieved a historic result at the legislature in 2014. We demonstrated how Housing Infrastructure Bonds can seamlessly integrate into our financing opportunities and result in even more Minnesotans living in safe, stable and affordable housing. We believe this recipe for success can be replicated in other states as well and are available to share more information with our HFA peers.



2014 Capital Investment Request

for Supportive Housing, Federally Assisted Housing Preservation and Foreclosure Remediation, and Public Housing Rehabilitation

\$50 million

\$40 million in Housing Infrastructure bonds (Appropriation bonds)

\$10 million in Public Housing bonds (Government Obligation or GO bonds)

The Need

- More than 600,000 households in Minnesota pay more than 30% of their income for housing.
- More than 10,000 Minnesotans are homeless on a given day.
- Children with their parents make up thirty-five percent (35%) of the homeless population; a 9% increase since 2009.
- The gap between incomes and the cost of housing inhibits our ability to improve educational outcomes for our children, build a stronger workforce, improve health and reduce disparities.

The Request

Funds will be used to:

- **PRESERVE** existing federally subsidized rental housing (**HIB**)
- **STABILIZE** communities impacted by the foreclosure crisis by creating new affordable rental housing opportunities and homeownership opportunities through community land trusts (**HIB**)
- **CONSTRUCT** or acquire and rehabilitate supportive housing, particularly for persons experiencing or at risk of experiencing homelessness (**HIB**)
- **REHABILITATE** public housing to improve health and safety issues, reduce energy consumption and reduce operating costs (**GO**)

The Results

Investment of \$50 million would build or rehab an estimated 2,500 housing units which will:

- Help reduce chronic homelessness, which can help lower the expenditures on jails, emergency rooms and detox facilities.
- Help communities recover from foreclosure by rehabilitating deteriorated foreclosed homes.
- Preserve federally assisted Section 8 housing units throughout the state, which leverages some of the state's most affordable housing with ongoing federal subsidies.



Why Now?

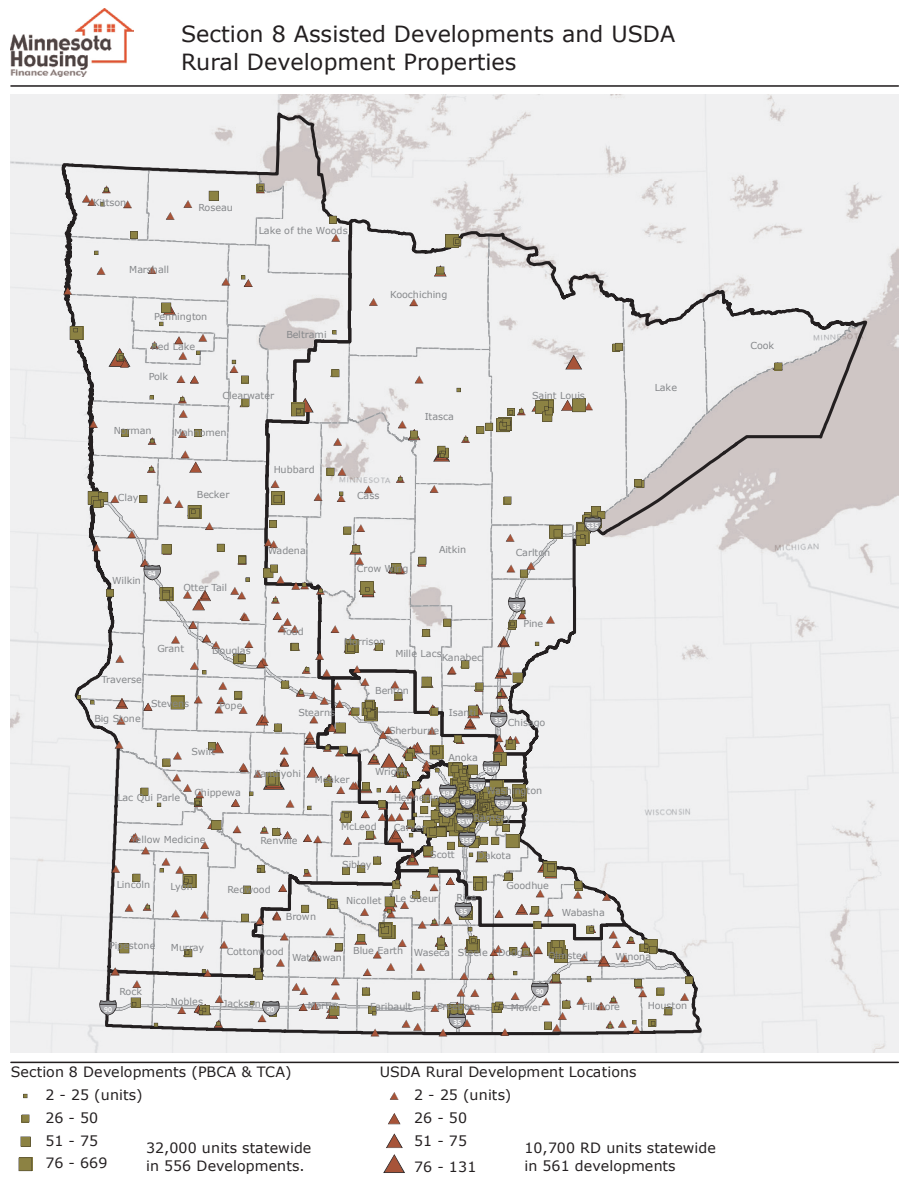
Affordable housing is an important essential part of Minnesota's infrastructure. Stable housing results in better educational outcomes for our children, a stronger workforce now and in the future, better health outcomes and reduced disparities among communities.

Preserve At-Risk Affordable Housing (HIB)

- Every \$1 in state funding for gap financing for preservation leverages approximately \$3 in private capital funding. For every \$1 in state funding for preservation of federally assisted housing, \$4 in future federal funding is secured.
- Much of Minnesota's affordable housing stock is at least 30 years old and many of the properties do not generate sufficient income to maintain long-term viability as affordable housing.
- Section 8 housing is among the most affordable housing in the state. Tenants pay 30% of their income towards the rent with the balance paid by the federal government.
- In the next 5 years an estimated 30% of the 31,000 privately owned, federally assisted Section 8 housing units are at risk of opting out of the program and may no longer be affordable housing.

Rebuild Communities through Foreclosure Recovery (HIB)

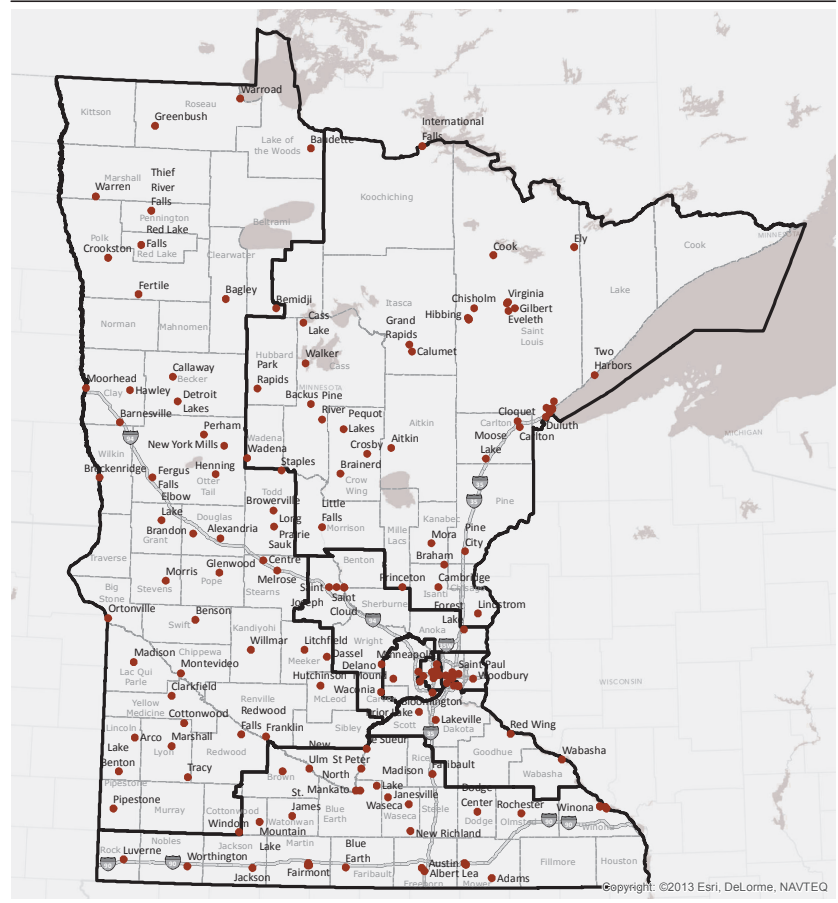
- The rate of foreclosures in the first two quarters of 2012 was twice that of historic levels. 18,000 residential mortgages were foreclosed in 2012 and 9,757 were foreclosed in the first three quarters of 2013.
- There are roughly 75,000 underwater mortgages in Minnesota with a mortgage amount that exceeds the current value of the property.
- Communities become less stable, have a difficult time attracting new residents and businesses and the remaining residents' homes lose value when significant portions of a community's residential properties are vacant and/or foreclosed.



Reduce Homelessness with Supportive Housing (HIB)

- Affordable housing paired with supportive services is a proven strategy that increases housing stability: 86% of the households served in permanent supportive housing in Minnesota were still housed at after a year.
- Housing with supportive services reduces barriers for people who have experienced homelessness. Sixty percent (60%) of the persons experiencing long-term homelessness suffer from a serious mental illness. Fifty-four percent (54%) of all persons experiencing long-term homelessness suffer from at least one chronic health condition.
- The request is consistent with the Plan to Prevent and End Homelessness, developed by 11 state agencies in 2013, which focuses on:
 - Preventing and Ending Homelessness for Families with Children and Unaccompanied Youth by 2020
 - Finishing the Job of Ending Homelessness for Veterans and for People Experiencing Chronic Homelessness by 2015

Minnesota Housing Finance Agency Public Housing in Minnesota



• Public Housing Locations 2011 (163 developments)

Rehabilitate Public Housing (GO)

- Public housing provides affordable housing to 36,000 low-income Minnesotans.
- Minnesota's 21,000 public housing units are owned and operated by 124 local housing authorities across the state.
- 12,000 public housing residents are children.
- More than 65% of the households living in public housing have incomes under \$15,000 per year.
- Minnesota's public housing units are full and most local agencies are maintaining waiting lists.
- More than 90% of Minnesota's public housing units are more than 20 years old and more than one-half of all of these units are in excess of 35 years old.

Housing Infrastructure Bonds (HIB)

How They Work

- Funds will be awarded through a competitive process.
- Funds will be made available for eligible projects throughout the state.
- Housing must be affordable to and occupied by low-and moderate income households.
- Affordability must be maintained for at least the term of the bonds (20 years).
- Annual debt service on \$40 million is \$3.2 million; a standing appropriation for the term of the bonds must be made. Costs to the State of appropriation bonds are not materially different from costs of GO bonds.

Specifics

- Housing Infrastructure Bonds are appropriation bonds for the public purpose of providing housing for low and moderate income families who are unable to afford adequate housing without assistance and to improve substandard housing.
- The full faith and credit of the state and its taxing power are not irrevocably pledged to appropriation bonds. Appropriation bonds are characterized as moral obligation bonds.
- Specific appropriations for the debt service must be made separate and apart from the appropriations made for GO bonds.
- Minnesota Housing issues the bonds.
- Appropriation bonds do not require public ownership of the property funded with the bond proceeds.
- Funding will be provided to the extent that the property, due to the occupants' low incomes, cannot support debt and no other resources are available.

Rationale

- Private ownership of affordable and supportive housing is more acceptable in many communities than public ownership – 72,000 privately owned, subsidized units compared to 21,000 public housing units
- Financing for housing through GO bond proceeds is an impediment to leveraging other resources available for affordable housing.
- Combining GO bond proceeds with other funding sources adds costs to projects, both in terms of construction and legal fees.
- For smaller projects, the complexities almost outweigh the benefits.
- In small communities, the public entity may not have the capacity to directly own and operate the housing.

2014 Consolidated RFP Selections



Visual Aid to Come