

MCH Recommends funding Housing Infrastructure Bonds

- [By KIRSTEN BECKER Guest Columnist](#)
- May 16, 2022 Updated May 18, 2022

Earlier this month, Partners for Housing's (P4H) executive director met with the staff from Minnesota Coalition for the Homeless (MCH) to discuss Housing Infrastructure Bonds (HIB), and how to best address the housing crisis in the state.

The Minnesota housing crisis is dire, more severely affecting households at the lowest income levels. Some people have proposed that building more affordable single-family houses available for purchase would alleviate the issue. However, MCH's stance is that the lowest income earners would not be able to afford to buy homes, so the focus should be on making more rental properties available at affordable rates.

MCH believes that supportive housing options are the answer, as they benefit tenants' stability, employment, health and many other quality of life factors. Supportive housing is permanent, affordable housing, for which tenants hold their own lease and pay no more than 30% of their household income toward rent. The concept of affordable housing was pioneered in the 1970's to address homelessness in New York City and offers an array of social services to the tenants to help them maintain their housing permanently and break out of a chronic or recurring homelessness cycle.

Although it is expensive to provide supportive housing, it is still the most cost-effective way to increase housing stability and to move families and individuals out of homelessness. A 2014 Wilder Foundation study found that supportive housing provides a return on investment of \$1.44 for every public dollar invested. P4H's transitional housing program, which tripled the number of households served due to COVID-19 funding, will be reduced back down in September of this year when those funds end, unless additional money is designated to continue to address the housing shortfalls in the state.

MCH is in favor of HIB's being authorized again this year. Unlike General Obligation (GO) bonds, which are not available to non-profit organizations, HIB's are the only source of state investment available to organizations like P4H. HIB's are an effective way for nonprofits to maintain their supportive housing services. P4H does not depend entirely on HIB's for their programs but does depend on state investment to supplement other sources of funding from city, foundation, corporate and private donors. Partners for Housing currently rents to 31 financially-challenged households who reside in their apartments and single-family homes and provides

supportive services to another 48 households who rent from other landlords. This is in addition to the 25 households served in P4H's three emergency shelters.

A market-driven rental approach will not move toward deeply affordable supportive housing. Non-profits like P4H are uniquely qualified to provide these services, and rely on diverse streams of funding, one of which is access to Housing Infrastructure Bond funding. Partners for Housing will continue to seek out and provide stable housing access to individuals and families experiencing homelessness, and authorization of HIB's this session will make this mission a lot less challenging. It's not just P4H's or MCH's fight, concerned citizens are encouraged to ask their elected state representatives to support the legislation.

For more information about Housing Infrastructure Bonds, please visit mnhousing.gov.

Kirsten Becker is the communications manager for Partners for Affordable Housing, which works on housing issues in the area, including Nicollet, Le Sueur and Blue Earth counties.