



Discussing Affordable Housing Aid

Housing Development and Property Preservation

August 22, 2024

Why We're Here

- Housing impacts Minnesotans of **all backgrounds** in **all corners** of the state
- Housing touches **all areas of life** – education, health, jobs and more





Local Government Housing Programs

Jennifer Bergman | Director of Local Government Housing Programs

New Resources for Local Governments and Regions

Legislature Invested in Local Government Support

New resources for new programs include over \$100 million in annual sales taxes in the metro and over \$50 million in annual appropriations all targeted to units of local government.

Minnesota Housing Created a New Team with Deputy Commissioner

- Director: Jennifer Bergman
- Manager of Local Programs: Annie Reiersen
- Policy & Programs Specialist: Nick Boettcher
- Program Manager: Colleen Meier

New Funding: Local Government Housing Programs

- **Bring It Home Rental Assistance, Annual**
 - Statewide Appropriation \$23 million
 - Sales Tax (7-County Metro) \$32 million (updated estimate)
- **Affordable Housing Aid, Annual**
 - Local Affordable Housing Aid \$100 million (updated estimate)
 - Statewide Affordable Housing Aid \$20.25 million
 - Tier II Cities Competitive Grant \$2.25 million
- **Local Housing Trust Fund, one-time** \$5.8 million
- **Greater Minnesota Infrastructure, one-time** \$8 million
- **Lead Safe Homes, one-time** \$4 million

For more information

Minnesota Housing website (mnhousing.gov)
Local Government Housing Programs

<https://mnhousing.gov/local-government.html>



Sign up for email updates >



NEW: Affordable Housing Aid

- New program funded by state appropriations (statewide) and metro sales tax (metro).
- Aid is distributed directly to cities, counties and Tribes by the Department of Revenue.
- The aid funds do not pass through Minnesota Housing, though Minnesota Housing will collect reporting starting in 2025.
- <https://www.revenue.state.mn.us/local-affordable-housing-aid>
- <https://www.revenue.state.mn.us/statewide-affordable-housing-aid>

Local Affordable Housing Aid (LAHA)

LAHA was created to help metropolitan local governments meet local housing needs through affordable housing development projects and support for organizations and individuals in maintaining stable, affordable housing

- All 87 Minnesota counties and metropolitan cities over 10,000 in population
- Dedicated sales tax of .25 cents
- 25% to metropolitan cities LAHA
- 50% to metropolitan counties LAHA
- Department of Revenue will be collecting tax proceeds and determining funding
- First disbursement will be in July of 2024

LAHA Cities and Counties

Using an annual estimate* of \$120 million in metropolitan sales tax for housing proceeds:

- **Seven Counties in the Metropolitan Area:**

- Fifty percent of the total sales tax for housing is distributed to 7 counties – Total of \$60 million
- Anoka \$5.6 mil, Carver \$1.5 mil, Dakota \$7.3 mil, Hennepin \$27.3 mil, Ramsey \$12 mil, Scott \$2.2 mil, Washington \$4 mil

- **Sixty-Three Cities in the Metro (examples)**

- Twenty-five percent of the sales tax for housing distributed to 63 cities – Total of \$30 million
- Bloomington \$1.1 mil, Mendota Heights \$76k, Minneapolis \$6.1 mil, New Hope \$307k, Woodbury \$582k

** Estimates are for discussion purposes only. Contact the Minnesota Department of Revenue for more information.*



Statewide Affordable Housing Aid (SAHA)

Similar to LAHA, SAHA was created to help Tribes and Greater Minnesota counties and cities meet local housing needs through affordable housing development projects and support organizations and individuals in maintaining stable, affordable housing.

- All 87 Minnesota counties, nonmetro cities over 10,000 in population and 11 Tribal Nations
- \$22.5 Appropriation for 2023 and 2024, appropriation steps down starting in 2025
- Department of Revenue calculates and disburses funding
- Minnesota Housing supports the program and collects reports
- First round of funding was dispersed in late 2023

SAHA Cities and Counties

Appropriated aid statewide is the same in 2023 and 2024, steps down in 2025:

- **All 87 Counties in Minnesota:**
 - Metro counties receive SAHA in addition to LAHA: Anoka \$400k, Carver \$171k, Dakota \$517k, Hennepin \$1.7 mil, Ramsey \$800k, Scott \$211k, Washington \$323k
 - Greater Minnesota counties (examples): Big Stone \$83k, Mower \$119k, Olmstead \$242k, Otter Tail \$144k, St Louis \$321k, Stearns \$243k, Wright \$204k
- **Thirty-Seven (37) Nonmetropolitan Cities (examples)**
 - Bemidji \$114k, Duluth \$520k, Hibbing \$67k, Rochester \$546k, St. Cloud \$376k, Willmar \$44k
- **Tribal Governments: 7 received equal distributions in 2023; aids will be based on Tribal applications in 2024 and after**

LAHA/SAHA Requirements

Use of Funds:

Any funds distributed under this program must be spent on a qualifying project.*

Qualifying Projects:

- Emergency Rental Assistance
- Financial Support to Non-Profit Affordable Housing Providers
- Construction, acquisition, rehabilitation, demolition or removal of existing structures, construction financing, permanent financing, interest rate reduction, refinancing to provide affordable housing to those who earn less than 115% of AMI (homeownership) and 80% AMI (rental)
- Financing the operations and management of financially distressed residential properties (2024)
- Funding of supportive housing (2024)
- Costs of operating emergency shelter facilities, including services (2024)

See Minnesota Housing's Frequently Asked Questions for more information on the housing aid programs, reporting and compliance.

**Additional requirements detailed in Minnesota Statutes 477A.35*

Panelists



Eric Charpentier
Brainerd, Crosby &
Crow Wing HRA
Executive Director



Julia Welle Ayres
Hennepin County
Housing Development
and Finance Director



Chad Bouley
Central Minnesota
Habitat for Humanity
Executive Director



Kathy Lange
Habitat for Humanity of
Morrison County
Executive Director

Describe the community that you represent. What are the housing needs or challenges that your community is facing?

Part 1



Brainerd, Crosby & Crow Wing HRA

Eric Charpentier | Executive Director

Brainerd HRA



Eric Charpentier
Executive Director
218-824-3425
eric@brainerdhra.org

324 East River Road, Brainerd, MN 56401 ▪ ph: (218) 828-3705 ▪ fax: (218) 828-8817



Community Housing Needs

- **Brainerd, Baxter and Crow Wing County**

- » A micropolitan area with roughly 68,000 residents within the County
- » Population centered around Brainerd and Baxter
- » Economy traditionally driven by tourism but has diversified
- » Increased housing pressure post-pandemic

Workforce Housing Study in 2020

- **Housing Needs in Crow Wing County**

- » Housing Study showed an aging housing stock where only 3.4% of units built in 2010 or later and roughly half of the housing units were built prior to 1980
- » Estimated that the County needs 1500-1700 workforce housing between 2018 and 2033
- » Defined need for housing rehabilitation as well as housing development





Hennepin County

Julia Welle Ayres | Housing Development & Finance Director

Hennepin County Population overview

Hennepin County

- 45 cities
- 1.3 million residents
 - 22% of Minnesota's population)
 - 34th most populous county in the U.S.
- 65,000 households spend more than 50% of their income on housing costs. Rates of severe housing cost burden compared to White households:
 - 3x higher among Indigenous households
 - 2.5x higher among Black households
 - 1.5x higher among Latinx households





Central Minnesota Habitat for Humanity

Chad Bouley | Executive Director



Building Home, Health, and Hope

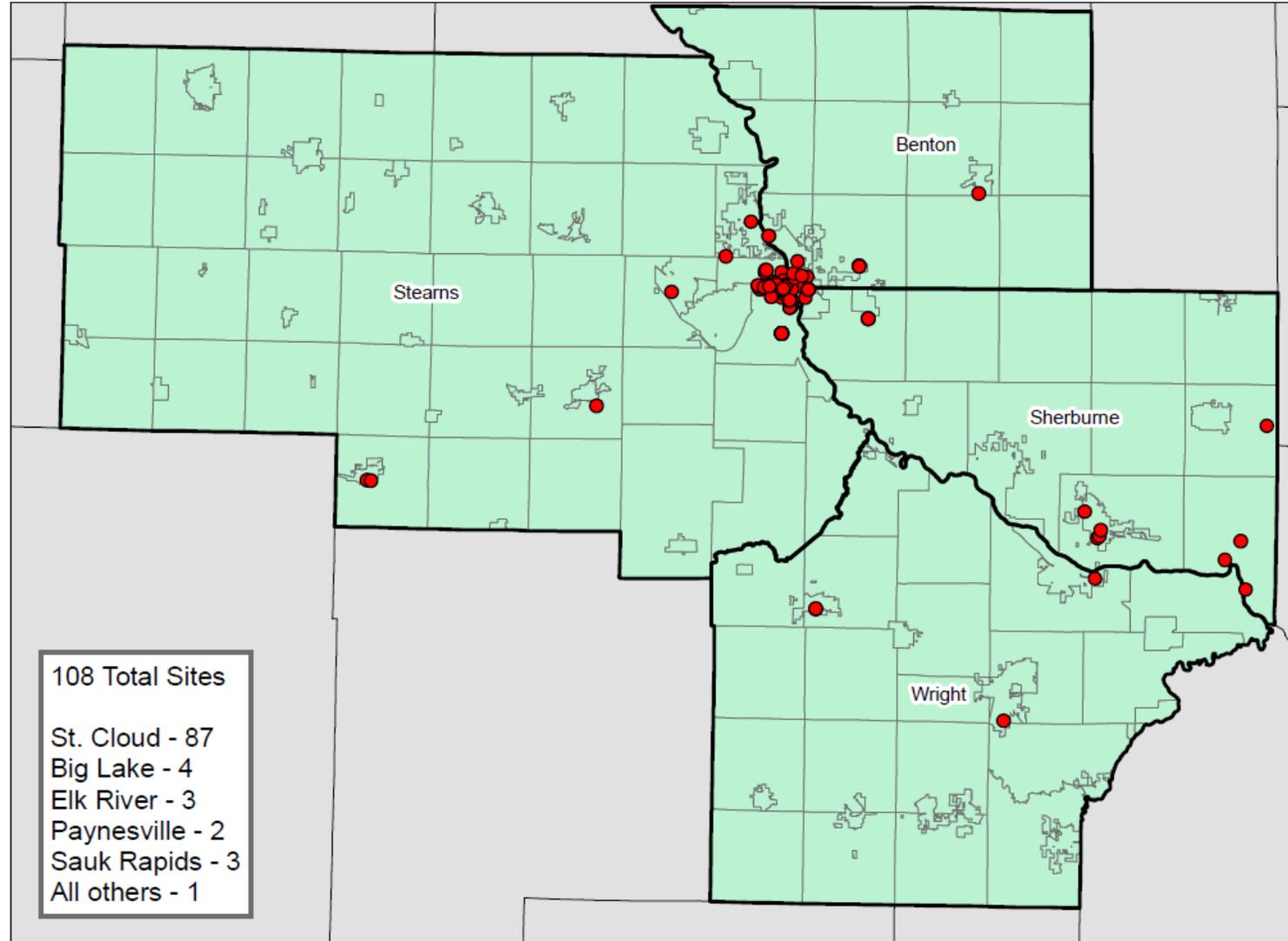
Service Area

Where we build

Since 1989 over **110 families** have bought homes in the 4-county service area



Central Minnesota Habitat for Humanity, All Sites
1989 - 2024



Data from MN Geospatial Commons and CMHFH
Cartographer: Sam Dyer 8/8/24

About families who buy with CM Habitat



\$42,137 (family of 5)
Average household income
2014 - present

Serving 35%-60% AMI

*Homebuyer professions
include:*

- Bus driver
- Educator
- Office admin
- Line worker
- Security officer

Workforce Housing Approval

Average income 60%-80%

Homebuyer professions include:

- Teachers
- Police officers
- Nurses



Habitat for Humanity of Morrison County

Kathy Lange | Executive Director

Habitat for Humanity

Kathy Lange, Executive Director



Habitat
for Humanity[®]
of Morrison County

HFHMC Info



- HFHMC was established in 1998.
- We have built 23 homes in 6 communities: Little Falls, Royalton, Pierz, Motley, Swanville, and Randall. We hope to build in Upsala next year.
- Currently building House #24 in Little Falls.
- 75% of our applicants are single parent families with one income

Morrison County Info



- Population 34,253
- Largest community is Little Falls with 9,094
- Median household income is \$66,240
- There are only 62 affordable and available homes for ever 100 families in need. (Affordable housing shortfall is -37.7)
- 41% of renters in Morrison County are cost-burdened, 21% severely cost-burdened

Housing Survey



2021 Survey Recommended:

2-4 new homes in the \$200,000 range needed annually through 2026

Coming From:

Private Developers and/or HFHMC

Who can apply?



Need for housing

Current living conditions are substandard, unsafe, overcrowded, or unaffordable.

Willingness to partner

Applicants must be able to invest at least 300 hours of “sweat equity” into your home.

Ability to pay

Applicants must meet HUD income guidelines and have enough income to make affordable mortgage payments.

Cost to Build

Our Volunteers Make a Difference!



The cost to build a 1200 sq ft home:

2019 - \$90,000

2023 - \$210,000

How will you use the Affordable Housing Aid funds to address the housing challenges in your community? What are the next steps?

Part 2



Brainerd, Crosby & Crow Wing HRA

Eric Charpentier | Executive Director

Crow Wing County Local Housing Trust Fund

- **SAHA Pledged to CWC HTF for Programs**

- » Down Payment Assistance
- » Owner Occupied Single-Family Rehab
- » Rental Rehab
- » New Development/Redevelopment Projects
 - Market Rate Redevelopment Mixed Use Project
 - Scheduled for Spring 2025

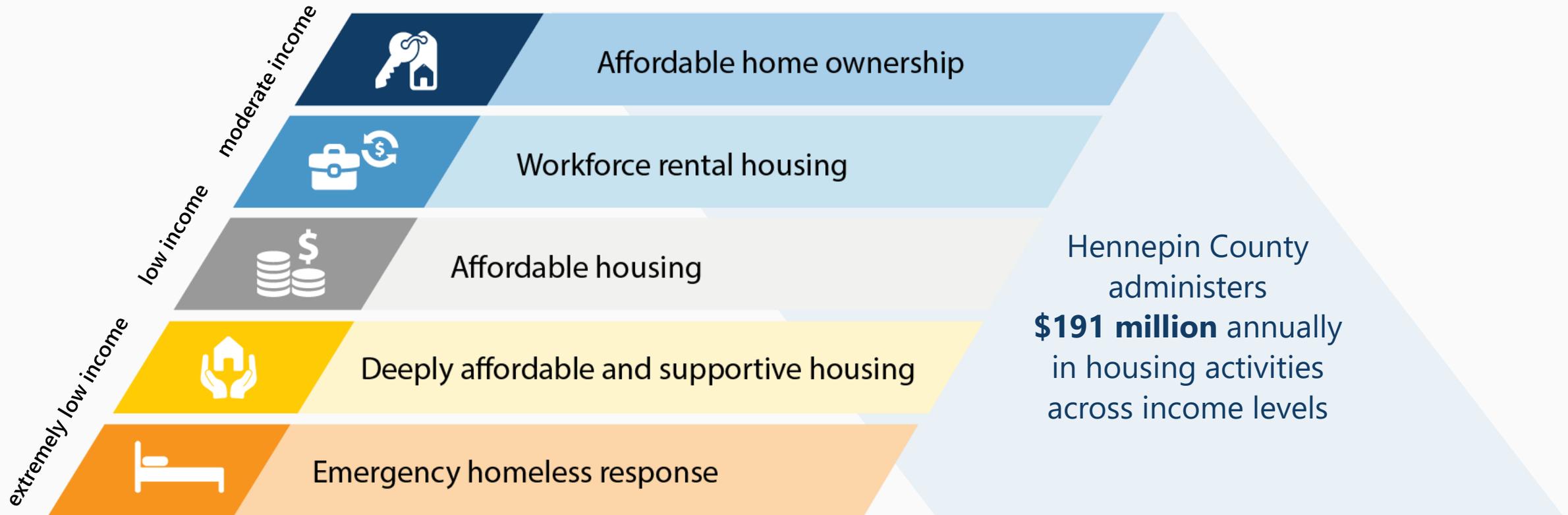


Hennepin County

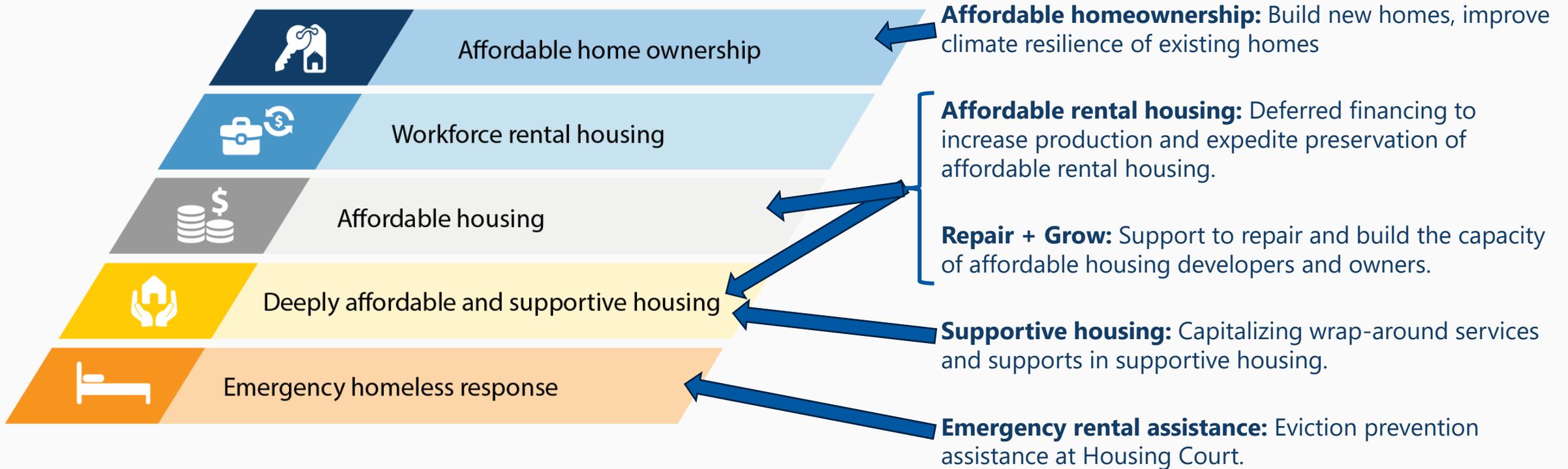
Julia Welle Ayres | Housing Development & Finance Director

Hennepin County SAHA/LAHA Implementation Plan

Coordinated approach to housing outcomes



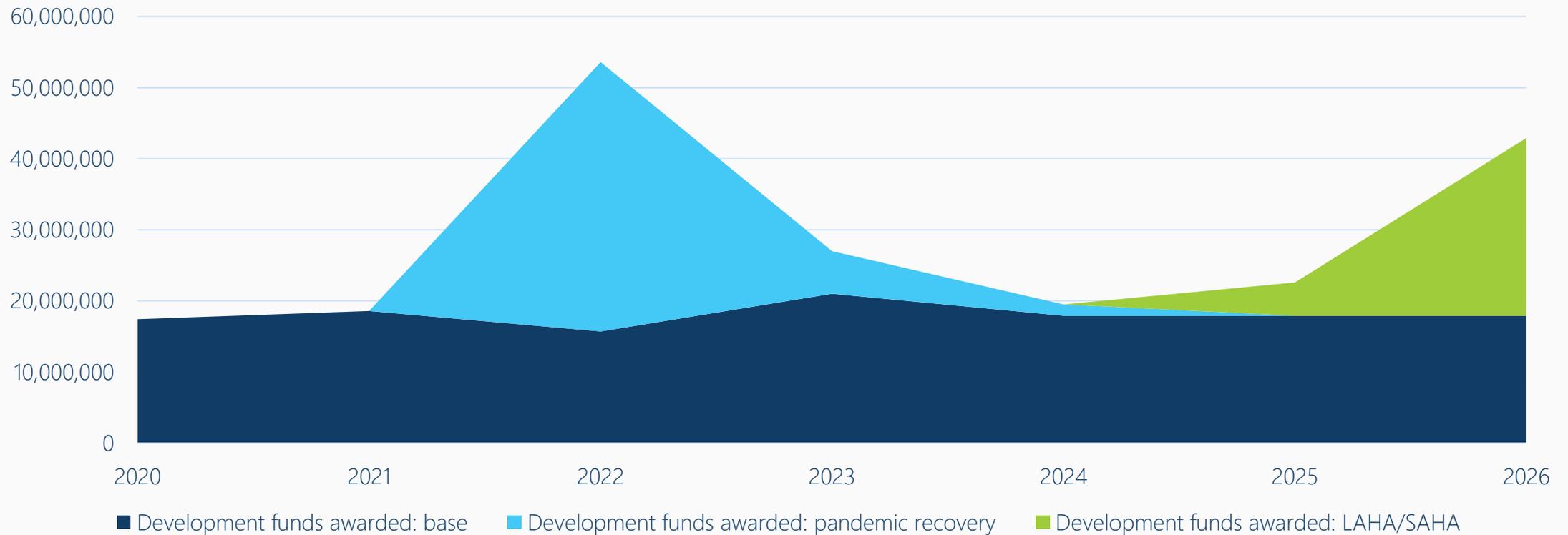
SAHA / LAHA Implementation Plan



SAHA / LAHA Multiphase Approach



Goal: continue the growth in production from the County's pandemic era investments



Julia Welle Ayres,
Housing Development Director

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www.hennepin.us/en/business/work-with-henn-co/metro-area-sales-and-use-tax

www.hennepin.us/housing

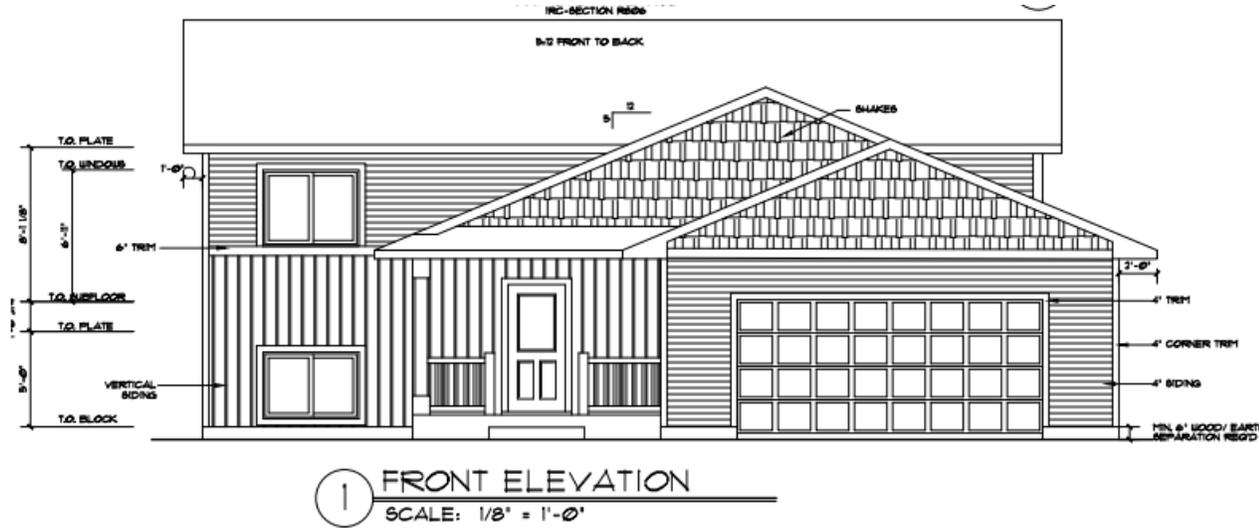




Central Minnesota Habitat for Humanity

Chad Bouley | Executive Director

Habitat home choices



Traditional builds

- New on-site construction
- Pre-fabricated at local high schools
- Volunteer labor
- Built to families' needs

Buy and rehab

- Moderate rehab
- Volunteer labor
- Built to Green Communities standards

About the students we serve

Sartell/ St. Stephen

- Real world skills
- Student waiting list to participate
- Post graduate trade continuation over 50%

Opportunities to serve more:

- Rocori
- Wright Tech
- Sauk Rapids
- Etc.

St. Cloud Tech

- Real world skills
- Over 60% BIPOC enrollment
- Engage St Cloud Tech Community College





SAHA Funds Support our Students

The City of Sartell

- Awarded the 2023 and 2024 awards to Central MN Habitat
- Amounts \$84,606 each year for a total of \$169,212
- 2 homes will be built
- The funding benefits to deserving families and approx. 80 individual high school students

You're Invited to the 14th Annual Breakfast for Humanity Fundraiser!

- When: October 9, 2024 | 8:00-9:00am (buffet begins at 7:45am)

- Location: The Regency

912 West St Germain St
Suite 204
St Cloud, MN 56301



Become a sponsor!!



Closing

Thank you!

Questions!



- Chad Bouley (Executive Director)
 - 612-328-4184
 - cbouley@cmhfh.org



Donate at: <https://cmhfh.org/donate/>



Habitat for Humanity of Morrison County

Kathy Lange | Executive Director

Statewide Affordable Housing Aid Grant



SAHA Grant to HFHMC- \$112,042

Contract from May 7, 2024 - December 31, 2025

1. Aging in Place
2. Closing Costs
3. Land Acquisition
4. Gap Funding
5. Misc.

Thank you!

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Habitat
for Humanity[®]
of Morrison County

Thank you!

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Questions?