

# Welcome

# Affordable Housing in Duluth

February 5, 2020



# The Need is Great

## 2019 Maxfield Housing Need Update:

Market rate (80%+ AMI) rental units =	1,031
Affordable Workforce (50-80% AMI) rental units =	1,010
Affordable/subsidized (<50% AMI) rental units =	2,202
For-sale single family homes =	349
87 of these are entry level price	
For-sale multifamily homes =	142
36 of these are entry-level price	
Active Senior (55+) (50% to 60% AMI) =	297



# Focusing on Two Main Types of Housing

1. Single family homes
2. Multifamily (5+units) rental units



# Affordable Single Family Homes

## Opportunities

- 1) Infill lots
  - 1) More efficient use of infrastructure
  - 2) Preserves larger land tracts
- 2) Rehab existing homes
  - 1) Maintains integrity of neighborhood
  - 2) Price progression can occur
  - 3) Removes blight and safety risks
- 3) Home ownership
  - 1) Provides asset and equity for families into the future
  - 2) Owners have physical investment in property, neighborhood and community
  - 3) Owner responsible for maintenance



# Affordable Single Family Homes

## Challenges

- 1) Costs to construct are too high
  - 1) 1,200 sf house = \$225,000
    - 1) Approximately \$1,500 w/o utilities
- 2) Administrative costs are high for few units
- 3) Available land
  - 1) Larger scale SF development requires larger tracts of land
- 4) Contractor shortage
  - 1) Increasing costs for sub-contractors
- 5) Appraisals
  - 1) To secure lending, affordable homes often don't appraise without subsidy
  - 2) Once built, affordable homes often don't appraise high enough for buyer's lender



# Affordable Multifamily Rental Projects

## Opportunities

- 1) Increases density
  - 1) More efficient use of infrastructure and land
  - 2) More units built to address need
- 2) Maximize administrative and funding efforts
  - 1) Staff resources the same for 10 units or 100 units if the same funding used
- 3) Mixed income projects
  - 1) Leverage rents from market rate units to subsidize affordable units
- 4) Increased Impact
  - 1) More units = greater impact on need = more competitive for various resources



# Affordable Multifamily Rental Projects

## Challenges

- 1) Requires large amounts of public subsidy
  - 1) The greater the level of affordability, the larger the gap
- 2) Often two funding gaps
  - 1) Up front construction
  - 2) Limited revenue = cash-flow shortage
- 3) Does not provide equity opportunities for tenants
- 4) High cost per unit (over \$200,000)
- 5) Projects rely on scarce resources
  - 1) Limited HIB
  - 2) Limited 9% LIHTC
  - 3) Limited local resource capacity



# Current Efforts: Single Family Projects

## Rehabilitation

- HUD funding for community partners with housing programs/initiatives:
  - Duluth HRA
  - One Roof Community Housing
- Facilitating tax forfeit property sale to organizations for affordable units

## New Development

- Rebuild Duluth Program
  - 13 lots provided at no cost for single family/duplex/townhome infill construction
  - Level of affordability of final product and sustainability are two scoring criteria
- Pass through agent for tax forfeit or government-owned property



# Current Efforts: Multifamily Projects

## Grants

- City can apply for various State/Federal grants
  - DEED Redevelopment Grant, Demolition Loan Program, Cleanup Grant, etc.
  - EPA Assessment Grant
    - Help with environmental investigations

## Local resources

- Tax Abatement and TIF
- CDBG/HOM funding
- Land
  - DEDA/HRA/City property provided to housing projects

Ex: Decker Dwellings

- Received TIF and CDBG funding from City



# Decker Dwellings

A 42 unit Apartment Community located off Decker Road near main retail corridor



# Project Details

- Unit Mix
  - 10 One BR
  - 21 Two BR
  - 11 Three BR
- 4 apartments for people who have experienced homelessness\*
- 5 units for people with disabilities\*
- Rents range from \$650 for a one BR to 1,077 for a three BR

\*Supported by 9 Project Based Section 8 vouchers from Duluth HRA



# Funding Sources

<b>Syndication Proceeds</b>	<b>8,746,621</b>
<b>Sales Tax Rebate</b>	<b>248,640</b>
<b>Energy Rebates</b>	<b>4,625</b>
<b>City of Duluth CDBG</b>	<b>275,000</b>
<b>MHFA EDHC</b>	<b>1,847,073</b>
<b>TDC</b>	<b>11,121,959</b>
<b>Includes \$480,000 in City TIF proceeds</b>	

# Funding Uses

<b>Acquisition</b>	<b>91,425</b>
<b>Hard Costs</b>	<b>8,003,000</b>
<b>Soft Costs</b>	<b>1,910,266</b>
<b>Financing Costs</b>	<b>470,000</b>
<b>Reserves</b>	<b>247,118</b>
<b>Contingency</b>	<b>400,150</b>
<b>TDC</b>	<b>11,121,959</b>

Questions?



# City of Cloquet Economic Development Authority

## **Housing Tools & Projects**

Holly Hansen  
City of Cloquet Community Development Director



# Find the Potholes & Get to work!

## STUDY

- Housing Study (Stantec) to understand local needs

## TASK FORCE IMPLEMENTATION PLAN

- MN Housing Partnership Grant: ARDC Facilitated Housing Task Force

## PROGRAMS & TOOLS AVAILABLE

- The geography of your housing programs & agencies: CAP (Lakes & Pines), CHDO (Central MN Housing)
- Cloquet: no annual CDBG allocation, no HOME program eligibility
- Local, State, & Federal tools & programs are key!!!

## TASK FORCE PLAN

**CLOQUET/SCANLON HOUSING STUDY**

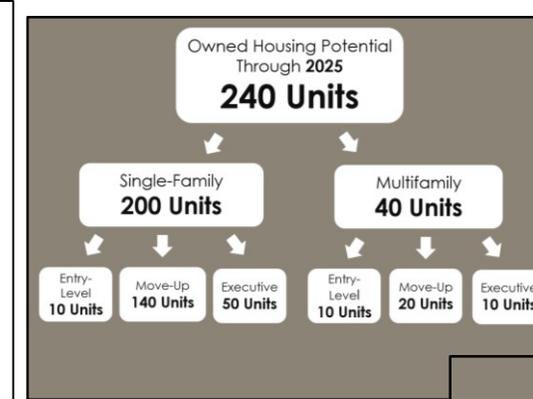
A comprehensive study of the housing conditions and needs in the cities of Cloquet and Scanlon, MN

**Stantec**

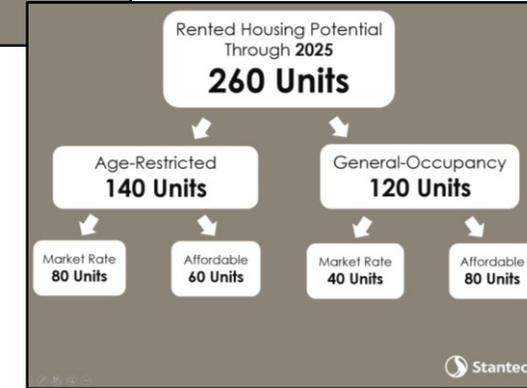
Prepared for:  
City of Cloquet, MN  
City of Scanlon, MN

Prepared by:  
Stantec Consulting Ltd.  
2335 Highway 36 W  
St. Paul, MN 55113

January 15, 2014



## STUDY



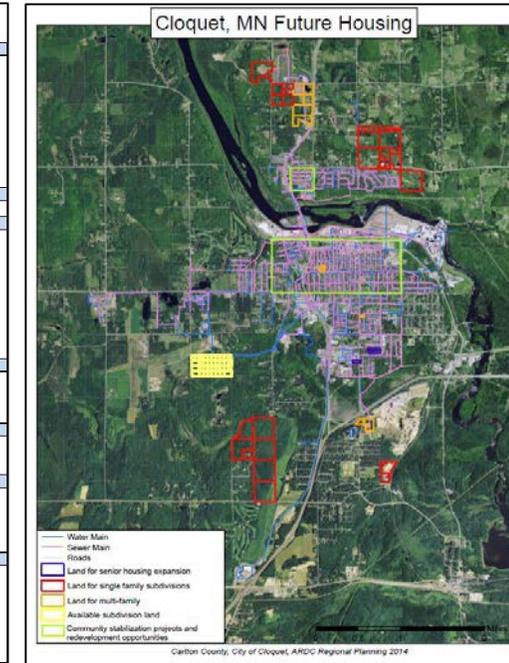
**CLOQUET / SCANLON HOUSING TASK FORCE RECOMMENDATIONS TO IMPLEMENT CLOQUET / SCANLON HOUSING STUDY**

**SUMMARY OF CLOQUET / SCANLON HOUSING STUDY RECOMMENDATIONS (JANUARY 2014)**

1. Work with property owners to combine small vacant lots (less than 7,500 square feet).
2. Strategically extend municipal services into areas with numerous vacant lots (e.g. Antus Addition) thus creating 10-20,000 square foot lots for move-up housing.
3. Improve aging infrastructure targeting older neighborhoods (streets, sidewalks, lighting).
4. Encourage homeownership.
5. Encourage a diverse mix of housing styles. Cloquet/Scanlon market heavy in executive and base housing markets, create entry / affordable and middle market opportunities.
6. Focus on developing owner housing that young families can obtain at 80% of median income.
7. Consistently reinvest in Cloquet/Scanlon existing housing stock to maintain community stability.

**IMPLEMENTATION ACTION PLAN (JULY 2014)**

GOAL	ACTION STEPS	RESPONSIBLE AGENCY	MEASURED BY	DATE
1) EDUCATE COMMUNITY ABOUT HOUSING PROGRAMS	Hold Housing Summit to inform Rental Property Owners of Rehabilitation Programs offered by Regional CAP and CHDO agencies (Lakes & Pines, One Roof, and CMHP) *suggestion was made that if a Housing Summit held that perhaps it be scheduled for 1 day, different topics scheduled throughout the day	City of Cloquet need direct mailing utility bills not tool - non-homesteaded props newspaper, if rental registry passed tool	Summit Meeting held	Q1 2015
	Hold Housing Summit to inform Home Owners of owner occupied single family homes about rehabilitation programs offered by Regional CAP & CHDO agencies Lakes & Pines, One Roof, & CMHP	City of Cloquet / Scanlon (use utility bills) Participating Agencies newspaper ads	Summit Meeting held Marketing outreach consider social media	Q1 2015
	Hold Housing Summit to inform Developers (put ad on dev assoc) about Housing Programs available via city-county tools programs offered by MMFA, GMF, USDA	City of Cloquet City of Scanlon Banks, Agencies	Summit Meeting held	Q1 2015
	Improve Marketing outreach from CMHP and One Roof to Cloquet and Scanlon about upcoming Homebuyer Class opportunities in an effort to encourage home ownership	One Roof / CMHP connect with banks healthier, mix to make use Cloquet/Scanlon utility bills or flyers within	increased participation from Carlton County in locally held Homebuyer Classes	Q1 2015
2) IMPROVE THE AVAILABILITY, DIVERSITY, AND EFFECTIVENESS OF HOUSING SERVICE DELIVERY WITHIN CARLTON COUNTY	Discuss and act to change multiple agency coverage for Carlton County as it relates to administration of housing programs by CAP and CHDO agencies, issues with other transportation and planning boundaries. In 2005 the US Census added Carlton Co. into the Duluth-Superior Metropolitan Statistical Area Consider collaboration of partners in the conversation	Carlton County/Cloquet Lakes & Pine, CMHP MCAAP, DHS	Change or improve service delivery of program opportunities Gaps remain related to homelessness programs & local shelter options create media	ongoing



# Utilizing Statutory Tools for purchase & rental affordability

## Tax Increment Financing (TIF): Housing District & Bonds

### Owner-occupied for Sale Subdivision Project



Country Club Patio Homes, single family TIF owner-occupied purchase project (100% income restricted). Average purchase price, \$230,000.

### Multifamily for Rent Project



14<sup>th</sup> ST Phase 3, \$3 million 36 units under construction, multifamily TIF rental project (20% income restricted).

Privately placed **private activity bonds** for qualifying projects, Evergreen Knoll on 14<sup>th</sup> ST a senior assisted living complex.



# Utilizing State & Federal Tools for Rehabilitation & Rental Affordability Housing Tax Credits & State/Federal Historic Tax Credits

## Adaptive Reuse: Carlton Lofts (Roers Companies, former Cloquet Middle School, 1921)

### REFERENDUM VOTE

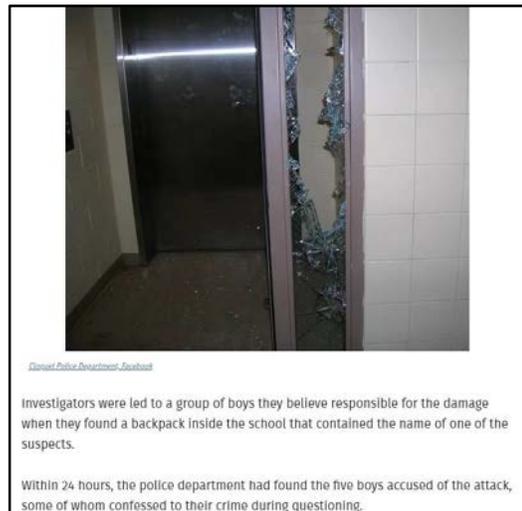
- Successful, Now what to do with the Old School?
- ISD 94 budgets demolition, Change is hard
- City pleas to consider RFP to developers

### STEERING COMMITTEE

- ISD 94 staff and School Board, Cloquet EDA, Chamber, & other stakeholders
- Draft an RFP
- Sherman Assoc. applies for LIHTC, denied
- Roers applies for 9% LIHTC, successful

### Council Resolution of Support

- Public Input & debate in all forms of media
- Planning Commission
  - Comprehensive Plan Amendment Re-guide Land Use
  - Project Approvals Rezone to residential
- Cloquet EDA – Recommends Need
- Juveniles discovered to be in the building for weeks, extensive damage
- Council Vote



Roers Carlton Lofts, \$14 million 57 units adaptive reuse of the 1921 Cloquet Middle School  
federal/state historic tax credits and LIHTC project (state, 80% rent and income restricted, 20% market rate).



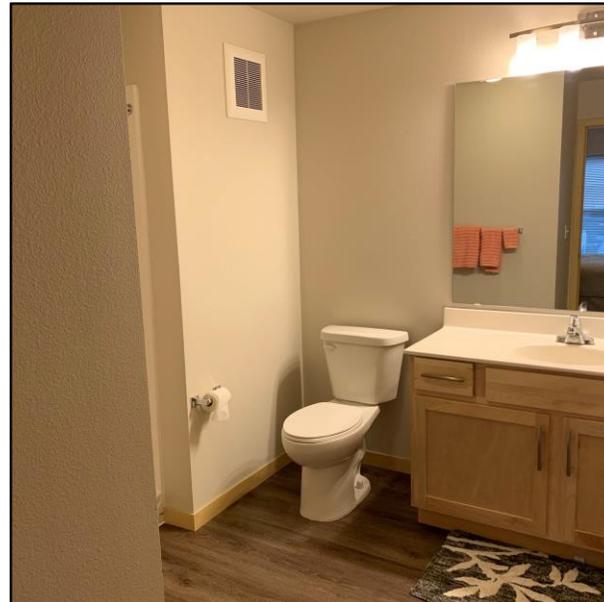
# Utilizing State & Federal Tools for Rehabilitation & Rental Affordability

## Housing Tax Credits New Construction

**Cloquet HRA** was selected as a **MN Housing Institute Candidate & Prepared a Project and RFP to expand their Campus of Facilities**

- Developer – Commonwealth Companies
- Planning Commission – Site Plan
- City – Council Resolution of Support
- 9% LIHTC and other MHFA funds
- 7 PBVs, 7 LTH units

**New Construction: White Pine Apartments (Commonwealth/Cloquet HRA)**



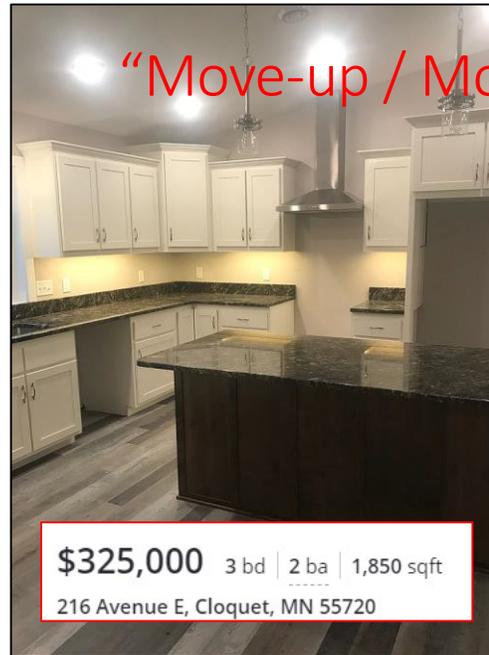
Cloquet HRA's White Pine Apartments, \$6 million 35 units LIHTC project (state, 100% rent and income restricted).



# Creativity to fill the needed niches City of Cloquet, former Water Tower Site



City crews removed old water tower footings & infrastructure, extinguished access easements, cleaned lot & structured a development agreement with the builder.



Boss Builders 2019-2020  
2 stick built new single family home construction slab on grade homes

# Creativity to fill the needed niches

## Housing Code Enforcement

### Contractor RFP Relationships

**BEFORE:** Photos of 505 12<sup>th</sup> Street. At the direction of Community Development, the City Attorney worked with a private contractor to obtain this property just prior to formal foreclosure by the County for back taxes.



### Screening Property Legalities & Communicating with Heirs to resolve

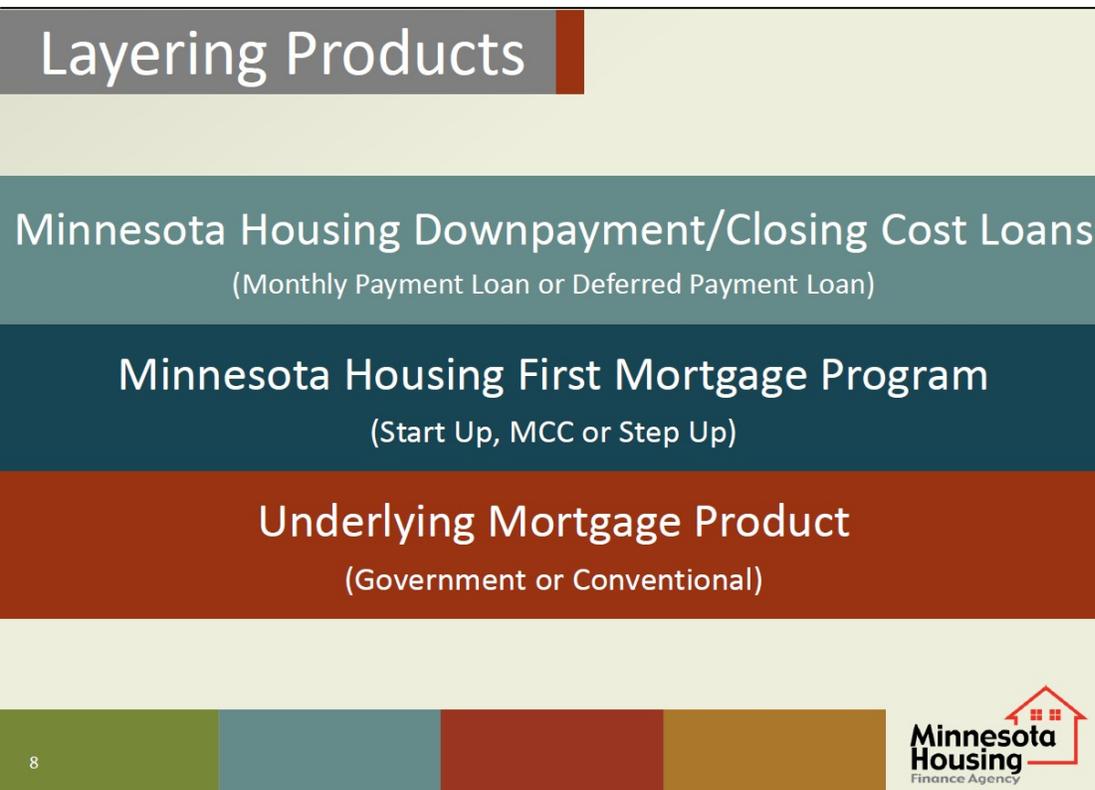


**AFTER:** Enforcement, proactive legal work and collaboration with the County Auditor lead to a functional redesign and complete redo of this home at 505 12<sup>th</sup> Street in Cloquet.

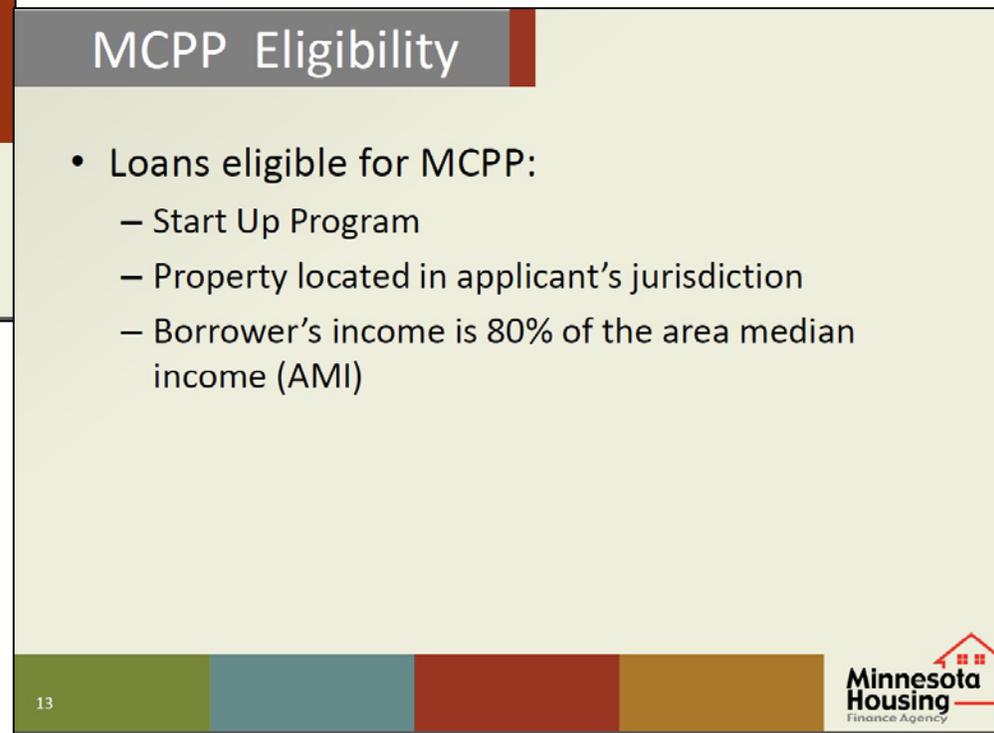


# Leveraging Programs for Cloquet

## Minnesota Cities Participation Program(MCPP): First Time Homebuyers



- Designated bonding dollars
- Cloquet has participated for 4 years
- 2019 utilization with 3 local banks was **\$2.6 million**
  - \$915,318 Start-up Loans
  - \$977,888 Step-up Loans
  - \$150,500 Downpayment/Closing Cost loans



# Small Cities Owner-Occupied & Rental Improvement Grants

## 11 Owner & 2 Duplex Rental Projects

TABLE 8: SUMMARY OF SMALL CITIES GRANT PROJECTS: OWNER, RENTAL, COMMERCIAL 2015-2017

### **OWNER OCCUPIED**

- 1) 103 18<sup>th</sup> Street: \$17,482 Grant, \$7,493 Owner Loan Match (\$24,975 Total). This project involved roofing, windows, doors, electrical, plumbing, gutters, landscaping, flooring, drywall, countertop, and ceiling repair/fan removal.
- 2) 110 7<sup>th</sup> Street: \$15,844.32 Grant, \$6,273.68 Owner Loan Match (\$22,118 Total). This project involved roofing, soffit/fascia, gutters, doors, plumbing, electric, windows, and drywall.
- 3) 202 Carlton Avenue: \$17,248 Grant, \$7,392 Owner Loan Match (\$24,640 Total). This project involved siding, roofing, HVAC, electric, windows, drywall, and soffit/fascia.

## 7 Commercial Projects



- 4) 318 4<sup>th</sup> Street: \$16,389 Grant, \$7,024 Owner Loan Match (\$23,413 Total). This project involved roofing, windows, door, electrical, plumbing, stairs, soffit/fascia, and lead.
- 5) 325 10<sup>th</sup> Street: \$17,286 Grant, \$7,409 Owner Loan Match (\$24,695 Total). This project involved roofing, windows, handicapped platform, doors, gutters, electrical, grab bars, handrail, risers, exterior, driveway, painting, lead work, floors, doors, windows, and front entry.
- 6) 336 10<sup>th</sup> Street: \$14,000 Grant, \$7,356 Owner Loan Match (\$21,356 Total). This project involved soffit/fascia, handrail, electric, doors, and windows.
- 7) 344 10<sup>th</sup> Street: \$17,500 Grant, \$12,140 Owner Loan/Cash Match (\$29,640 Total). This project involved roofing, electric, lead exterior/windows, doors, baseboard, and cabinets.
- 8) 414 10<sup>th</sup> Street: \$17,409 Grant, \$7,461 Owner Loan Match (\$24,870 Total). This project involved siding, soffit/fascia, flooring, chimney, handicapped shower, electric, windows.
- 9) 426 10<sup>th</sup> Street: \$7,644 Grant, \$3,576 Owner Loan Match (\$11,220 Total). This project involved gutters, windows, doors, landscaping, drywall, risers, countertop, kitchen sink, electrical, oil tank.
- 10) 427 12<sup>th</sup> Street: \$16,373 Grant, \$7,017 Owner Loan Match (\$23,390 Total). This project involved roofing, windows, doors, gutters, rear entry, electrical, plumbing, lead, landscaping, and soffit/fascia.
- 11) 1605 Selmsler: \$15,611 Grant, \$6,690 Owner Loan Match (\$22,301 Total). This project involved furnace, windows, doors, entry platform, firewall, basement waterproofing, plumbing, and bathroom fan.

### **RENTAL OCCUPIED (SINGLE FAMILY) REHABILITATION PROJECTS**

- 12) 309 14<sup>th</sup> Street: \$17,524 Grant, \$7,510 Owner Cash Match (\$25,034 Total). This project involved furnace, insulation, tuck pointing, stucco, roof, gutters, soffit/fascia, doors, and windows.
- 13) 425 9<sup>th</sup> Street: \$13,541.50 Grant, \$5,803.50 Owner Cash Match (\$19,345 Total). This project involved roofing, windows, handrail, risers, flooring, electrical, lead, bathroom fan, trim/siding/gable, and bathroom tiles.

# Land Trust Homes

## Cloquet Economic Development Authority (EDA)

Cloquet Economic NEWSLETTER

March 2013  
Imagine CLOQUET



**Inside this issue:**

- One Roof Community Housing: Community Land Trust Program Cloquet Pilot Project 1
- One Roof Continued 2
- Annie's Cottage & Occasional Sales 3
- 14th Street Apartments Expansion Moves Forward 3
- Daugherty's Appliance Downtown Expansion 3
- Walgreens Opens a New Store in Cloquet 4
- Renovation of Chefs Marketplace 4

### One Roof Community Housing: Community Land Trust Program Cloquet Pilot Project



The City of Cloquet's Economic Development Authority (EDA) partnered with One Roof Community Housing to conduct a pilot project targeting foreclosed properties in the city's central core neighborhood. The project was able to secure \$560,500 in grant funding to rehabilitate 3 single family homes in Cloquet. Funding was received from:

- \$90,000 EDA
- \$100,500 MHFA
- \$300,000 GMF
- \$45,000 Neighbor Works America
- \$25,000 MHFA Urban Indian Fund

The project introduces a new type of housing in Cloquet, the land trust model. When One Roof purchases a foreclosed home, all major systems are updated to improve energy efficiency and provide a healthy, safe, attractive home. Renovations often include a new kitchen, bathroom/s, flooring, windows, doors, roofs, siding, furnace, water

qualify (less than \$49,000). In the Community Land Trust model, the homeowner owns their home and leases the land the home sits on from One Roof Housing. Long term ownership by One Roof retains these homes in permanent affordability for future owners. One Roof's Land Trust homes are offered at \$20,000 to \$40,000 below market value, and new low-to-moderate income home buyers receive significant down payment assistance as well as Homebuyer Education classes to prepare them for successful home ownership. The buyer is entitled to valuation increases based on improvements they do as well as a percentage of return on the home. Homes purchased and renovated under the program include: 426 18th Street, 1610 Carlton Avenue, and 1210 Selmaer. Each home was sold within a month of entering the market illustrating a demand and need for this type of housing in Cloquet.



1210 Selmaer was a foreclosed single family home with significant deferred maintenance.



*"The focus of our housing projects is to support qualifying working middle class people and the homes we provide are key to unlocking them from*

[For more information:](#)

## EDA one-time grant for 3 homes (2013)

## Cloquet Economic Development Authority (EDA)

Page 2 NEWSLETTER

### One Roof Community Housing: Cloquet Pilot Project

1210 Selmaer Avenue

1610 Carlton Avenue



426 18th Street



426 18th Street

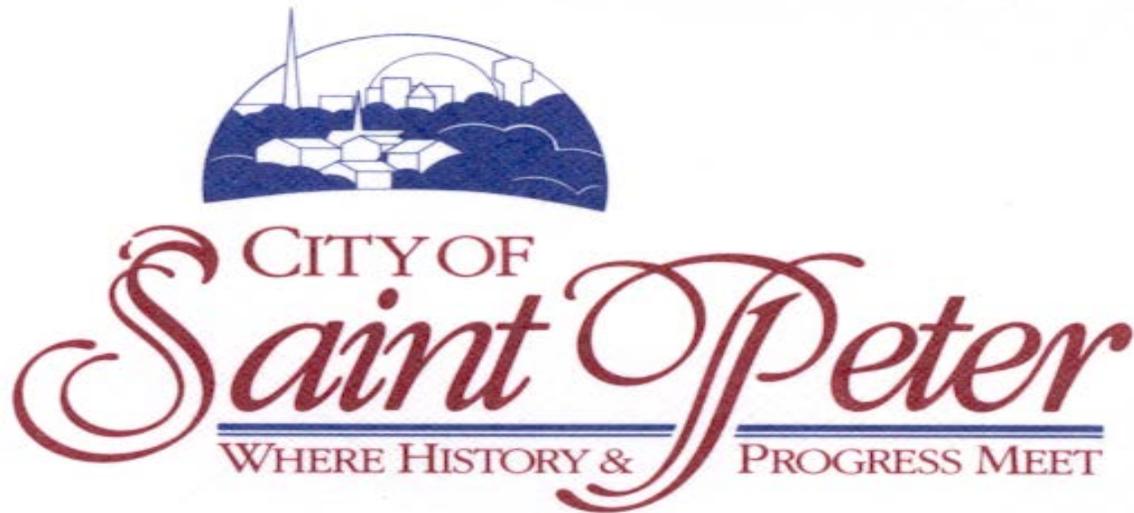
## County Tax-forfeiture home (2018)



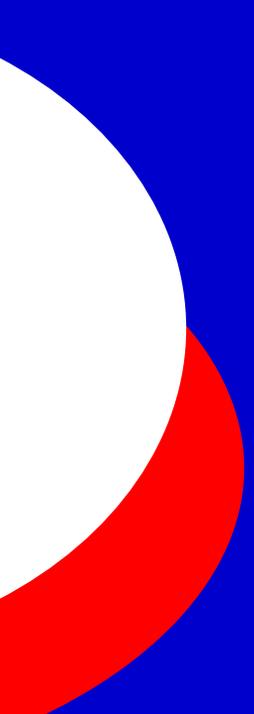
# A CONVERSATION ABOUT WORKFORCE HOUSING (What we think we may know)

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January 29, 2020



Todd Prafke  
City Administrator

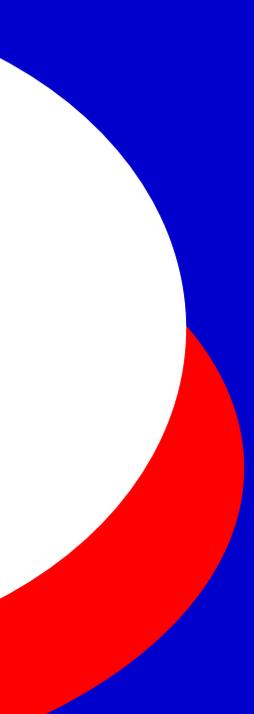


# Housing Discussion Topics

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The "American Dream " is being redefined

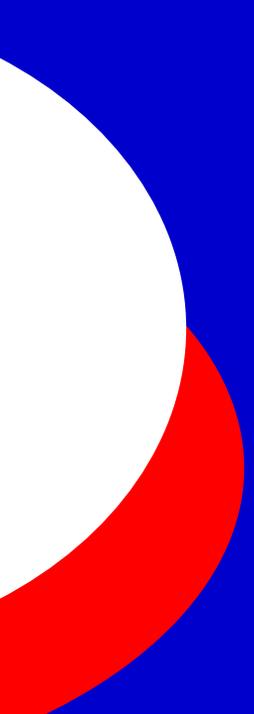
- Number of Contractors
- Number of Realtors
- Number of Developers
- Rental Housing
- Cost factors
  - House Construction
  - Subdivision Development
- Demographic Shifts
- Financing



# What we have done

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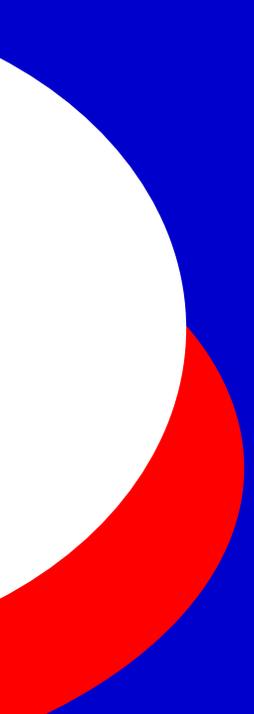
- On our 3<sup>rd</sup> Subdivision specifically targeted toward “Affordable” or now what we call “Workforce Housing”
  - Share some interesting ROI data later
- Four Multi-family Complexes total of 145 units and our HUD “Senior High-rise”
- Private Sector Development
  - Will share some data points on this too
- Land use modifications



# American Dream has Changed

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- Demographic Changes
- Student Debt
- Age changes and Great Recession
- Skill Sets and Expectations



# Rental and Ownership data

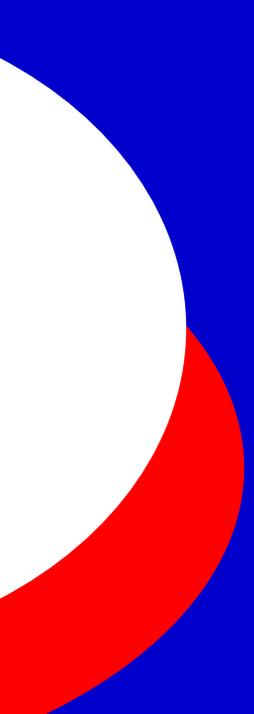
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- Ownership

- Saint Peter 63/37
- State Average 73/27

- Rental

- Over 1100 units in Saint Peter
- Vacancy Rate of less than 1%



# Cost Factors

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- House Construction
  - Materials
  - Labor shortages
  - Code changes
- Subdivision Development
  - Are you kidding me?

# So what we did was...

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- Community Partners Study
- Establish Goals
- Look for partners in those goals
  - Public/Not for Profit and Private Sector
- Took a bunch of leaps/risks



Recreation Registration

Pay Utility Bills

Pay Other Fees

Services A-Z

Weekly Hot Sheet

Services

Recreation

Library

Government

Public Safety

Public Works

Partners

## Traverse Green Subdivision

View

Edit

Revisions

# Traverse Green Subdivision

### HOME OWNERSHIP IS WITHIN YOUR REACH

- Build equity and your future
- Bare lots and [speculative homes for sale](#)
- Lot prices as low as \$21,900\*
- Special financing available for qualified households
- Construction is underway!
- Contact the Community Development Department to purchase lots



\* Reduced pricing is based on income eligibility.

# What's been built

<u>Development</u>	<u>Market Rate</u>	<u>Subsidy</u>	<u>TOTAL</u>	<u>Notes</u>
Alpine Meadows	44	0	44	2003
Rock Ridge	36	0	36	2003
Apple Tree Village	21	0	21	2003
Nicollet Meadows	9	11	20	2004
Central Square	12	43	55	2005
303 S. Minnesota Ave.	2	0	2	2009
204 S. Minnesota Ave.	2	0	2	2013
Park Row Crossing	0	40	40	2014
309 S. Minnesota Ave.	2	0	2	2014
Orchard Ridge Twins	16	0	16	2014
Bunker Lane	24	0	24	2015
Meridian Street Apts.	<u>40</u>	<u>0</u>	<u>40</u>	2016
TOTAL:	208	94	302	



SUBDIVISION ANALYSIS - 2016

			REAL ESTATE
	MARKET VALUE	UTILITY BILLING	TAXES
<u>SUBDIVISION</u>	<u>PER NET ACRE</u>	<u>PER NET ACRE</u>	<u>PER NET ACRE</u>
Windsor Pond	\$1,012,579	\$9,756	\$13,527
Nicollet Meadows	\$844,649	\$14,815	\$11,746
Washington Terrace	\$837,407	\$14,765	\$10,885
Lampert Addition	\$698,330	\$11,590	\$9,209
Standard Lumber	\$639,921	\$8,231	\$7,560
Pine Pointe	\$626,601	\$5,855	\$9,157
Union Street	\$600,474	\$10,310	\$7,754

SUBDIVISION ANALYSIS - 2014

			REAL ESTATE
	MARKET VALUE	UTILITY BILLING	TAXES
<u>SUBDIVISION</u>	<u>PER NET ACRE</u>	<u>PER NET ACRE</u>	<u>PER NET ACRE</u>
Windsor Pond	\$976,251	\$10,880	\$11,713
Nicollet Meadows	\$848,252	\$13,686	\$9,561
Washington Terrace	\$727,739	\$16,516	\$8,712
Lampert Addition	\$653,966	\$9,590	\$6,565
Standard Lumber	\$627,874	\$11,073	\$7,754
Pine Pointe	\$437,473	\$3,686	\$5,578
Union Street	\$565,119	\$9,377	\$6,191

# What's working 😊 What's Not 😞

- 😊 We were “Killing It!” 15, 10, 5 years ago with single family affordable housing
- 😞 We are not on our latest.
  - We missed it but not by much....
- 😞 Perception is funny.....Funny ironic
- 😊 Ongoing analysis
  - Bigger Lot Development
- 😞😊 RFP

## Advice if you want it

- Housing work is not for the faint of heart
- Get great data and share it with anyone
  - For your use but stimulates private as well
- Know the housing environment is changing and changing more quickly
- Single Family New Construction is not possible today due to \$
- Focus on Rehab and move in/out programs
- Rental is a better option for affordability

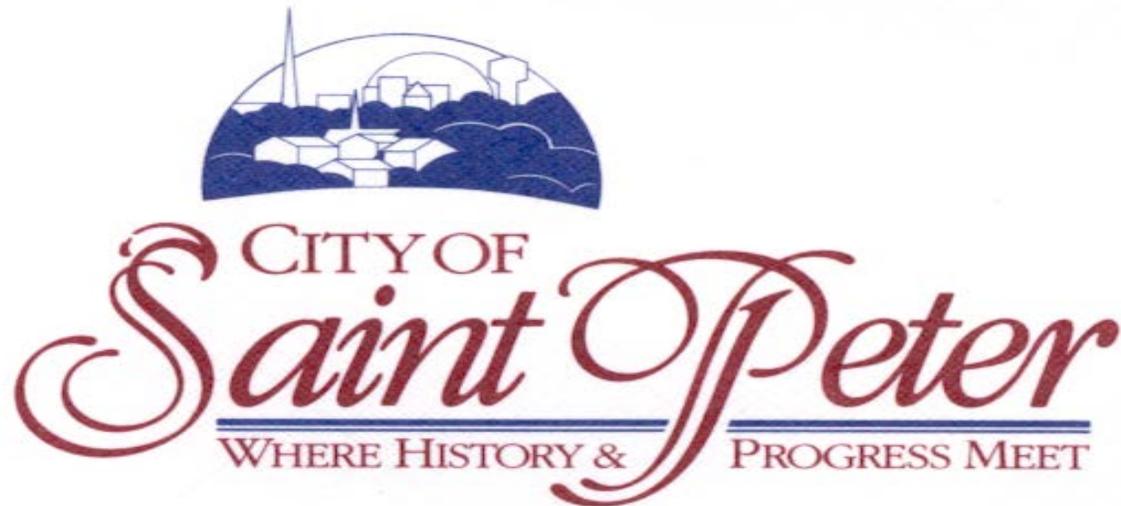
# QUESTIONS?

If you have questions, we are happy to help. For more info:

[www.saintpetermn.gov](http://www.saintpetermn.gov) OR  
[barbaral@saintpetermn.gov](mailto:barbaral@saintpetermn.gov)

City info line: 934-0675

Sign up for community notices  
at [www.nixle.com](http://www.nixle.com)



An introduction to the

# Southwest Minnesota Housing Partnership



Solace Apartments, Saint Peter

# Who is the SWMHP?

The Southwest Minnesota Housing Partnership is a 501c(3) non-profit community development corporation serving communities throughout Southwest and South Central Minnesota.

## OUR VISION

Innovative solutions that lead communities to develop their full potential.

## OUR MISSION

*Create thriving places to live, grow, and work through partnerships with communities.*

- Provide healthy, quality housing and premier community development services and programs
- Identify and respond to community needs
- Seize opportunities to innovate and lead



Washington Terrace Subdivision, Saint Peter

# Who is the SWMHP?

Since 1992, the SWMHP has developed, financed or rehabilitated over 9,700 housing units with \$708,923,713 investments and have assisted over 7,100 new and existing homeowners with homeownership services.

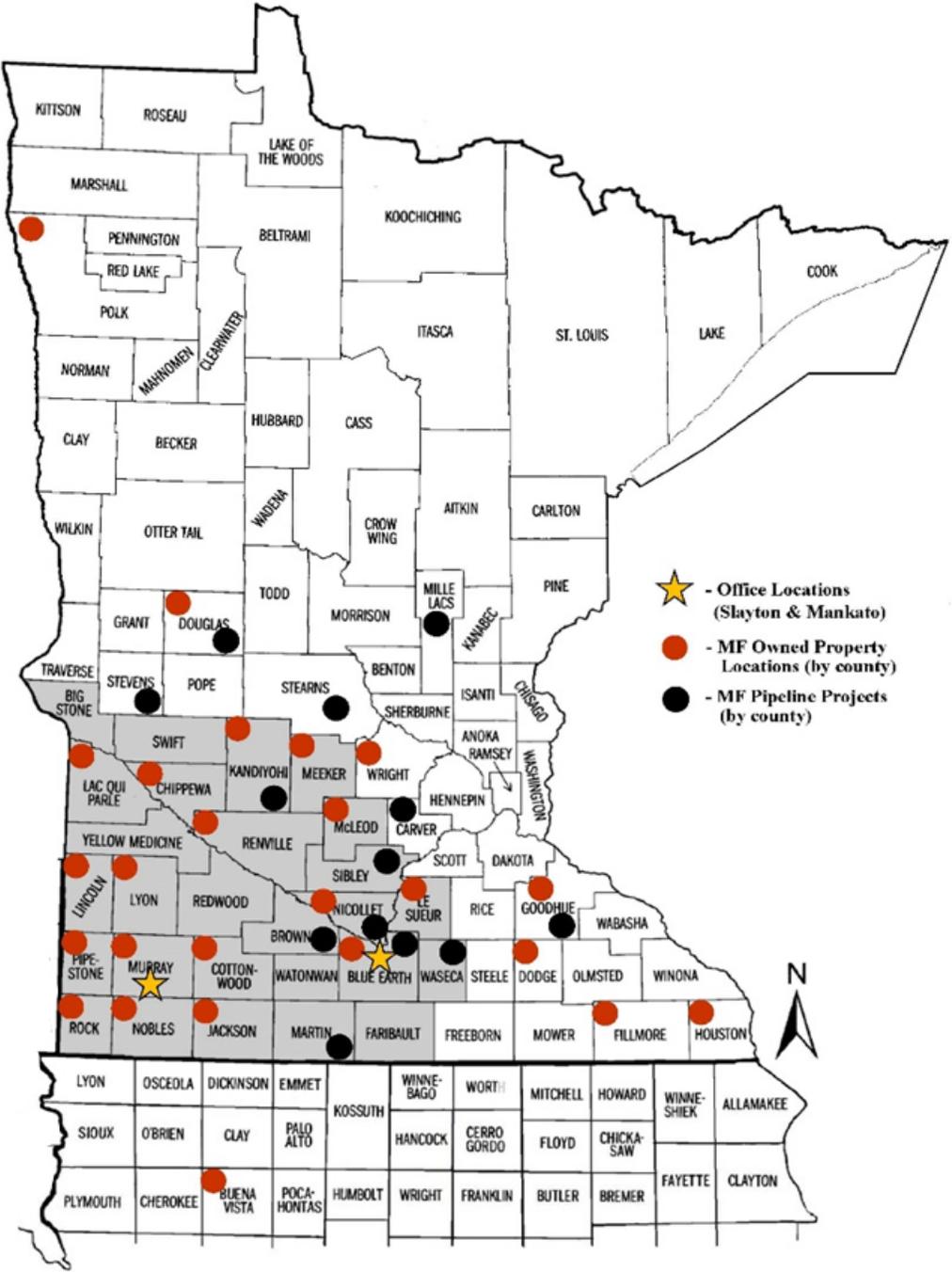
**OUR CUSTOMERS** are local governments, nonprofit organizations, individuals and families, especially people who are most in need.

**SWMHP STAFF** includes 18 full time and 3 part-time employees, a 13-member Board of Directors and an active committee system with community volunteers.



# Southwest Minnesota Housing Partnership

## Service Area Map



# Market Trends

SWMHP uses its products and services to respond to local and regional market trends, including:

- Emerging Markets
- Workforce Housing Need
- Preservation & Sustainability
- Creative Placemaking
- Homelessness
- Financial Stability



# Park Row Crossing, St. Peter

## Development:

- Built on old hospital site acquired from the City for \$1
- 2 buildings containing 40 units with a mix of 1, 2, & 3 bedroom units
- 4 units of permanent supportive housing

## Funding Sources:

- Minnesota Housing Finance Agency (LIHTC allocation)
- Conventional first mortgage
- General Partner Loan
- Tax Credit Equity
- Tax Increment Financing

## Lessons Learned:

Site conditions



# Westwind Townhomes, Willmar

## Development:

- Built on a community land trust formed by the SWMHP – Partnership Community Land Trust, LLC
- 14 duplexes, 28 units with a mix of two and three bedroom units
- 6 units of permanent supportive housing

## Funding Sources:

- Minnesota Housing Finance Agency (first mortgage and deferred loans (HRA Pilot, FFCC, CRV-CLT))
- Willmar HRA & City of Willmar (CDBG)
- GMHF
- Section 1602/Exchange
- General Partner Loan

## Lessons Learned:

- Identify and address opposition early (NIMBY)



# Grand Terrace, Worthington Development:

- One building, 48 units with a mix of 1, 2, and 3 bedroom units

## Funding Sources:

- Minnesota Housing Finance Agency (first and deferred loans (EDHC, FFCC))
- City of Worthington
- 4% LIHTC/Bond Allocation
- General Partner Loan
- Tax Increment Financing

## Lessons Learned:

ArtPlace and Creative Placemaking



# Springstone, LLC

Harmony, Spring Grove, Pipestone, Ivanhoe

## Development:

- Acquisition and rehabilitation of an existing scattered site Section 8 portfolio
- Four developments with a total of 134 units (122 elderly, 12 family)

## Funding Sources:

- Community Housing Capital (first mortgage)
- Greater Minnesota Housing Fund
- SWMHP
- Minnesota Housing Finance Agency (HOME Rental Rehab loans)

## Lessons Learned:

- When aggregating properties into a portfolio, size the debt allocated to each project based upon its specific debt capacity. Taking total debt and allocating by number of units or by property value will cause some projects to be overleveraged.



# Our Services & Products

- **Community Planning & Technical Assistance**
- **Homeownership Assistance**
- **Community Building & Engagement**
- **Land Development & Redevelopment**
- **Housing Preservation & Rehabilitation**
- **Single Family Housing Development**
- **Multi-Family Housing Development**
- **Building Assessments &**





central minnesota  
**HOUSING PARTNERSHIP**

Housing Resource Engagement Sessions – Baxter  
Case Studies

# Carlson Crossing Townhomes, St. Joseph – Preservation

- 36 unit Section 8 HAP Contract townhome project.
- Contributions to the project included:
  - Owner took a partial donation to lower acquisition cost
  - City reduced building permit fee
  - City reduced rental license fee for 3 years



# Willow Grove Apartments, North Branch – New Construction

20 unit new construction project

100% supportive housing for people with a  
mental health illness

Contributions to the project included:

- City and Water and Light reduced SAC/WAC fees
- City and Water and Light reduced water and sewer trunk charges fees
- City reduced park fees
- Tax Increment Financing
- Region 7E Adult Mental Health Initiative donation (money and Housing Support)
- Federal Home Loan Bank funding
- Seller partial land donation



# White Oak Estates, Baxter – New Construction

20 unit supportive housing apartment  
building – 100% supportive housing for  
people with a mental health illness

7 units for homeless individuals

20 family townhome units

Contributions to the project included:

- Tax Increment Financing
- Local bank contributions
- Region 5 Plus Adult Mental Health Initiative donation (money and Housing Support)



# The Mill Townhomes, Staples – New Construction

42 unit family townhome development

4 units for homeless individuals

4 units for people with a mental health  
illness

Contributions to the project included:

- Tax Increment Financing
- Local business contributions
- Region 5 Plus Adult Mental Health Initiative donation (Housing Support)





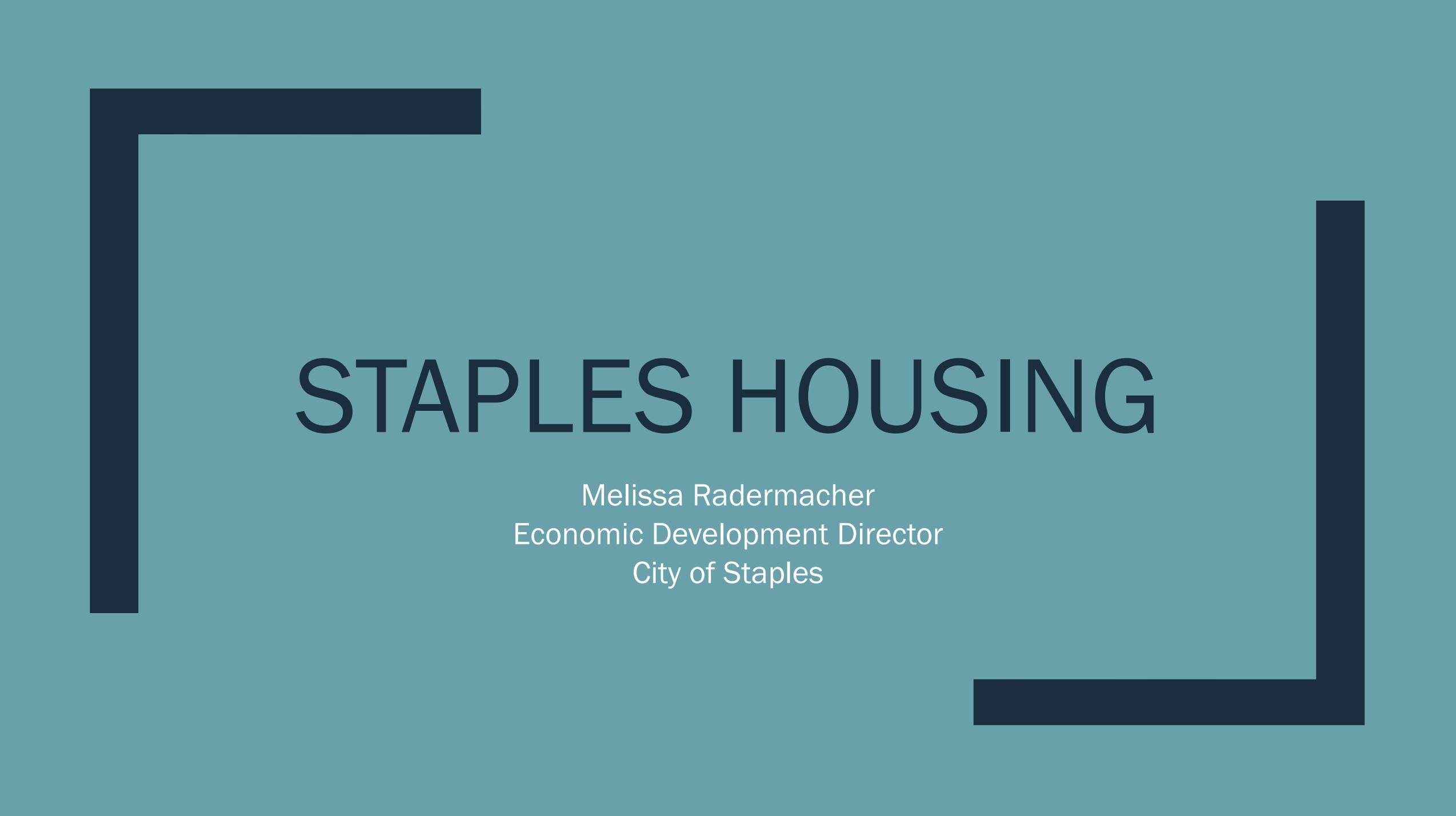
central minnesota  
**HOUSING PARTNERSHIP**

Deanna Hemmesch

Executive Director

[Deanna@cmhp.net](mailto:Deanna@cmhp.net)

(320) 259-0393



# STAPLES HOUSING

Melissa Radermacher  
Economic Development Director  
City of Staples

# About Staples

Staples is an active, growing community offering award-winning healthcare, a strong school district, community and technical college and countless recreational and cultural opportunities for all ages.

Population – 3020

Median Age – 40 years

Total Housing Units – 1,501

Owner Occupied 822

Renter Occupied 421

Median Income - \$38,292 - \$41,080

*Data Source: ESRI*



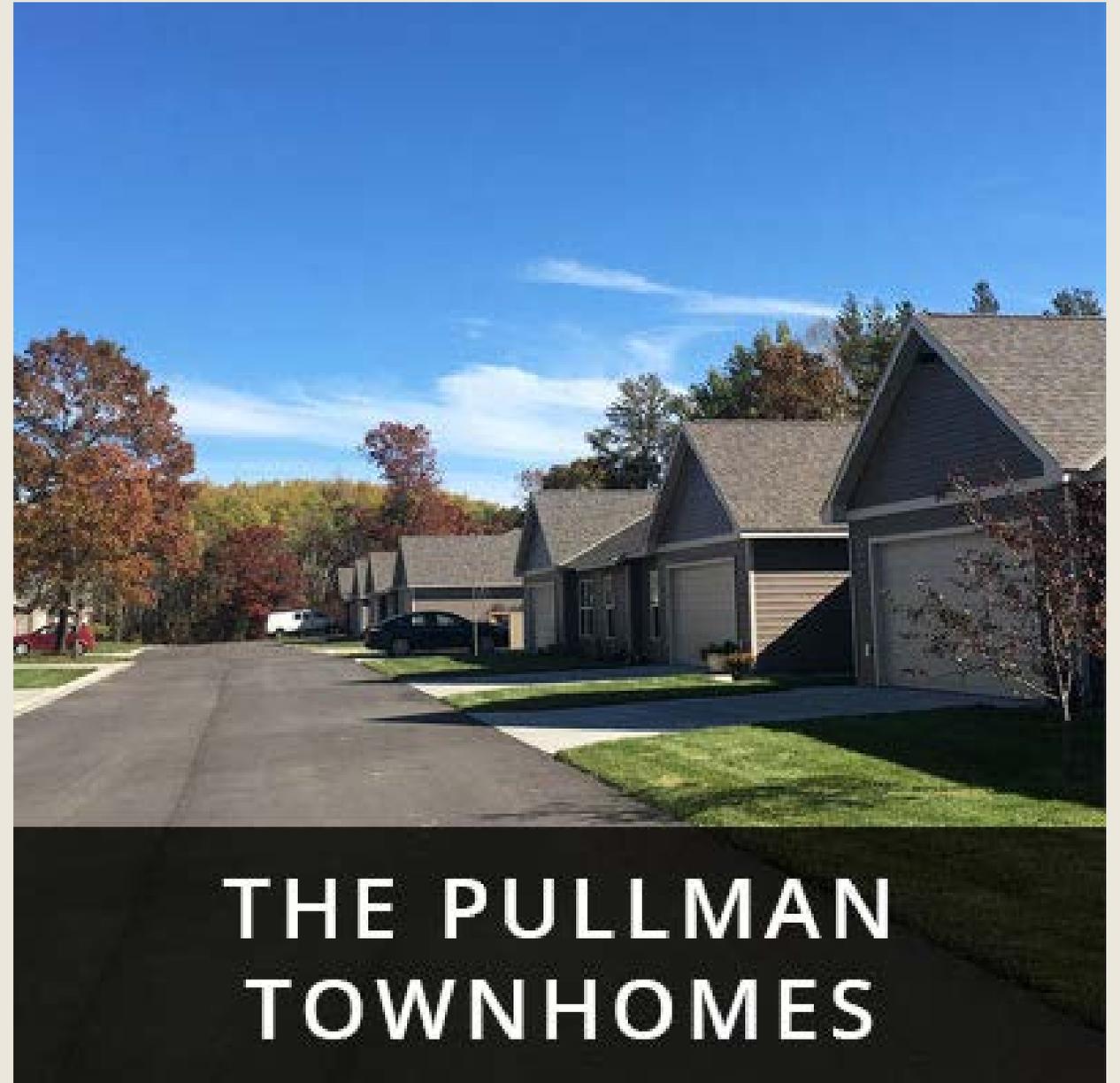
# WHAT DID WE DO?

3 Multi-Family Developments over 3 Years  
Total of 115 Rental Units Added to the Community

# Pullman Townhomes

- Roach Properties, Developer
- Started process 2016, Opened in 2017
- 35 Market Rate Rental Units
- \$5.4M Invested
- 12 Year TIF District
- Lease Rates – 2 bedroom \$950.00  
3 bedroom \$1,100.00

*Includes heat, water, sewer, garbage*



# The Pullman Townhomes

- Single level living (great for seniors)
- 2 and 3 bedroom units
- Attached 2 car garage
- Laundry hook-ups in each unit
- Two bathrooms
- Spacious kitchens
- Ample guest parking
- Quality landscaping & lawn sprinkler
- Complete grounds maintenance
- Trash & snow removal



# Cardinal Pines Apartments

- Staples Multi-Family LLC, Developer
- Started process 2016, Opened in 2019
- 38 Market Rate Rental Units
- Plans for 2 more phases totaling 96 Units
- \$5.38M Invested
- 12 Year TIF District
- Cleared pine trees off property, expenses repaid over 3 years through TIF
- Lease Rates – 1 Bedroom \$795 - \$895, 2 Bedroom \$1,095 - \$1,195, 3 Bedroom \$1,295

*Includes Heat, Water, Sewer, Garbage*



# Cardinal Pines Apartments

- 1, 2 and 3 bedroom units
- Garages Available
- In-unit Washer & Dryers
- Kitchen with Island
- Walk-In Closets
- Patio/Deck
- Fitness Center
- Coffee Bar in Lounge
- Complete grounds maintenance

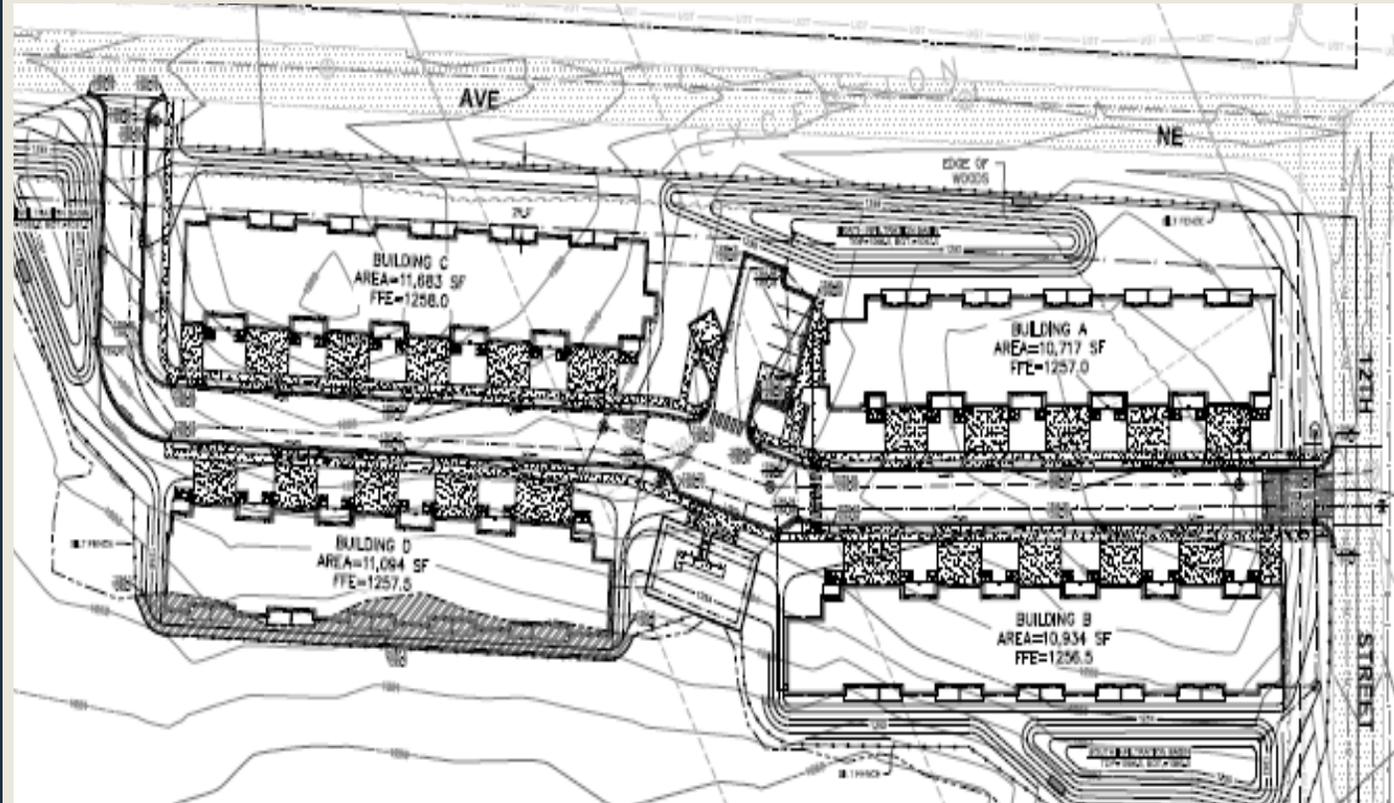


# The Mill Townhomes

- Central MN Housing Partnership (CMHP), Developer
- Started process 2016, Opening September 2020
- 42 Affordable Housing Rental Units, Includes 4 Homeless Units, 4 Units for people with disabilities
- \$7.55M Invested
- LIHTC, Sales Tax Rebate, Energy Rebates, 15 Year TIF District
- Discounted sale of City owned land (10.65 acres)
- City supported project by submitting support resolution and LOS, Collecting LOS and Financial commitment from local businesses
- Lease Rates - 2 Bedroom \$667-\$722, 3 Bedroom \$769-\$722 Income limits apply - 60% Area Median

*Includes Heat, Garbage, Sewer, Cold Water*

Site Plan



# The Mill Townhomes

- 1, 2 and 3 bedroom units
- Attached Garages
- Back patios
- Playground
- In unit washers and dryers
- Onsite office
- 4 homeless units
- 4 units for people with disabilities



HOW DID WE DO THIS?



# Housing Study

- Contracted with AdMark for an updated Housing Study in 2016 (previous study conducted in 2003)
- Total cost for study \$6,500, utilized grants to pay for full cost
- Used the study to interest developers to build in our community
- Study backs up claims of need and helps developer to see readiness of community



## Overall Housing Assessment of the Staples, MN Area

Prepared for:

**Staples EDA**

April 2016

Prepared by:



1808 34th St N  
Sartell, MN 56377  
(320) 251-1300

# Lessons Learned

Be easy to work with...

- *Simplify the Government Processes – Know the timelines and requirements, share them with the developer, help them navigate through them*
- *Assist with Site Selection and/or already have Sites Identified*
- *Know the codes OR get the information to them quickly*
- *PATIENCE, from initial conversation to construction takes YEARS*

Be willing to assist with INCENTIVES

- *TIF*
- *Abatement*
- *Low Cost Land*
- *Tax Credits*
- *Other Available Programs*

They are planning to invest a lot of money in the community... help them however you can



# QUESTIONS?

Melissa Radermacher  
mradermacher@ci.staples.mn.us  
218-894-2550



# Minnesota Housing Resources

Winter Engagement Sessions

Greater Minnesota

# Our Mission

## The Core Purpose

Housing is the foundation for success, so we collaborate with individuals, communities and partners to create, preserve and finance housing that is affordable.

# Minnesota Housing Multifamily Resources

- Multifamily Consolidated RFP
- Housing Tax Credits
- Housing Infrastructure Bonds
- Greater Minnesota Workforce Housing Development Program
- Rental Rehabilitation Deferred Loan Program
- Publicly Owned Housing Program

# Minnesota Housing Single Family Resources

- Community Homeownership Impact Fund
- Homeownership Education and Counseling
- Mortgage and Downpayment Loan Programs
- Home Improvement Loans



# Multifamily Resources

# Consolidated RFP – Overview

## Overview of the Consolidated Request for Proposals (RFP)

- Annual process
- One application – multiple resources
  - Minnesota Housing resources: housing tax credits, Housing Infrastructure Bonds, other deferred loans, amortizing loans
  - Funding partner resources: deferred loans
- Many eligible activities
- Streamlined application review process
- [Application resources web page](#), Multifamily Application Instructions

# Consolidated RFP – Project Types and Activities

## Project Types

- Workforce housing
- Permanent supportive housing
- Preservation
- Senior housing

## Eligible Activities

- New construction; acquisition (land or structures); rehabilitation; adaptive reuse/ conversion; preservation; demolition

## Eligible Financing Activities

- Construction financing; permanent financing



# Consolidated RFP – General Timeline

**The annual Multifamily Consolidated RFP generally follows the same timeline each year:**

- January through April: Technical assistance (TA)
- April: Publication of application materials
- May: Intent to Apply
- June: Applications due
- November: Board selections

# Consolidated RFP – Getting Started

## Getting Started

- Attend the Technical Assistance (TA) Kickoff
- Request project-specific TA: [technicalassistancerequest.mhfa.state.mn.us](https://technicalassistancerequest.mhfa.state.mn.us)
- Gather application materials
- Visit the [Application Resources](#) page of our website for more information
- Sign up for eNews

## **Housing Tax Credits (HTC) are a federal resource**

- Reduces investors' federal tax liability for 10 years
- In exchange, investors buy HTCs and agree to 30 years of affordability
- Proceeds from sale of credits used for affordable housing

## **Minnesota Housing awards or allocates HTCs in two ways:**

- Competitively through the annual Consolidated RFP
- For bonds issued pursuant to an allocation of state volume cap by Minnesota Management and Budget (MMB) (4% Only)

## Minnesota Housing's 9% HTC Allocation

- Annually, 12 to 16 projects with 700 to 900 units
- Estimated that this activity generates over \$100 million in private investment from the sale of HTCs.
- Projects with total development costs (TDC) of \$166 million



## Suballocators

- Minneapolis; St. Paul; Dakota County; Washington County

## “Competitive Credit”

## 4% HTC Project with Deferred Funding

- Deferred (gap) funding sources are offered through the Consolidated RFP
- Applicants requesting deferred funding may also request a 4% HTC financial structure where Minnesota Housing issues tax-exempt volume limited bonds
- Projects in certain locations may be able to receive tax-exempt bonds and tax credits from a suballocator and subsequently request deferred funding

## 4% HTC Only

- Awarded for bonds issued pursuant to an allocation of state volume cap by Minnesota Management and Budget (MMB)

# Housing Infrastructure Bonds

## HIB Investment to Date (MF)

- Since 2012
  - \$306 million total investment
  - 3,724 units created or preserved
- Awarded in 2019
  - \$116 million total investment
  - 1,096 units created or preserved



## Proposed 2020 Bonding Bill – \$200 million

### Eligible Uses:

- Permanent supportive housing; behavioral health; preservation; seniors

# Workforce Housing Development Program

- Up to 25% of total development costs
- Three-year terms
- No rent or income restrictions required (although income and rent restrictions are allowed)
- New construction or adaptive reuse
- Only available for Greater Minnesota communities

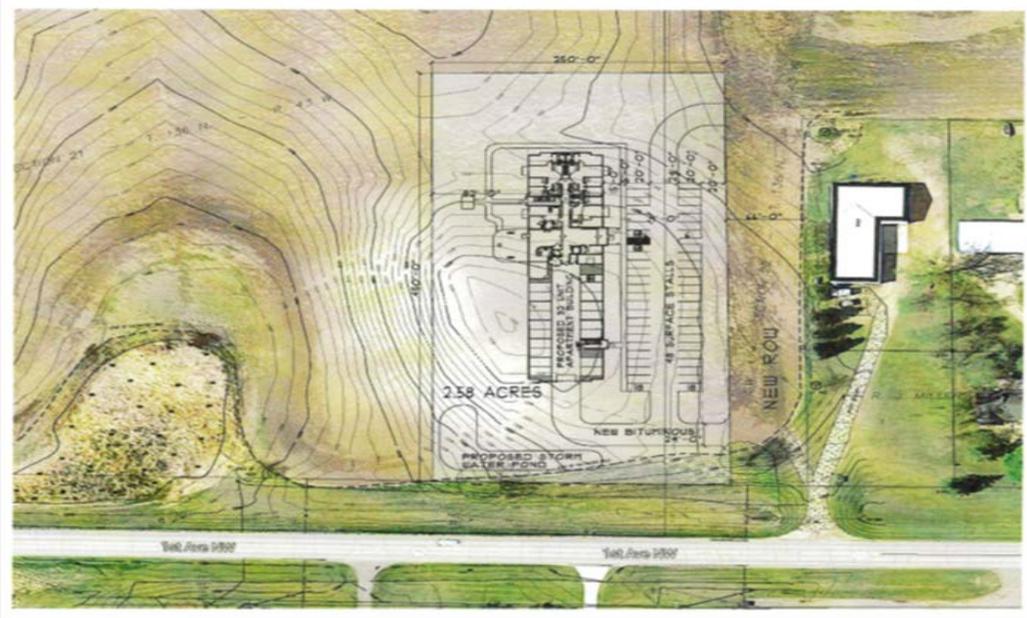
# Workforce Housing Development Program

## Unique program features:

- Eligible applicants are typically small- to mid-sized cities
- Developers are not eligible for funds
- Applicants can chose to receive funds as a grant or a deferred, forgivable, zero interest loan

# EX: Housing Affordable to Local Workforce

## The Colony Pelican Rapids, MN: 32 units – new construction



Sources	
First Mortgage	\$2,769,000
TIF Mortgage	\$494,319
General Partner Cash	\$914,970
Energy Rebate	\$4,100
Workforce Housing Program	\$563,000
City Contribution	\$200,000

Unit Type	Project Rents	60% MTSP Rents	Rents Affordable to the Local Workforce
1 BR	\$775	\$815	\$815
2 BR	\$900	\$978	\$978
3 BR	\$1,100	\$1,129	\$1,129

# Rental Rehabilitation Deferred Loan (RRDL)

- Established in 2011
- Funded by state appropriations
- Rehabilitate small to medium permanent rental properties
- Typically 20-year deferred loans, 0% interest due at maturity (with up to 10% loan forgiveness)
- Loan limited to \$35,000/unit or \$500,000 maximum
- Program has undergone major redesign to make it easier for borrowers



# Publicly Owned Housing Program (POHP)

- Established in 2005
- General Obligation Bond funded
- Rehabilitate and preserve public housing units
- 20-year deferred loans with 35-year compliance period
- Priority projects:
  - Health and safety
  - Energy and water efficiency
  - Accessibility
  - Critical needs



# Single Family Resources

# Community Homeownership Impact Fund

## Eligible Use of Funds

- Acquisition, rehabilitation and resale of existing housing
- Owner-occupied rehabilitation
- New construction, including demolition or removal of existing structures with rebuild
- Stand-alone affordability gap/downpayment assistance
- Interest rate reduction on a Minnesota Housing Community Fix Up Initiative
- Tribal Indian Housing Program

# Community Ownership Impact Fund

## Eligible Applicants

- Local governments
- For-profit organizations
- Nonprofit organizations
- Indian tribes or tribal housing corporations
- Joint powers boards

**Income Limit:** Up to 115% AMI

# Community Ownership Impact Fund

## Types of Funds Available

- Interim financing
- Deferred loans
- Grants

# Community Homeownership Impact Fund – Single Family RFP

## Single Family RFP

- Application released: Early April
- Application deadline: Early June

## Technical Assistance

[impact.fund.mhfa@state.mn.us](mailto:impact.fund.mhfa@state.mn.us)

# Homeownership Education and Counseling

## Enhanced Financial Capacity Homeownership Initiative (Homeownership Capacity)

- RFP deadline: **Monday, February 24, 2020**
- Ruth Dubose: [ruth.dubose@state.mn.us](mailto:ruth.dubose@state.mn.us)

## Homeownership Education, Counseling and Training Fund (HECAT)

- Que Vang: [que.vang@state.mn.us](mailto:que.vang@state.mn.us)

# Mortgage and Downpayment Assistance

## Start Up for First-Time Homebuyers

## Step Up for Repeat Homebuyers and Homeowners

## Downpayment and Closing Cost Loans

- Monthly Payment Loan
- Deferred Payment Loan

**Questions? Contact:** [mnhousing.solution@state.mn.us](mailto:mnhousing.solution@state.mn.us) or 800.710.8871

# Home Improvement and Rehabilitation

## Fix Up and Community Fix Up Loan Programs

- Shannon Gerving: [shannon.gerving@state.mn.us](mailto:shannon.gerving@state.mn.us)

## Rehabilitation Loan Program (RLP)/Emergency and Accessibility Loan Program (ELP)

- Tonya Taylor: [tonya.taylor@state.mn.us](mailto:tonya.taylor@state.mn.us)

## Disaster Recovery Loan Program

- Cal Greening: [cal.greening@state.mn.us](mailto:cal.greening@state.mn.us)

# Greater Minnesota Housing Fund (GMHF)

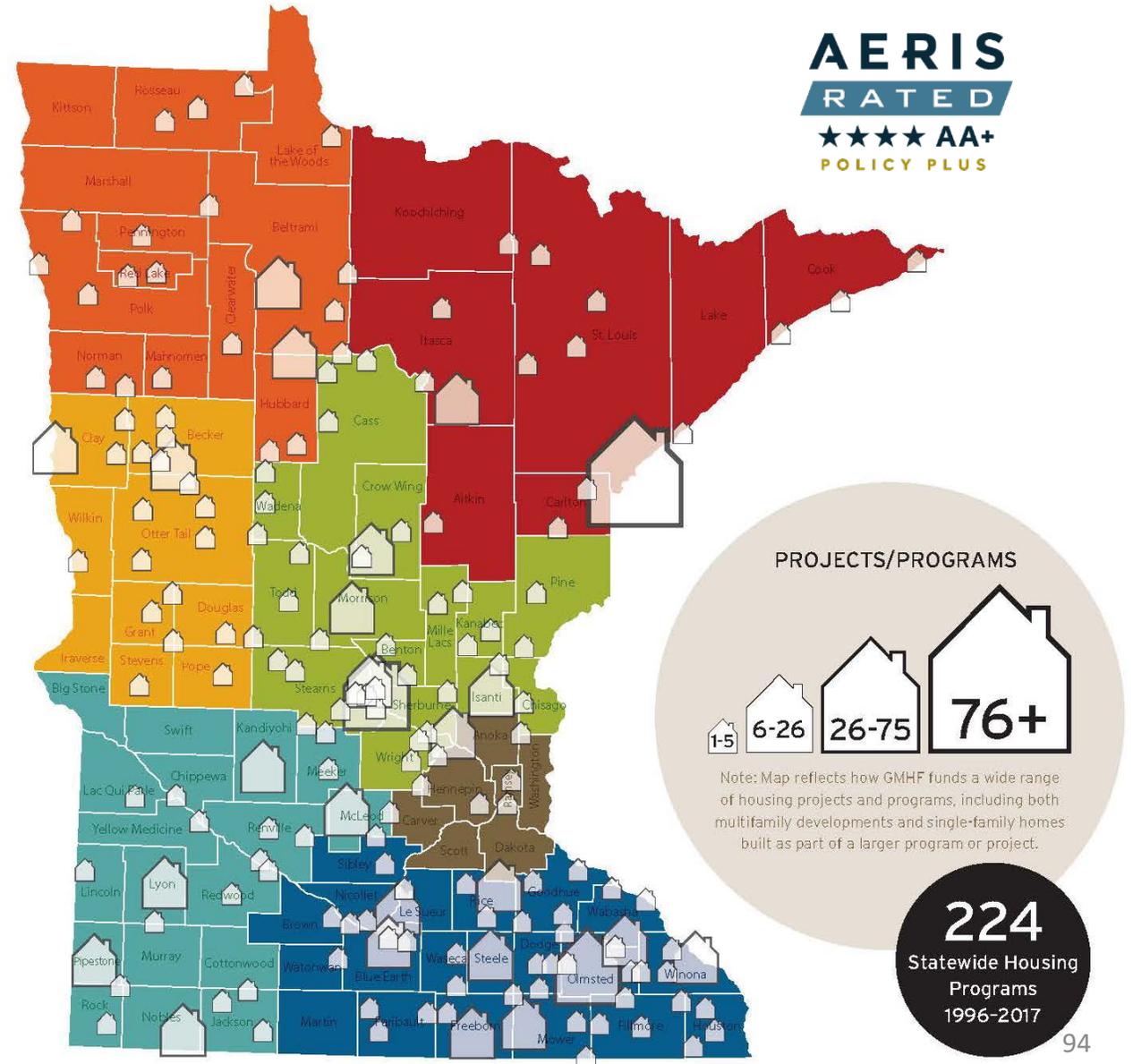
## 23-Year Track Record

- Minnesota's largest non-profit affordable housing lender
- Provided over \$270 million in direct low-cost financing
- Leveraged over \$1.2 billion
- Financed 15,818 affordable homes and apartments
- Serves all 87 counties in Minnesota
- Founded in 1996 with funds from:



Blandin Foundation™  
STRENGTHENING RURAL MINNESOTA

**MCKNIGHT FOUNDATION**



# GMHF Social Impact Enterprises

The logo for the Minnesota Equity Fund, featuring a green 3D building icon and the text "MINNESOTA EQUITY FUND" in white on a green background.

**\$20M-\$30M**  
Tax Credit Equity  
Invested Annually

The logo for the NOAH Impact Fund, featuring a blue circular icon with a white building and the text "NOAH IMPACT FUND" in white on a blue background.

**\$10M-\$15M**  
Impact Capital for Equity  
Invested Annually

The logo for CDFI Lending, featuring the text "CDFI LENDING" in white on a red background.

**\$30M-\$40M**  
Loans  
Committed Annually

The logo for Grant Funding, featuring the text "GRANT FUNDING" in white on a purple background.

**\$600k-\$1M**  
Grant Funding  
Awarded Annually



# GMHF Technical Assistance

- **Creative Problem Solving**
- **Strategic Grantmaking and Predevelopment Loans**
- **Connecting to Key Partners**
- **Funding Partner Coordination**
- **Financial Structuring/Feasibility Analysis**
- **Feedback on LIHTC/Super RFP Applications**
- **Letters of Interest for LIHTC Applications**
  - ❖ **Both Debt and Syndication**

## GMHF Contacts

John Errigo | Director of Equity Investing  
[jerrigo@gmhf.com](mailto:jerrigo@gmhf.com)  
651-350-7224

Deb Flannery | Director of Strategic Initiatives  
[dflannery@gmhf.com](mailto:dflannery@gmhf.com)  
651-350-7225

Wes Johnson | Loan & Program Officer  
[wjohnson@gmhf.com](mailto:wjohnson@gmhf.com)  
651-350-7227

John Rocker | Director of Lending  
[jrocker@gmhf.com](mailto:jrocker@gmhf.com)  
651-350-7233



# Interim Lending Products

Product Type	Multi-family	Single-Family	Typical Loan Size	Typical Terms/Limitations
Predevelopment	X		Up to \$500,000	Repaid at closing on project financing
Acquisition	X	X	Up to \$5 million	85% of Value (stabilized buildings) 65% of Value (vacant land)
Construction/Bridge	X	X	Up to \$10 million	80% of Value or LIHTC Equity

## Common Terms

- Up to 36 months
- Fixed interest rates locked up to 10 days before closing
  - Rates start at Comparable Treasury Yield plus 2.00%, and may be subject to a minimum
- Monthly Interest Payments
- GMHF reviews and approves all construction draws and change orders
- Guaranty – if take-out financing is uncertain

# Permanent Lending Products

Product Type	Multi-family	Single-Family	Typical Loan Size	Typical Terms
Amortizing 1 <sup>st</sup> Mortgage	X		Up to \$5 million	Up to 30-year term Up to 35-year amortization schedule 80% of Value
TIF Loans – <i>to capitalize pay-as-you-go TIF</i>	X		Up to \$1 million	Up to 26-year term
Mezzanine 2 <sup>nd</sup> Mortgage	X		Up to \$1 million	Up to 15-year term Up to 95% of Value

## Common Terms

- Can be structured as construction financing converting to permanent financing
- Can be used to pay for both acquisition and rehabilitation costs
- Fixed interest rates locked up to 10 days before closing
  - Rates start at comparable Treasury Yield plus 2.00%, and may be subject to a minimum
- Up to 3-years of interest-only payments for 1<sup>st</sup> mortgage loans
- Monthly P+I payments
- Non-recourse loans after stabilization



United States  
Department of  
Agriculture

## Rural Development



# Single-Family and Multi-Family Housing Programs

Stephanie Vergin, Housing Program Director, Minnesota  
[Stephanie.Vergin@usda.gov](mailto:Stephanie.Vergin@usda.gov), 651.602.7820

## Section 502 Direct Home Loan (purchase)

- Eligible applicants: Individuals or families who do not own a dwelling or existing dwelling is inadequate; unable to obtain conventional financing, low- or very-low income (under 80% AMI), adequate/dependable income and stable credit
- Property: Modest housing located in an eligible rural area
- Loan: Up to 100% of appraised value, can finance closing costs, payment assistance can subsidize rate to 1%

# Power of Section 502 Direct Payment Subsidy

Household of 3 (2 adults, 1 child)  
Gross Income: \$25,000  
Less dependent deduction: \$ 480  
Adjusted HH Income: \$24,520

## Conventional Loan Program

**Qualifies for a loan of \$76,000**

P&I @ Note Rate 4.5%: \$385.08

Escrow: \$233.33

Monthly payment: \$618.41

There is  
another  
option!



## Rural Development 502 Direct Loan Program

**Qualifies for a loan of \$125,000**

P&I @ Note Rate 3.75%: \$550.69

Payment Assistance: -\$179.97

P&I @ 1%: \$370.72

Escrow: \$233.33

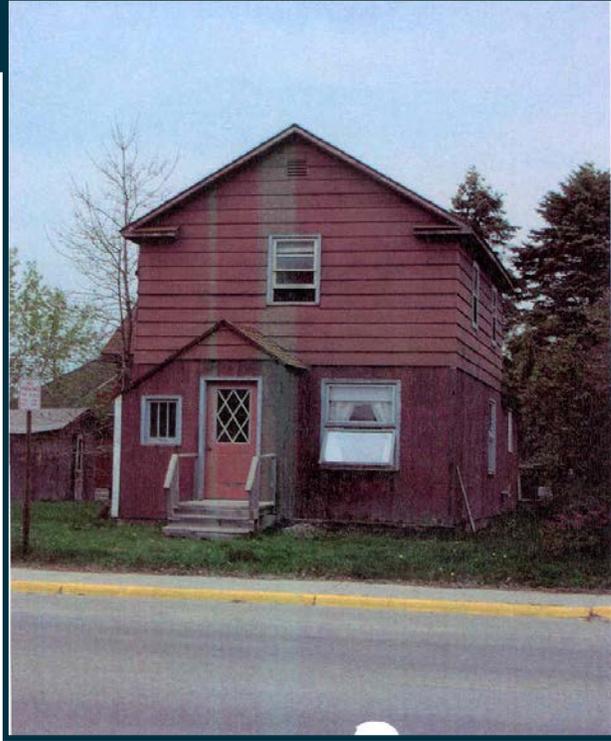
**Monthly RD payment: \$604.05**

Higher loan affordability, same payment. The family is able to find a home to fit the need of their household.

# Section 504 Loan and Grant (home repair)

- Eligible applicants: Very-low income homeowners, age 62+ may be eligible for a grant to address health and safety repairs and/or accessibility
- Property: Owner-occupied home in need of repairs and in eligible rural area
- Loan/grant: Max loan amount is \$20,000, interest rate is 1%; max lifetime grant is \$7,500; total assistance max is \$27,500, but can be combined with other funding sources
- Direct 502 and 504 apps are filed with local RD office

# Section 504 Success Story



Before



After

Funding: RD Direct 504 Loan of \$19,660 with a monthly Payment of \$ 90.42

Improvements: siding, windows, and roof

## Section 502 Guaranteed Loan (purchase)

- Eligible applicants: Low- and moderate-income households (up to 115% AMI)
- Property: No maximum purchase price, can be new construction or existing homes, can finance repairs, property located in eligible rural area
- Loan: Up to 100% of appraised value, 30-year term with fixed rate
- Apply through participating lender

# Helpful SFH Websites

## **SFH Eligibility Assessment:**

<https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=assessmentType>

## **Property eligibility:**

<https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=sfpd>

## **Minnesota RD's Single-Family Website (includes map with RD offices):**

<http://www.rd.usda.gov/MN>

# Section 515 Multi-Family Housing

- Provides decent, safe and affordable rental housing in rural areas for very-low and low-income tenants.
- Approx 10,000 units statewide, but no new units being built—focus now is on preservation
- About 2/3 of tenants receive rental assistance (average household income of \$11,500)
- Challenges: Aging properties/physical condition, prepayments, maturing mortgages, weak markets, ownership issues

# Section 515 Multi-Family Housing

- Preservation goals
  - Identify developers and govt agencies to acquire/rehab RD 515 properties that would otherwise leave the program due to prepayment or maturing mortgages—TA available from MN Housing Partnership
  - Work with partners to identify additional resources for RD 515 rehab (either for current owners or those willing to acquire)
  - Simplify the process to transfer ownership

# Strengthening Rural Communities

Providing Resources Through Technical Assistance



MHP is an equal opportunity  
assistance provider



# Community Development

- We **build communities' capacities** to attract and utilize resources to address their own challenges.
- We assist communities in **navigating** and complying with complex federal programs.
- We **connect** communities to resources — and cultivate collaboration — to turn their aspirations into action.
- We emphasize assistance in **rural and American Indian communities.**



# Three Models of Assistance

- Institute Model
- Direct Technical Assistance
- Consulting



# Examples of what our TA can assist your community with:

- Development and New Construction
- Rehab and Preservation
- Funding Access
- Program Compliance
- CDC or CHDO Designation
- Planning and Mapping
- Assistance with 515 Transfer
- RAD Conversion
- Adaptive Re-Use



... and more!



# Grand Rapids

- Helped secure funding for county-wide housing Study
- Built capacity to attract multi-family developer via an RFP
- Assisted with funding applications including MHFA's Re-entry Assistance Initiative Pilot Program



# New Ulm

- Partnered to complete Housing Study, White Paper, FHLB App
- Assisted identification of development opportunities
- Assisted with transition to project-based housing vouchers for historic high school adaptive re-use
- Helped design regional housing resource website



# New Ulm



# Grand Portage Band of Chippewa

- Helped to address a lack of food sovereignty
- Assisted development of comprehensive grant proposal, and secured \$25,000 in funding
- Provided additional training on economic development





- Assisted the city in securing an FHLB grant to rehab 20 affordable units through Owner-Occupied Rehab Program
- Helped to secure partners for Homebuyer Education Program
- Collaborated on Housing Development Took-Kit for future housing development



# Lower Sioux Community of Minnesota

- Assisting with Design and Development of affordable homes
- Collaboratively determining feasibility of Industrial Hemp Construction and the production of hemp building material as an economic driver



# Apply For Technical Assistance

- MHP selects beneficiaries based on set criteria found on our [website](#).
- MHP will begin accepting new applications in **February of 2020**. Reach out to MHP for access, or click [HERE](#)





# Connect with MHP!

Website: [mhponline.org](http://mhponline.org)

Twitter: @followMHP

Facebook: [facebook.com/mnhousingpartnership](https://facebook.com/mnhousingpartnership)



**Warren Kramer**

Community Development Director

651-925-5542

[warren.kramer@mhonline.org](mailto:warren.kramer@mhonline.org)



# Small Cities Development Program Overview

# Small Cities Development Program(SCDP)

Small Cities Development Program (SCDP) helps cities and counties with funding for housing, public infrastructure and commercial rehabilitation projects.

Funds are provided by the U.S. Department of Housing and Urban Development (HUD) for the benefit of eligible non-entitlement local units of government (cities and counties).

Project selection is through a competitive application process to support a variety of community development needs.

# Eligible Applicants

- Cities with fewer than 50,000 residents
  - Cities can apply on behalf of HRA's
- Counties with fewer than 200,000 residents

Entitlement funded areas receive funding directly from HUD

- Cities: Bloomington, Coon Rapids, Duluth, Eden Prairie, Minneapolis, Minnetonka, Moorhead, Plymouth, Rochester, St. Cloud, St. Paul, and Woodbury
- Counties: Anoka, Dakota, Hennepin, Ramsey, St. Louis, and Washington

# Eligible Activities

- Owner Occupied Housing Rehabilitation
- Rental Housing Rehabilitation
- Commercial Rehabilitation
- Public Facilities
  - Water and wastewater
  - Streetscape and aesthetics
- Community Centers

# Owner Occupied Housing – Rehabilitation

- Rehabilitation of substandard residential homes owned and occupied by low and moderate income households to standard condition
- Projects must meet HUD's Housing Quality Standards resolving health and safety issues
- Maximum of \$25,000 available per unit
- Deferred loan terms – minimum of 7 years
- Lead-based paint
- Energy efficiency
- ADA projects

# Rental Housing Rehabilitation

- Rehabilitation of substandard residential rental units to standard, must meet HUD's Housing Quality Standards
- Housing stock is completely or primarily occupied by low and moderate income households at “affordable rents.”
  - Affordable rents cannot exceed HUD's section 8 fair market rents but can vary depending on the community
- Single family rental - max \$25,000 per unit
- Multi-family and duplexes - max \$12,500 per unit
- Deferred loan term – 5 year minimum
- SCDP maximum 70% of project costs

# Rental Housing Rehabilitation

- Lead-based paint
- Energy efficiency
- ADA projects

# Commercial

- \$40,000 SCDP maximum per building
- SCDP deferred loan terms 5 years minimum
- SCDP maximum 70% of project costs
- Improvement of slum and blight
- Code violations
- Energy efficiency
- ADA projects

# Competitive Annual Application

## Two step Process

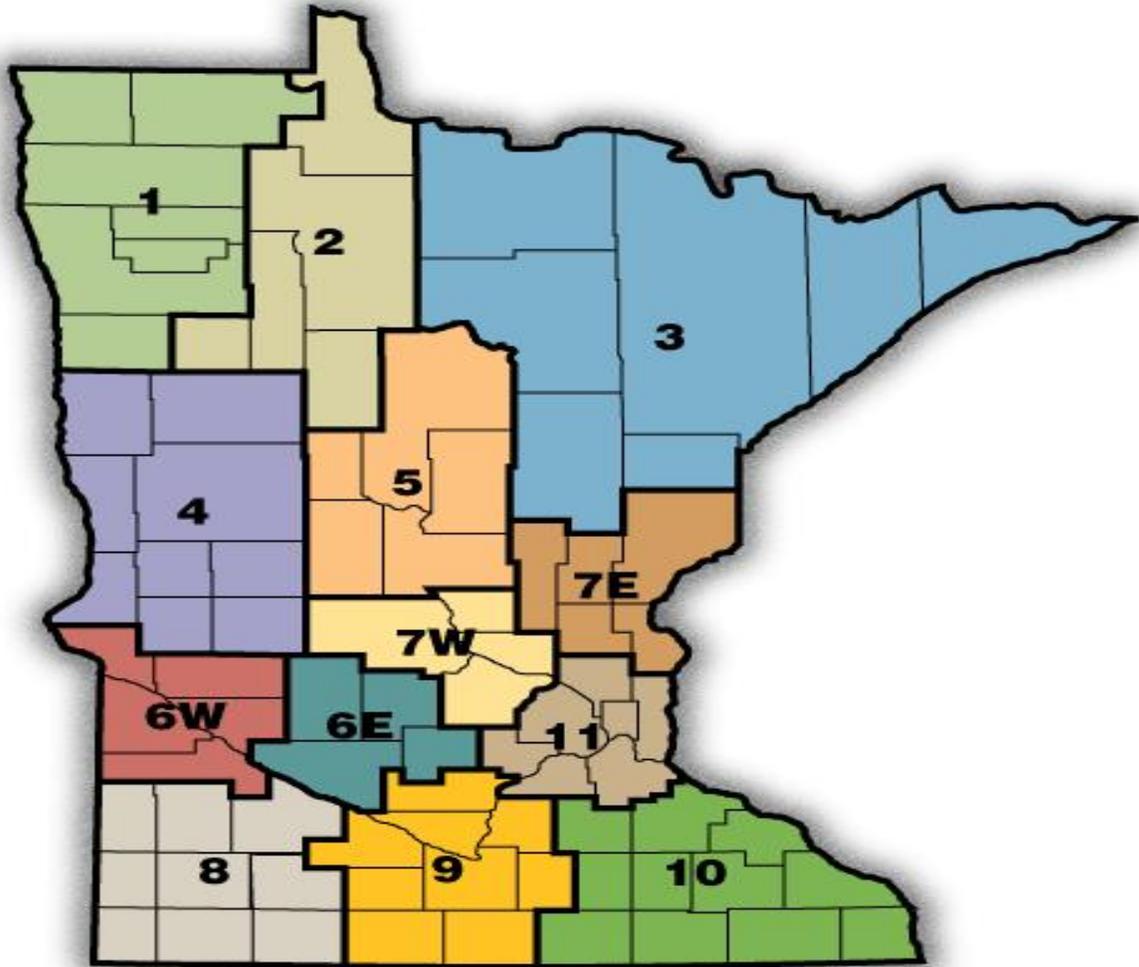
- Preliminary proposals due November 15<sup>th</sup>
- Full applications are due mid/late February

<http://mn.gov/deed/government/financial-assistance/community-funding/>

# Questions

Thank you!

# Small Cities Regional Representatives



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