

Alexandria Housing Dialogue Notes

May 12, 2015

Strengthening Communities through Single/Multifamily Housing Rehabilitation

Any landowners of mobile home park to fix up or stabilize

Willmar example

HRA/bank bringing in newer homes

- 15-20 year loans
- All in cost \$675 a month

RD will loan on new manufactured homes

St. Peter Park – city trying to buy out

- Lots of language barriers

RRDL

Aimed at smaller mom and pop owners

Missing on smaller units (1-4 units)

Program changer

- Streamlining
- Some forgivable money

Administrators or projects

20 unit LIHTC – better to apply to agency or Clay? Go through the administrator.

Can there be more administrators?

Income restrictions in rehab loan program? We run out of money every year.

Older apartment stock of RD buildings – which projects to invest in.

Layered funding product to maximize impact*

- By leveraging and targeting funds

*Delivery system – local organizations are not participating in programs

Streamlining rental rehab – speed up process

Front end – homeowner qualification and building qualifying

Best impact without spreading too thin

Limited resources and the amount of money to rehab versus build new

Small scale rental programs

Rehab loan up to 30%

Impact fund up to 115% deferred loan

DEED other limits and forgivable

Need to work with these programs together

Can you blend them?

- RD grants for over 65 health and safety

Unmotivated homeowners – don't want debt but need repairs

Agencies

Agencies clearly communicate programs and how they work and fit together

How do you do more with less?

Thinking about pipeline resources in the future?

Local

Commitment to be a part of the process but each community needs to have leaders

- West Central communities need to figure out their role and resources

City of Alexandria is close to taking a lead

Blighted Neighborhoods

Focused on specific areas

- Building better neighborhoods
 - It needs someone to be the leader or champion – people are afraid to even own homes
 - There are homes that are too small for the market

Walk away from 25-30% of houses in weatherization programs

- Cannot work on homes with vermiculite
- Some mold/moisture issues

Connections on the rehab loan program

Targeting – could you target homes that other programs cannot touch (2500-5000 per home)

- DEED
- Impact Fund

Are there people to do the work?

Community Fix Up Fund

- Impact fund write down of interest rate in target area

Manufactured house parks

- Impact fund
- Rehab loan

Primary Issues or Challenges

Funding

Acquiring properties

Great programs – getting the word out and money out the door

Lots of vacancies mean can't access funds

Who qualifies for the programs?

Hard to qualify borrowers

Finding models for SF rehab programs

Getting real data for assessing needs

Keeping neighborhoods safe – mix of housing

Older homes falling apart – out of town owners

Cost prohibitive to fix homes

People flipped of value

Affordable Rental Housing for a Growing Workforce

Challenges

More discussion about the word Affordable Housing – start using workforce housing – low – moderate income

Douglas County – high house prices- competitive disadvantage

Growing population spending more than 30% on rental housing

Cost of building housing

Lack of builders – carpenters, etc.

Housing for families

U of MN Morris – language issues

S&D – too much D not enough S

Alexandria 30% more expensive than Willmar

Villard – less than 300 people, good businesses struggling to hire, small city grants – remodel 16 homes

New Housing Needs: Workforce & Other

Affordable/subsidized – low income

Workforce Housing – low to moderate income/higher income

In Morris there is an employer who is interested in

- Housing authority – buy/demolish
- Employer build – new house – land prep and landscaping
 - Any capacity issue with this prohibited funding

Lender will look for an accountable partner

Challenges

House - \$160,000 - \$1,600/month

Hard for families to afford on one income

What income level are you trying to reach?

Low income don't have the upfront money

In Morris lots of \$250-400,000 houses

Elderly people leaving

\$50-60,000 houses snapped up as rental

Coaches – stay in dorm while searching for a place suitable – makes \$70,000

Takes spouse a while to find a job

Characteristics of housing that people want

See for sale signs up but homes not selling

Morris/Alex long commutes – some people don't want to live in Morris – want to live by Lake or by Walmart

1st Stop Quantify

Very difficult to get to the evidence

- F6
- Survey

Who do you ask the questions to?

Small town study on senior preferences

Senior choices, health, economic challenges

SWMHP covers 18 counties

Value gap – gap between cost to ROR

Regional Market study – who is right person? Did RFP Morris – county wide

Regional seems difficult to get buy in for one study – need specific info for our area for funding

Regional development organization?

Who do you want the users to be?

Consumer view of study is the developers have a very narrow focus

WCCA 150-170,000 not quite affordable

- Too low for Buy Up
- Too high for FTHB

D.W. Jones – 24 units

- \$160,000 to build income based rentals
- taxpayers paying a lot
- not a good mechanism

Finite amount of tax credits

Who are we trying to reach? 30,000?, 60,000?

Need statistics to know – none of us can provide it

DEED – average starting wages

- 95% of wages of all with statewide income limits

Needs – Rental

Opportunity

- Housing Developers/Communities – look at higher income people

Harder to produce low income housing

Tight credit – can't get money

600-1,100 no vacancy problems

\$160,000 houses – 2 vacant

Millennials don't want to buy a house and can't find rentals in their price range

Know what people are looking for – rent a home

Rent \$800-1100 + utilities

- Turn down two people a day that can only afford \$400

Quite a few new apartments in Alex rent for \$1,000 – 41,200 a month

790 units in last 10 years market rate, Ind living, housing with services

1-2 bedrooms with occasionally 3 (36-63 units)

Challenges

Higher density housing not near jobs, child care, groceries

House to daycare to job – 1 hour commute

In Morris – no new buildings – building assisted living

Elementary school property

Tax credit app for next year

Local Contributions

How do you engage employers?

Can GMHF help? Yes

Business connections

We need employers contribution to be competitive

Capital Contributions

- Master lease some units
- Down payment assistance
- Employer will be the investor buying credits

TIF on 5 apartment buildings

- TIF not popular with the community
- Apartments don't create jobs
- Apartments can keep jobs

Summary

- Housing studies – Ind to regional
- Not meeting needs of buyers
- Success to projects in works
- Houses turning rental
- House-daycare-job
- Value gap/afford gap (150,000-170,000 NC to Rehab)
- Type of housing for millennials
- Need family houses/rentals 2-3+
- Alexandria – new apartments 1-2 some 3
- Morris – no new apartments