

Willmar Housing Dialogue

April 30, 2015

Supportive Housing

Opportunities

For those with means, have large portfolio to choose from
“Silver Tsunami”

- Wanting to stay in housing, but no money
- Wanting to stay in community, but no options

If you give families opportunities (i.e. Westwind) they take great pride, want to maintain
Faith communities/lease hotel = acceptable models

Homeless task force

Build off positive momentum of Westwind

Some transitions housing for re-entry

Modular housing/tiny house

Challenges

State programs cost too much to run (not worth it)

Loan terms not great fit with emerging market (seniors)

Lack of coordination on funding side

MI/CD

Family homelessness (extended families)

NIMBY/Perception

Credit/Criminal

Huge volume of single parent families

Too narrow bond to target

What's Next

How to make funds more flexible

Another Westwind project

Address re-entry (especially with families)

Address large family needs

Housing Needs of Diverse Communities

Challenges

Larger families (7 bedroom Habitat home)

New immigrants

- Basic knowledge/understanding of new surroundings
- Large families
- Rents go up as vacancies go down

Trust

Credit

- Lack of credit
- Bad credit

Shortage of starter homes

Education – Home ownership is possible

Next Steps

Housing resource guide for CAPS

Get to credit issues before mistakes

- High school?

Help local lenders understand how to finance land trust homes

Educate trusted leaders (not people with a title) and help them with word of mouth

Build a list and arm them with information

Having a bridge is good, being a bridge is better – people want to work with people who look like them

Alternative to interest financing

Explore non-traditional credit options

- Phone bill history

Help immigrants become homeowners

- Think about the added benefit of putting down roots – long-term success of community

Strengthen link between new immigrant families and organizations who may help them with housing down the line

Train trusted advisors

- Housing 101

New construction of starter homes and acquisition/rehab

Participate in Willmar Community Expo

Explore Employer Contributions to local down payment assistance pool

- Funding
- Time
- Space

Credit fix/counseling

Workforce Housing

What are challenges?

Attract capital

Has to define workforce housing – entry level to executive

How to develop plan – community buy in

Economies of scale – small projects are hard

Can we aggregate smaller scattered sites

Managing scattered sites

Range of types of housing available and needed “continuum of need”

Community support and opposition

Cost of construction

Land availability

Subsidy availability

Private sector involvement

Infrastructure costs

- Community Support
- Capacity of systems

What's working?

Use local capital – all resources at table

City involvement – EDA involvement

Local stakeholders

Community development group involvement

Transparency to community

Master lease by employer

Owner occupied

Language to employees “return on investments” not “give us capital”

- Make it easier for employees - no headaches

Creative thinking

Employer involvement

- Involve the “nay sayers”

Creative construction options

Employer support for workforce to help with barriers to renting/housing/creative selection criteria

Renovate existing

What’s not?

Cost containment options

- Labor and materials

Investor requirements can be challenging

Challenge with naturally affordable housing – financing for rehab is difficult

Local regulations to make ownership more palatable

- Example – utility bills fall to landlord

Building codes – increasing costs per project – can someone share burden of cost?

Appraisal issues on SF and MF side

- Have to offset risk to investor too?
- Lack of comps

Risk mitigation fees – testing, reporting, reserves

Can investors/lenders rely on a housing study or other third party reports?

- Additional guarantors
- From employer

Can all financial partners use same reports

- Need to push rents

Employer guaranty on financing – a percentage?

Land deals – city investment

Funds other than LIHR-MF?

- Additional capital players in market?

What else needs to happen to address issue?

Housing study

Plan based on results

Invest as able – housing, infrastructure

Local tax to raise funds to further plan – housing trust fund

Next steps?

Keep interested parties informed and at the table

- Anyone and everyone from community – different perspectives
- Screening committee – broader groups