



**HOUSING COMMISSION  
CITY OF BROOKLYN CENTER  
REGULAR MEETING  
October 15, 2024**

*Optional public access to the Webex meeting is below:*

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*Meeting Number (Access Code): 2630 075 2215*

*Passcode: Bd9pM2U4J2s*

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- 1. Call to Order — 7 p.m.**
- 2. Roll Call**
- 3. Approval of Agenda**
  - a. Motion to Approve Regular Meeting Agenda for October 15, 2024
- 4. Approval of Meeting Minutes**
  - a. Motion to Approve September 17, 2024 Meeting Minutes
- 5. Housing Commission Questions**
  - a. Feedback from Previous Meeting
  - b. Examples of Local Housing Trust Funds
    - i. Bloomington
    - ii. Minneapolis
    - iii. Swift County
- 6. Opportunity Site Master Plan**
- 7. City Council Liaison's Report**
- 8. Other Business**
  - a. Novembers Meeting: Revisit Housing Trust Fund
  - b. Future Discussion: SWOT Analysis
- 9. Adjournment**

MINUTES OF THE PROCEEDINGS OF THE HOUSING COMMISSION OF THE  
CITY OF BROOKLYN CENTER IN THE  
COUNTY OF HENNEPIN AND STATE OF MINNESOTA

REGULAR SESSION  
SEPTEMBER 17, 2024

**CALL TO ORDER**

The Brooklyn Center Housing Commission was called to order by Chair Enger at 7:08 p.m.

**MEETING ATTENDEES**

Chair Gretchen Enger  
Vice Chair Florence Williams  
Commissioner Laura Freund  
Commissioner Natalie O'Connor  
Commissioner Alyssa Kuglin

Commissioner Elizabeth Riel was absent and excused.

City Staff present: Associate Planner Krystin Eldridge and Economic Development Manager Ian Alexander

Also present: Breanne Rothstein, CEO of Thrive Consulting

**APPROVAL OF AGENDA**

There was a motion by Commissioner Freund and seconded by Commissioner O'Connor to approve the agenda as submitted. The motion passed.

**APPROVAL OF MEETING MINUTES**

There was a motion by Commissioner Freund and seconded by Commissioner O'Connor to approve the April 16, 2024 minutes with amendments. The motion passed.

**HOUSING COMMISSION BYLAWS**

Associate Planner Krystin Eldridge explained the Bylaws are in the meetings packet for the commissioners to review as to inform them of the role of the Housing Commission. Ms. Eldridge expounded on the listed bylaws and how they are approved. The bylaws for how someone is added, removed can be reviewed.

Chair Enger mentioned City Council will be reviewing bylaws for all commissions in the coming months. Chair Enger asked if the Code of Conduct will be added to the bylaws.

Ms. Eldridge stated it is only policy and will probably not be added to the bylaws.

Commissioner Williams asked what the blue highlights in the bylaws mean. Ms. Eldridge tried to highlight the pieces that may be important however it would be wise to read the bylaws to reference history and to learn which bylaws have been removed and learn what is important.

**AFFORDABLE HOUSING TRUST FUND PRESENTATION – THRIVE, LLC – BREANNE ROTHSTEIN**

Breanne Rothstein, CEO of Thrive Consulting, LLC

Ms. Rothstein explained in 2021, the State legislature approve funding match for the creation of Local Housing Trust Funds. The Local Housing Trust Fund is a policy in the form of an ordinance. Based on a recommendation from the Housing Commission, it would be the responsibility of the Council to adopt the ordinance. It isn't so much a fund as a separate bucket for dedicating resources to housing. The Fund can be used for multiple types of housing. Participation is a statement about a city's commitment to housing to inspire contributions. Once money is in the Trust Fund, it must be used on housing efforts.

Ms. Rothstein noted a city could create a fund at anytime. The program is of interest now because Minnesota will match local contributions. The match is one-to-one for the first \$150,000 and increases the match for funds and a one to two match up to \$300,000. \$150,000 plus 50% up to \$300,000. The funding is subject to availability. The match must be to a new public revenue.

Ms. Rothstein stated fund can only be for eligible expenses for households at or below 115 percent of the State Median Income. The income would be around \$75,000 to \$100,000. The funds must be used within five years. The fund may be used for development, rehabilitation or financing of housing development, down payment assistance, rental assistance, and homebuyer counseling. Also, up to ten percent may be used for administrative or staff expenses.

Ms. Rothstein pointed out funding source will have its own set of requirements for spending, eligibility, and affordability levels. In addition to the Housing and Redevelopment Authority (HRA) levy and Local Affordable Housing Aid (LAHA) from the sales tax, private donations, Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Tax Increment Financing (TIF), and loan proceeds are other potential sources of funding for a local housing trust fund. Ultimately, the Fund is extremely flexible.

Chair Enger asked what must be used by households at or below at 115% of State Median Income mean.

Ms. Rothstein explained households that benefit from the Housing Trust Fund cannot earn no more than 115% of the State Median Income, which is around 75 thousand per year for Brooklyn Center but is only an educated guess.

Ms. Rothstein explained new housing would have to benefit similar households. Each funding source will have different requirements and the list of eligible sources include HRA Levy, Affordable Housing Aid (Sales Tax in the 7- county metro -direct check), private donations to the City, generous employers maybe for potential employees.

Ms. Eldridge noted each packet includes a copy of the proposed Ordinance.

Chair Enger asked who administers a fund. Ms. Rothstein stated the State of Minnesota will oversee the program, but it is the responsibility of each City for administration. It would be handled similarly to TIF.

Ms. Eldridge added Brooklyn Center contracts with Ehlers for TIF administration and may be used to set up the Housing Trust Fund and help City Staff with some administration.

Chair Enger asked how were the funds reported.

Ms. Rothstein stated there would be an application process for a city to participate in the program to show they have adopted an ordinance. The State will write the City a check and the City is required to show how it met the program after the fact. It will be incumbent upon the City to have the proof of how the funds were spent. The State is really overwhelmed with housing funding and programming.

Chair Enger asked how a city determines what the funds are used for and if it will be used for market rate and affordable housing. Ms. Rothstein stated the funds can be used for any housing type. Any restrictions related to affordability depends on what entities contribute to the fund. For example, the matching program from the State has a household income threshold. Most of them will have affordability requirements, but it will depend on the source of the funds.

Chair Enger asked if the Fund will be stable in light of budgetary and inflation issues. Ms. Rothstein stated the Fund would be unstable. The resources could be added to existing housing programs. The State could stop funding the program at any time. Ms. Rothstein stated it would be a stable fund, it is not meant to fund the general fund, this is meant to add the resources to your program. This is one-time funding essentially but could buffer the other funding you already have or will receive.

Chair Enger asked if the Local Housing Trust Fund would have to wait to start until 2026 because of the budget cycle. Ms. Rothstein stated a City could begin collecting money once an ordinance is passed. City Council could make a budget amendment or just wait until a fresh budget cycle to incorporate the Trust Fund.

Ms. Eldridge pointed out the City has programs to support down payment assistance and home rehabilitation. Homebuyer counseling is outsourced to local organizations. The Local Housing Trust Fund would entice developers to build in Brooklyn Center.

Ms. Rothstein added she and Economic Development Manager Ian Alexander have discussed the potential of soliciting funds from donor sources. The Housing Commission can also make recommendations to the Council on how to spend the money.

Chair Enger asked if the funds would be committed to Brooklyn Center's most pressing housing needs. She asked if the Fund would benefit the Opportunity Site. Ms. Eldridge stated it wouldn't benefit the Opportunity Site, but it would support ongoing rehabilitation efforts. At different times, the City has different needs. For example, there was a high need for rental assistance in previous years.

Commissioner O'Connor asked what the priorities of Brooklyn Center are in terms of housing.

Commissioner Williams asked how the Local Housing Trust Fund would benefit the residents of Brooklyn Center. Resident-facing programming such as rental assistance or homebuyer counseling would be an obvious benefit. However, she is a homeowner, and she is drowning in taxes. The tax burden on residents is constantly increasing.

Chair Enger added Brooklyn Center has one of the highest tax rates in the Metro.

Commissioner O'Connor noted some residents with older roofs can't even get insurance.

Chair Enger stated there are income eligibility requirements for local programs along with waiting lists. Ms. Eldridge stated the Center for Energy and Environment (CEE) administer local housing programs, and they have income eligibility requirements.

Chair Enger explained she has asked Community Development Director Jesse Anderson for statistics on the amount of affordable housing in the City. There needs to be a shift toward market-rate housing to increase Brooklyn Center's tax capacity.

Commissioner Williams stated there are various beliefs regarding affordable housing because of what it brings to the City.

Chair Enger added affordable housing is a Catch 22 because of the varying definitions of affordability. Ms. Eldridge stated the Federal definition of affordable housing refers to housing for folks at or below 30 percent of the Area Median Income (AMI).

Chair Enger pointed out Brooklyn Center is the poorest City in the Metro area.

Ms. Rothstein stated the Local Housing Trust Fund could support developers that may have a funding gap. The Fund isn't large enough to fill large gaps, so it tends to make more sense to put the money towards existing programs.

Chair Enger asked if the City has down payment assistance programming. Ms. Eldridge confirmed Brooklyn Center has a program to support down payment assistance, but it is rather restrictive. Recipients must currently live or own a business in Brooklyn Center to be eligible.

Commissioner O'Connor stated the housing market isn't allowing people to move anyways.

Commissioner Williams explained she doesn't want to be part of a community that casts people out for living differently than others. Hopefully, new developments will bring new tenants. The City needs to focus on programs that directly benefit residents.

Commissioner O'Connor agreed Brooklyn Center needs to support and uplift current residents.

Chair Enger asked what coordination efforts with local organizations are being considered by

Brooklyn Center. Ms. Eldridge explained there hasn't been much discussion about new coordination efforts with local organizations.

Ms. Rothstein pointed out the Local Housing Trust Fund is a first step toward more partnerships. The City can seek out donations from nonprofits and foundations that would be matched by the State should Brooklyn Center apply and be accepted to the matching program.

Chair Enger asked if there is a guarantee to receive matching funds. Ms. Rothstein stated there is no guarantee to receive a match from the State. Because the program is brand new, it is hard to say how many municipalities will apply for it. However, having the program in place without receiving any matches doesn't have any downsides.

Commissioner O'Connor asked if there is a program in existence that they could tap into. Ms. Rothstein explained the fund's concept is relatively new and has only been an option for about ten years. Its creation was likely due to public and private collaboration, to allow a fund for private donations. There aren't any income restrictions in the Statute. Minneapolis has a huge Affordable Housing Trust Fund and puts most of their CDBG money there.

Chair Enger asked which Statute allows for the Fund. Ms. Rothstein stated Minnesota State 462C.16 is for Local Housing Trust Funds for Local Housing Development allows for local governments to make a Local Housing Trust Fund.

Commissioner O'Conner asked if 115 percent State Median Income restriction would require all funds in the Local Housing Trust Fund be used for lower-income housing. Ms. Rothstein stated the income restriction is only for funds received from the State's matching program. Other funding sources don't necessarily have income restrictions.

Commissioner Williams asked if the Housing Commission has any responsibilities beyond recommending the Council approve the Ordinance. Ms. Eldridge stated the Commission only needs to make a recommendation unless the Council asks more of the Commission.

Chair Enger agreed the Commission is only being asked to make a recommendation. Commissioner Williams stated just because Chair Enger knows the Statutes, that doesn't make her smarter. Chair Enger stated she only answered a question. Commissioner Williams stated that she felt irritated.

Chair Enger asked if the Housing Commission would usually need direction from the Council to consider something like the Local Housing Trust Fund. Ms. Eldridge stated the Council would come through the Housing Commission first because the item is related to housing.

Commissioner O'Conner asked if there are any cons to the Fund. Ms. Rothstein stated a downside could be an administrative burden handling the various funding restrictions. If there are multiple funding sources, and handling various proposals, and yearly budgeting and reporting it will be a con. However, if there isn't any money received, then there wouldn't be an administrative burden. There would also need to be budget discussions each year for allocating the funds.

Chair Enger noted her research on the item pointed out the same potential cons.

Commissioner O'Conner asked if the City has the capacity to handle a Local Housing Trust Fund. She asked if someone has the ability to approach people for financing. Who will manage this program.

Commissioner Williams stated the proposal is lacking information and details for the Commission to thoroughly consider the program. The Commission does not know what they are approving, it only tells you what the City wants to do, but there is no more information.

Ms. Eldridge stated should the Local Housing Trust Fund be approved by the Council, it would be the Council's role to determine how to administer the program. It could be contracted out to someone who is already doing similar work for the City and then reviewed later as possible responsibility for a current or new City employee.

Chair Enger if we pass the motion it goes to City Council, Ian would present this to Council and then it would become an ordinance.

Ms. Rothstein added the Ordinance is rather short in comparison to others, so it is simple to review. Commissioner Williams stated it won't stay simple. The funding sources are discretionary and up to City Council how they pursue programming. Ms. Rothstein stated Mr. Alexander is interested in pursuing additional funding sources outside of the City to keep tax base stable or better as part of his role as Economic Development Manager.

Commissioner Kugler asked if the local contribution has to be provided by the City. Ms. Rothstein stated the match needs to be provided by the City. However, metro sales tax dollars can be used for the match. Which is a new sales tax

Commissioner O'Conner stated there is still a need to determine how the City will use the sales tax dollars.

Commissioner O'Conner asked Ms. Rothstein for more information on her background and how she got connected with Brooklyn Center. Ms. Rothstein explained she was hired by Mr. Alexander to help secure external funding sources. Many cities are interested or already doing this in the program because of the matching opportunity. The money has been allocated, the program guide is available to the public, and the Statute is in place. Everything is ready except for the application, we want to get ahead of it.

Commissioner Williams stated Ms. Rothstein is trying to create a plan to show Brooklyn Center what they can be done with the money received.

Commissioner O'Conner stated Mr. Alexander approached Ms. Rothstein.

Commissioner Williams asked what Mr. Alexander thinks about the state of Brooklyn Center. Mr. Alexander stated there is a lot that needs to be done. He looks forward to meeting the Commissioners individually. Brooklyn Center has a great opportunity in the next two years to set

up unique funding and development opportunities. He hopes to increase the tax base in the City among other things.

Commissioner O'Conner stated the Housing Commission will likely be involved in allocating the funds. Ms. Eldridge explained the Council oversees the allocation but may make requests of the Commission.

Mr. Alexander noted the Housing Commission can be much more substantial role in Brooklyn Center, and he hopes to bolster the role and advance housing options in the City.

Chair Enger stated in her two years on the Commission, the Council has only made one request of the Commission, which was to review the rental licenses. They can work with their Liaison to bring things to Council.

Ms. Eldridge stated the Commission's City Council Liaison is Councilmember Kris Lawrence-Anderson. She speaks with Chair Enger regularly.

Chair Enger noted she takes pause with the comment that the proposed Ordinance is simple to Commissioner Williams point. The Commission doesn't seem to have much information. All of the funding sources have requirements the Commission is unaware of. She stated she wants to be more educated on the topic. They don't want to paint themselves into a corner. She asked what the most pressing issues at hand and how they are determined which issues are important. There needs to be a balance because there are no guarantees.

Commissioner O'Conner stated the Commission is just being asked to recommend approval of a framework. Commissioner Williams asked what Commissioner O'Connor knows about the framework. Commissioner O'Connor stated the framework seems flexible with a lot of options.

Commissioner Williams asked what the options are. Commissioner O'Connor stated the pool format allows for many options for the funds. Commissioner Williams asked where the money is coming from. Commissioner O'Connor stated they need to find the money. They need to have somewhere to put the money before they obtain it.

Commissioner Williams stated she has some issues with the proposal. Ms. Rothstein has to show what she can do with the money, but she hasn't shown the Commission what she will do. There aren't clear eligibility requirements.

Ms. Eldridge asked if the Commission would like information on how other cities are using the funds. Commissioner Williams stated that should have already been done.

Ms. Rothstein asked if the recommendation for approval included a condition for the Commission to be involved in its applications and allocations, would they be interested in moving it forward. The Council can choose to honor the condition.

Commissioner Williams asked what the timeline requirements are. Ms. Rothstein stated a city needs to have a fund established to apply for the match program. The match program isn't open



to applications yet, and there isn't a date set for its opening. Other sources would be money through the regional sales tax. The City might have TIF moneys or other sources. The State's matching program has strings. The matching program requires the fund, but if the Commission isn't comfortable with the strings, then there isn't a time constraint as a Local Housing Trust Fund can be created at any time. The other funding sources that could benefit from the trust fund. T

Commissioner O'Connor asked if the Legislature is considering other housing items that would involve a timeline. Ms. Rothstein pointed out the State has shown more commitment to housing in recent Legislative sessions than in her career. The funding can change depending on politics or as other priorities may arise. The Federal election also may impact housing funds or programs available.

Chair Enger asked where housing falls on the list of priorities. Ms. Eldridge stated the City hasn't been seeing a ton of issues with tenants. However, there is a lot of dilapidated homes in the City. The City receives a lot of complaints about Code violations. The homes receiving complaints are primarily rentals.

Commissioner Williams stated there is no investment of the City to the people who own homes in the City, the ones that pay taxes.

Ms. Eldridge stated homeowners are in charge of their own properties. Code enforcement applies to exteriors of homes.

Commissioner O'Connor added Brooklyn Center doesn't have a big rehab program, and the proposed Fund could bolster housing programming.

Ms. Eldridge stated there is a down payment assistance program and home rehabilitation program in the City run through CEE which is a State funded. (1:03:55) Chair Enger pointed out there are restrictions for those programs.

Commissioner O'Connor asked if CEE is known for promoting energy efficiency. Ms. Eldridge confirmed CEE promotes energy efficiency among other things.

Commissioner Williams CEE help with lead, radon abatement and windows. Commission Williams advises someone should be checking the list to see how applicants are being prioritized. There is a reason to apply and imagine being stuck on a list for two years. Ms. Eldridge stated she could look into the details of the application process.

Commissioner O'Connor asked if the Local Housing Trust Fund could be connected with existing programs. Ms. Eldridge stated it depends on the funding sources. The Trust Fund could provide more money for rehabilitation.

Chair Enger pointed out the use of the funds depends on the allocation decisions made by Staff.

Commissioner O'Connor stated it seems like if Brooklyn Center were to receive housing funds, they wouldn't have anywhere to put it. Setting up the fund could act as a foot in the door for future

funding opportunities.

Ms. Rothstein noted once money is put in a Local Housing Trust Fund it can only be used for eligible housing programs only.

Commissioner O'Connor asked if there is a fund that would contribute to development. Ms. Rothstein stated the Local Housing Trust Fund can contribute to development in certain situations.

Commissioner Williams stated the Housing Commission doesn't get to decide how the money will be allocated, who will be eligible to receive funds, or which funds will be sought out. Ms. Rothstein pointed out the Commission can request to be involved in those processes. Commissioner Williams stated just because they request something doesn't mean it will be granted.

Chair Enger asked if the Planning Commission would have more input in a Local Housing Trust Fund. Ms. Eldridge explained no they wouldn't and that the scope of the Planning Commission primarily is to approve applications from developers, business owners, or homeowners for construction projects. The Planning Commission is very restrictive and must follow very strict guidelines. The Housing Commission's role is much more flexible.

Commissioner Williams asked Commissioner Freund and Commissioner Kugler their opinions on the topic.

Commissioner Freund stated it makes sense to set up a Local Housing Trust Fund. It doesn't feel like something she would regret.

Commissioner Kugler noted her it would be beneficial to set it up. During her professional work with Hennepin County, she knows how much is already given out for rental assistance and there is not a lot of assistance for homeowners. During the pandemic the CARES Act was mainly for renters, however renters are important.

Commissioner O'Connor added the Local Housing Trust Fund is flexible. It could be used for rentals or homeownership. The framework would be in place to support a rental assistance program.

Ms. Rothstein pointed out it seems reasonable for the Housing Commission to weigh in on decisions related to a potential Local Housing Trust Fund. It is just a request, but the Commission would take on the heavy-lifting for considerations. So many of the housing sources are new and will require substantial consideration. The Council could say no to those considerations but you could still look at adding it to the recommendation in the motion

Chair Enger stated there aren't currently development assistance or rental assistance programs offered by Brooklyn Center. She asked if the proposed Ordinance requires that the City create programs for development assistance and rental assistance. Ms. Rothstein stated the City does development assistance through TIF and land acquisition. Ms. Eldridge stated the Ordinance lists options for the money rather than prescriptions for the money.

Chair Enger noted she wants the expectations to be clear. She asked if TIF has eligibility requirements. Ms. Eldridge stated TIF can be for housing, retail, commercial or other uses. There are different requirements depending on the type of TIF. Chair Enger asked if the Local Housing Trust Fund would only work with housing TIF. Ms. Eldridge confirmed that was correct.

Commissioner Williams stated the Housing Commission only works on things as directed by the Council. She states things only get places in front of the Commission with but there is no expectation. They review items with minimal information.

Chair Enger noted her agreement with Commissioner Williams' concerns. There isn't enough information to make a decision. The presentation was only a few slides. They don't know if they will receive funds at all, they don't know if they will receive matching funds, and they don't know how other cities are using the funds.

Commissioner Williams stated there should have been research on how other cities are using the funds included in the presented. Ms. Rothstein explained the way it can be used is in Statute. The Statute states the sources and what the funds can be used for. There are only about four or five cities in the region that have implemented such funds because they are so new. Minneapolis is a prolific user of their fund. There is a link provided in the digital packet with more information such as the Statute itself and resources from a housing organization.

Ms. Rothstein asked if the item is passed along to Council even if the Commission doesn't recommend approval. Ms. Eldridge stated she would need to confer with Mr. Anderson to determine next steps.

Ms. Rothstein added Minneapolis uses their fund to store Federal funds. They have different priorities and needs than Brooklyn Center. If Brooklyn Center wants to expand its housing program offerings, this would be the best next step.

Commissioner Williams stated renters come in and out of the community while homeowners are committed to the City. There are also elderly folks to consider. Rental assistance shouldn't be a priority. Why isn't there anything to help the elderly before they go into foreclosure. Renters don't bring anything to the City while homeowners bring monetary value.

Commissioner O'Connor noted the Ordinance doesn't go into that much detail and it not that far along.

Ms. Eldridge explained homebuyer counseling is an option to support homebuyers. Commissioner Williams stated homebuyer counseling doesn't help homeowners. A homeowner already has to be in foreclosure before they receive assistance. Elderly people have a fixed income. Any new money coming into Brooklyn Center needs to help folks like homeowners and elderly who have been holding the community together. People are more than dollar signs.

Ms. Eldridge asked what type of program Commissioner Williams would like to see. Commissioner Williams stated there should be funds to help prevent homeowners from foreclosures or prevention assistance.

Commissioner O'Connor pointed out the proposed Ordinance doesn't include a list of prescriptions for the money but a list of ideas. She stated Commissioner Williams is a few steps ahead of what is being asked of them.

Commissioner Williams stated she is a proactive thinker. The Housing Commission only reviews what the Council wants them to review. She stated she didn't take on the role of Commissioner to play nice and be quiet. Her ideas should be included on the list of ideas. Once the Housing Commission recommends approval or denial, the item is out of their hands. After being on the commission for 3 and half years, this is out of our hands once its approved.

Commissioner O'Connor asked Commissioner Williams if she would support recommending approval of the Ordinance if there was a condition for the Housing Commission to remain involved in the decision-making for the Local Housing Trust Fund down the line.

Chair Enger noted a negative of a fund is the lack of equity and inclusion of ideas in the Ordinance. Commissioner Williams stated she understands the Ordinance includes a list of ideas. However, it doesn't include ideas the community needs the most. She explained she works for the County and regularly sees families that need financial support again and again. People uphold Brooklyn Center, not money. The City needs money, but they need to consider the cost of the money.

Ms. Rothstein pointed out a recommendation of approval could include adding program ideas such as foreclosure prevention or other homeowner resources and services. They would have to check with an attorney to confirm the ideas are in alignment with State Statute, but it appears they would be.

Chair Enger expressed her preference to table the item until more information is provided to the Housing Commission. They should be able to review a revised Ordinance before recommending its approval to the Council. She agreed with Commissioner Williams that the item needs to be worked through more before voting on it.

Commissioner O'Connor asked what else needs to be addressed.

Commissioner Williams pointed out she hasn't been able to read through everything because she has been working.

Chair Enger asked if the ordinance was in the first packet.

Ms. Eldridge stated the first packet sent out didn't include the Statute, but a follow-up email was sent with additional information.

Chair Enger noted the idea sounds nice and all, but there are more questions she would like to research more.

Ms. Rothstein encouraged the Commissioners read the additional information provided in the initial packet. There are local case studies, information on how other cities are using the funds,

and more.

Chair Enger explained the Council will look to how other cities are using the funds. Case studies can be helpful, but Brooklyn Center is its own unique City. These case studies are not apples to apples and is not comfortable deciding bases on other cities.

Commissioner O'Connor asked if the Commission seems concerned about what the Council will do. Chair Enger explained they have more concerns about what the Council will direct Staff to do. If the Housing Commission is going to have a stake in the matter, they need to ensure all of the details are worked out so their desires are accurately understood by the Council.

Commissioner O'Connor asked if there have been issues with how the Council has handled recommendations from the Housing Commission in the past. Chair Enger stated the Council hasn't brought much to the Housing Commission for consideration. The City recently completed a housing study that provided short-, mid-, and long-term goals, but it was unclear which, if any, had been addressed. The Housing Commission regularly receives visits from consultants, but it is unclear how to implement the information thrown at them.

Chair Enger added it has been an issue with the Commission meeting quorum which has consequently stalled meetings. The Commission received a presentation on potential Legislative changes impacting housing, but there weren't any action items on the matter. Ultimately, there has only been one item given to the Housing Commission to review in recent years.

Commissioner O'Connor asked what the goals of the Commission are. Ms. Eldridge pointed out she provided a printed copy of the Bylaws for the Commissioners to review and understand their charge. It is ultimately up to the Housing Commission to choose the direction they want to go.

Ms. Eldridge suggested the Commission asked if they wanted to move forward with the motion.

Commissioner O'Connor stated she would like the Housing Commission to receive answers to their questions at the next meeting. They have been saying the same thing for the last 45 minutes. The Commissioners have expressed interest in doing research on their own time. She asked what questions the Commissioners need to have answered in order to move forward.

Commissioner O'Connor asked if the guy present in the meeting is the City Council Liaison. Ms. Eldridge stated Councilmember Kris Lawrence-Anderson is the City Council Liaison.

Commissioner O'Connor pointed out Councilmember Kris Lawrence-Anderson hasn't attended any of the meetings since she has been on the Commission.

Chair Enger explained she met with Mr. Alexander about his ideas for the City. Part of his role is bringing items to the Housing Commission to review in an effort to be forward-thinking. She hopes the Commission can be more proactive. From there, the Commission can provide input to the Council through Councilmember Kris Lawrence-Anderson.

(1:38:55) \*couldn't hear\*

Chair Enger the meeting was the first time the Housing Commission has had quorum in months. That has been a big part of the challenge. Commissioner Williams mentioned we can't expect anybody to take them seriously if they are not taking it seriously. Once the Commission figures out their role and goals, Commissioners will be more likely to attend regularly.

Commissioner O'Connor pointed out Mr. Alexander wants to meet with each of the Commissioners. Ms. Eldridge stated Mr. Alexander asked her to get availability information from the Commissioners.

Chair Enger stated there needs to be a commitment from the Commissioners to attend the meetings. Everyone has outside lives, but the Commissioners applied to serve and accepted their roles. We can't have conversations if we don't have quorum.

Commissioner O'Connor asked if Councilmember Lawrence-Anderson attends the meetings. unknown stated Councilmember Lawrence-Anderson does not attend the meetings.

Chair Enger asked for an update on the status of the Housing Commission. She asked if there are other Commissioners or if others have left the Commission. Ms. Eldridge stated Lori Best-Deyoe had to step down due to personal issues. Jerry Gayflor moved to Brooklyn Park. Also, Elizabeth Riel declined the meeting. Additionally, Natalie O'Connor and Alyssa Kuglin are new. There should be seven Commissioners, but they only have six currently.

Liaison Ms. Eldridge asked how they wanted to vote for the motion.

Chair Enger motioned to table the consideration of the establishment of the local housing trust fund draft ordinance to the 2024 October Housing Commission Meeting.

Chair Enger noted there has been a request for more information such as how other cities are using their funds. Ms. Eldridge confirmed she would research what other cities are doing.

Ms. Rothstein added there is a request to determine if foreclosure assistance is aligned with the Statute.

Chair Enger pointed out a five-page PowerPoint is merely an outline.

There was a motion by Commissioner Williams and seconded by Commissioner Freund to table the resolution adopting an Ordinance which establishes a Local Housing Trust Fund. The motion passed.

### **CITY COUNCIL LIAISON REPORT**

City Council Liaison Lawrence-Anderson was not present.

**OTHER BUSINESS**

**NEW NEIGHBOR BAGS**

**FUTURE DISCUSSION: SWOT ANALYSIS**

In light of the late hour of 9 o'clock, Chair Enger requested the additional items be moved to the next meeting.

Commissioner O'Connor asked if they can request that Councilmember Lawrence-Anderson attend the meeting. Chair Enger stated they cannot force her to come.

Commissioner Williams stated the Commission will hear from her if there is something she wants them to hear.

Commissioner O'Connor asked if Councilmember Lawrence-Anderson would be open to receiving a phone call. Chair Enger confirmed Councilmember Lawrence-Anderson would take a phone call. There is a roster provided online with contact information for the Commission, though it needs to be updated.

Commissioner O'Connor thanked Ms. Rothstein for attending the meeting.

**ADJOURNMENT**

There was a motion by Commissioner O'Connor and seconded by Commissioner Freund to adjourn the meeting. The motion passed. The Brooklyn Center Housing Commission adjourned at 9:08 p.m.

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Chair Enger

# Hennepin County Rehabilitation Loan Program

## Program Description City of Brooklyn Center

The owners of single-family, owner-occupied properties (including duplexes) may be able to receive housing rehabilitation assistance in the City of Brooklyn Center provided that funds are available and that the household meets eligibility requirements.

The funds are available in the form of a deferred zero percent (0%) loan- no monthly payments – secured by a lien (in the form of a mortgage) against the property for a period of fifteen years. If the property is sold, or title conveyed or transferred, or if the property ceases to be the permanent residence of the borrower, the loan must be repaid.

Households (including everyone living in the home) must have incomes which do not exceed 80% of area median as adjusted for family size (see Table 1 below).

Household Size	80% of area median income
1 person	\$68,500
2 persons	\$78,250
3 persons	\$88,050
4 persons	\$97,800
5 persons	\$105,650
6 persons	\$113,450
7 persons	\$121,300
8 persons	\$129,100

In order to be eligible for assistance, the following criteria must be met.

- Funds have to be available
- All required application materials must be submitted
- Household income must be adequate to support the monthly expenses of the household
- Borrowers must be current on federal income tax payments or be able to demonstrate that they are current on an IRS approved payment schedule
- Borrowers must be current on property tax statements or have entered into a Confession of Judgment with the County and be current on the payment schedule
- Borrowers must own and occupy the home as their principal place of residence and must have a recordable interest in the property (be willing and able to sign the mortgage which will be recorded against the title)
- Borrowers must accept a fifteen-year lien against title to their home



- There should be enough equity in the property so that the CLTV (combined loan to value or the total of all liens and mortgages against the property – including that associated with this loan) does not exceed 95% of the EMV (estimated market value as it appears on the Property Tax Statement)
- If the property is in a flood zone it must be properly insured
- Borrowers must not have an outstanding loan from the City’s rehabilitation loan program

The maximum loan amount is \$30,000 but the actual amount will depend on CLTV and the approved scope of work. Funds are rarely, if ever, paid directly to the Borrower.

Once a Borrower’s eligibility has been determined, staff from Hennepin County will arrange to schedule an appointment to carry out a property inspection to establish, with the help of the Borrower, the improvements and repairs that are eligible and necessary. If the house was built before 1978, an assessment of lead-based paint hazards must also be carried out by Hennepin County staff. A Scope of Work will be prepared, and the homeowner will use the Scope to secure at least two bids for the proposed improvements. A contractor or contractors will be selected, and contracts will be executed by the homeowner and the contractor(s). Whenever a payment is requested, for partial or final completion of work, the homeowner must sign a certificate authorizing payment and the work must be inspected and approved by all appropriate parties. The contractor is paid directly by Hennepin County.

If you have any questions, please call 612-543-4182 or email [rehab@hennepin.us](mailto:rehab@hennepin.us).

*Revised August 2020  
Loan terms are subject to change.*



## Brooklyn Center Program Activity Report 2024

Program	Pool	Total Budget	Activity to Date	Funds Remaining	Jun-24	Jul-24	Aug-24
Interest Subsidy		\$25,176.55	\$25,176.55	\$0.00	\$1,139.61		\$21,063.73
Down Payment Assistance (DPA)		\$50,000.00	\$20,000.00	\$30,000.00			
PROGRAM SUBTOTAL		\$75,176.55	\$45,176.55	\$30,000.00	\$1,139.61	\$0.00	\$21,063.73
Admin	\$/Unit		Activity to Date	Funds Remaining			
Residential Advisor Visit (RAV)	\$ 250	\$4,823.45	\$500.00	\$4,323.45	\$0.00	\$250.00	\$0.00
Annual Admin Fee	\$5,000	\$5,000.00	\$5,000.00	\$0.00			
DPA Origination Fee	\$1,100	\$5,500.00	\$2,200.00	\$3,300.00	\$0.00	\$0.00	\$0.00
ADMIN SUBTOTAL		\$15,323.45	\$5,500.00	\$4,323.45	\$0.00	\$250.00	\$0.00
<b>TOTAL</b>		<b>\$90,500.00</b>	<b>\$50,676.55</b>	<b>\$34,323.45</b>	<b>\$1,139.61</b>	<b>\$250.00</b>	<b>\$21,063.73</b>
# of Discount Loans	6				1		3
# of DPA Loans	2						
# of RAV's	2					1	

City	Year built	Rehab Close Date	Project Total	Project Type
Brooklyn Center	1960	09-Sep-20	\$30,000.00	Regular
Brooklyn Center	1958	16-Oct-20	\$29,950.00	Regular
Brooklyn Center	1958	20-Nov-20	\$29,928.00	Regular
Brooklyn Center	1958	28-May-21	\$13,520.00	Emergency
Brooklyn Center	1951	01-Jul-21	\$24,013.00	Regular
Brooklyn Center	1955	18-Aug-21	\$30,000.00	Regular
Brooklyn Center	1965	13-Sep-21	\$30,000.00	Regular
Brooklyn Center	1895	30-Sep-21	\$20,000.00	Regular
Brooklyn Center	1955	19-Oct-21	\$8,126.63	Emergency
Brooklyn Center	1938	15-Jul-22	\$6,110.00	Emergency
Brooklyn Center	1943	05-Dec-22	\$10,076.10	Emergency
Brooklyn Center	1977	11-May-23	\$29,670.00	Regular
Brooklyn Center	1974	02-Jun-23	\$29,963.00	Regular
Brooklyn Center	1955	20-Jun-23	\$11,083.88	Emergency
Brooklyn Center	1953	30-Jun-23	\$20,800.00	Emergency
Brooklyn Center	1935	25-Jul-23	\$27,688.00	Regular
Brooklyn Center	1980	06-Sep-23	\$29,865.00	Regular
Brooklyn Center	1958	20-Oct-23	\$30,000.00	Regular
Brooklyn Center	1958	15-Nov-23	\$15,000.00	Emergency
Brooklyn Center	1969	13-Dec-23	\$11,722.03	Emergency
Brooklyn Center	1960	29-Dec-23	\$11,997.80	Emergency
Brooklyn Center	1958	30-Jan-24	\$28,458.00	Regular
Brooklyn Center	1958	12-Apr-24	\$30,000.00	Regular

Brooklyn Center	1958	03-May-24	\$5,011.00	Emergency
Brooklyn Center	1957	02-Jul-24	\$11,536.52	Emergency
Brooklyn Center	1952	15-Jul-24	\$10,305.00	Emergency
Brooklyn Center	1926	28-Jul-24	\$29,929.05	Regular
Brooklyn Center	1983	11-Sep-24	\$19,669.00	Emergency
			\$584,422.01	

Applications: 6

Active case: 17

Comment	Income	NumOccupants 18-	NumChild <6
Exterior trim and doors, flooring, kitchen	50-80	1	1
Windows, siding, steps, plumbing, electrical, ventilation, doors	50-80	1	
Exterior trim, windows, doors, electrical repairs	30-50	1	1
Emergency - roof	Less than 30	1	
Exterior repairs, storm door; painting, bath updates, electrical, safety	30-50	1	1
Roof, bath updates, ext trim wrap, window, site work, lead paint work	50-80	2	
Ext door, electric, flooring, windows	30-50	1	
Lead-based paint work, windows, exterior painting;	50-80	3	
Emergency - plumbing repairs and water damage repairs in bath and kitchen	Less than 30	1	
Emergency - Roof	50-80	1	
Emergency roof	50-80	2	
Siding, windows, doors	30-50	2	
Basement egress and space update and bath repair and update	30-50	1	
Emergency replace sewer line	50-80	1	
Emergency - roof	30-50	1	
Plumbing repairs, electrical repairs, roof, doors	50-80	1	
Windows, radon mitigation, flooring	50-80	2	2
Windows and HVAC; lead paint work	30-50	2	2
Emergency bathroom/water damage repairs, lead paint	Less than 30	1	1
Emergency Roof & plumbing repairs	30-50	1	
Emergency roof	30-50	3	
Window replacement, exterior lead hazard reduction; bath updates	30-50	3	
exterior siding and wrap soffits and fascia; patio door; repair ext steps	50-80	1	

Emergency - accessibility and radon	Less than 30		
Emergency Roof	50-80	3	1
Emergency sewer line repair and water damage repair	Less than 30	2	2
Roof, radon mitigation, flooring	50-80	2	
Emergency Bath water repair and accessibility	Less than 30	1	

NumOver65	Minors6to17	Race	Ethnicity
		3 Black/African American	Not Hispanic or Latino
		2 Black/African American	Not Indicated
		1 Black/African American	Not Hispanic or Latino
1		Black/African American	Not Hispanic or Latino
		3 Black/African American	Not Hispanic or Latino
		2 Black/African American	Not Hispanic or Latino
		2 Black/African American	Not Hispanic or Latino
		White	Not Indicated
1		White	Not Hispanic or Latino
		White	Not Indicated
		White	Not Hispanic or Latino
		2 White	Not Hispanic or Latino
		White	Not Hispanic or Latino
		Black/African American	Not Hispanic or Latino
		Black/African American	Not Indicated
		White	Not Hispanic or Latino
		Black/African American	Not Hispanic or Latino
		White	Not Hispanic or Latino
		4 Not Reported	Hispanic or Latino
		1 Black/African American	Not Hispanic or Latino
1		2 Asian	Not Hispanic or Latino
		Asian	Not Hispanic or Latino
1		3 Asian	Not Hispanic or Latino

1	White	Not Hispanic or Latino
	3 Black/African American	Not Hispanic or Latino
	1 Black/African American	Not Hispanic or Latino
	Black/African American	Not Hispanic or Latino
	Not Reported	Not Indicated



[Print](#)

## Bloomington, MN Code of Ordinances

**ARTICLE VIII: AFFORDABLE HOUSING TRUST FUND****§ 9.38 ESTABLISHMENT OF TRUST FUND.**

The city will establish an affordable housing trust fund for the purpose of collecting funds related to the city's affordable housing programs pursuant to this chapter. Such funds will include but not be limited to payment of fees in lieu of opportunity housing units and shared appreciation dollars collected at the closing of sales of designated properties. The funds in the affordable housing trust fund and all earnings from investment of said funds will be expended exclusively to provide housing affordable to households at or below 60% of AMI and to moderate income households in the city.

(Ord. [2019-16](#), passed 2-25-2019)

**§ 9.39 APPLICABLE HOUSING TRUST FUND ELIGIBLE ACTIVITIES.**

(a) The funds collected for deposit in the affordable housing trust fund may be utilized for the following affordable housing activities:

- (1) Acquisition and construction of affordable housing units;
- (2) Gap financing for affordable units created at the extremely low, very low, and low income levels;
- (3) Enhancement of county, state, and federal affordable housing programs;
- (4) Purchase or rehabilitation, or both, and long-term preservation of NOAH units to be affordable to households at or below 60% of AMI;
- (5) Home rehabilitation of existing single family owner-occupied units to retain affordability;
- (6) Low cost financing or grants in support of accessory dwelling units creation affordable to households at or below 60% of AMI;
- (7) Predevelopment services in support of affordable housing creation;
- (8) Development fee waiver and deferral of fees in support of affordable housing creation;
- (9) Land acquisition and land banking for affordable housing creation;
- (10) Housing and economic development services in support of housing creation for low income families of two or more, non-disabled individuals, veterans, and homeless population;
- (11) Support for paying the difference between affordable rents and market rate rents to preserve affordable housing due to loss of subsidy of expiring tax credit developments or sale of NOAH property;
- (12) Infrastructure improvements;
- (13) Relocation assistance; and

(14) Other activities to support affordable housing as determined by the City Council.

(b) The City Council from time-to-time may authorize by resolution additional activities that may be funded through the affordable housing trust fund.

(Ord. [2019-16](#), passed 2-25-2019)

**§ 9.40 FINANCIAL OVERSIGHT OF THE AFFORDABLE HOUSING TRUST FUND.**

The City Manager, or designee, will administer and supervise the affordable housing trust fund account and the city's Finance Department will administer the fund.

(Ord. [2019-16](#), passed 2-25-2019)

**JANUARY 31, 2003**

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**RESOLUTION 2003R-016  
By Goodman and Johnson**

**Amending The 2003 Minneapolis Community Development Agency Appropriation Resolution.**

Resolved by The City Council of The City of Minneapolis:

That the above-entitled resolution, as amended, be further amended by increasing the appropriation in Fund SCD0 (Community Development 595) by \$226,000 from the projected fund balance.

Adopted. Yeas, 12; Nays none.

Passed January 31, 2003.

Approved February 6, 2003. R.T. Rybak, Mayor.

Attest: M. Keefe, City Clerk.

**Comm Dev & W&M/Budget** - Your Committee, having under consideration the Sheridan Neighborhood Revitalization Program (NRP) Action Plan, now recommends the following:

- 1) Approve Modification #9 to the Sheridan NRP Action Plan that would create a new strategy to fund bicycle-related physical improvements and would reallocate \$546,375.16 between existing plan strategies;
- 2) Authorize the proper City officers to execute the contracts or agreements required for implementation; and
- 3) Transmit this action to the Board of Commissioners of the MCDA to authorize the proper MCDA officers to execute the required contracts or agreements.

**Comm Dev & W&M/Budget** - Your Committee, having under consideration a request to approve passage and summary publication of a resolution establishing an Affordable Housing Trust Fund that would enhance the City's ability to produce affordable rental housing, now recommends approval.

Your Committee further recommends that this action be transmitted to the Board of Commissioners of the Minneapolis Community Development Agency (MCDA) to provide a direction to MCDA staff to draft program guidelines and criteria in conjunction with the Trust Fund Advisory Committee.

Johnson moved to postpone the above report until dollar amount allocations for Neighborhood Revitalization Program and Minneapolis Community Development Agency support have been determined. Seconded.

Lost. Yeas, 3; Nays, 9 as follows:

Yeas - Lane, Johnson, Colvin Roy.

Nays - Schiff, Zerby, Lilligren, Johnson Lee, Niziolek, Benson, Goodman, Zimmermann, Ostrow.

The report was adopted.

Yeas, 10; Nays, 2 as follows:

Yeas - Schiff, Zerby, Lilligren, Johnson Lee, Niziolek, Benson, Goodman, Colvin Roy, Zimmermann, Ostrow.

## JANUARY 31, 2003

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Nays - Lane, Johnson.  
Passed January 31, 2003.  
Approved February 6, 2003. R.T. Rybak, Mayor.  
Attest: M. Keefe, City Clerk.

Resolution 2003R-017, establishing a Minneapolis Affordable Housing Trust Fund, was passed January 31, 2003 by the City Council and approved February 6, 2003 by the Mayor. A complete copy of this resolution is available for public inspection in the office of the City Clerk.

The following is the complete text of the unpublished summarized resolution.

### **RESOLUTION 2003R-017** **By Goodman, Benson, Ostrow, Lilligren, Zerby, Schiff**

#### **Establishing a Minneapolis Affordable Housing Trust Fund.**

Whereas, the City of Minneapolis continues to experience an affordable housing crisis; and  
Whereas, the Minneapolis Consolidated Plan for 1998-2003 estimated a shortage of 14,776 units affordable to families earning less than 30% of the Metropolitan Median Income (MMI); and

Whereas, the Minneapolis Affordable Housing Task Force recommended that the City "reprioritize the use of major funding already allocated for housing" and "dedicate significant new revenue sources to this affordable housing effort;" and

Whereas, the City adopted the recommendations of the City/County Homelessness Task Force on Singles (2000) and on Families (2001) calling for 1,850 new affordable units for singles and youth and 1,330 new affordable units for families within five years; and

Whereas, the City has passed a resolution adopting an Affordable Housing Policy for the City of Minneapolis (Resolution No. 99R-312) requiring that all housing developments receiving City subsidies make at least 20% of their units affordable to people earning 50% or less of the MMI; and

Whereas, metro vacancy rates recently rose for the market overall, but vacancy rates remained low for affordable units. As of March 2002, vacancy rates were 2.9% for units under \$500 and 2.5% for units between \$500 and \$599. In 2001, the average rent in Minneapolis for a two-bedroom unit was \$1,050 and rents have not gone down since that time; and

Whereas, in its 2002 Agency Plan, the Minneapolis Public Housing Authority (MPHA) reported 6,001 families on its waiting list, of whom 5,401 were families with extremely low incomes; and

Whereas, more than 230 states, counties, and cities, including Denver, Indianapolis, St. Louis, Austin, Salt Lake, Nashville and San Diego have established housing trust funds, and the City of Seattle recently passed a referendum for an \$86,000,000, seven-year property tax levy for affordable housing; and

Whereas, the common meaning of an "affordable housing trust fund" is a dedicated source of revenue for affordable housing, spent down and replenished each year; and

Whereas, a housing trust fund can help target housing funds where they are most needed, for families earning below 50% and 30% of the MMI; and

Whereas, a housing trust fund supports the transparent and accountable tracking of public dollars by creating a discrete fund with concrete and achievable goals; and

Whereas, the Mayor and many other elected officials of the City of Minneapolis have identified affordable housing as the top development priority for the City, and respondents to the recent McKinsey survey of City residents also identified affordable housing as the number one development priority for the City; and

Whereas, the two Affordable Housing Summits convened in 2002 by the Mayor produced a clear mandate for the establishment of a Housing Trust Fund as the number one priority in addressing the affordable housing needs of the City;

Now, Therefore, Be It Resolved by The City Council of The City of Minneapolis:

1) That the City of Minneapolis will establish and administer an Affordable Housing Trust Fund dedicated to preserve and expand the supply of affordable rental housing for people with incomes at or below 50% and 30% of the MMI.

2) Be It Further Resolved that the Housing Trust Fund will be capitalized at a level of approximately \$10,000,000 in 2003. The sources of funding for 2003 will include the existing Multifamily Rental and Cooperative Program. This Program would include approximately \$6,600,000 from existing Multifamily Community Development Block Grant (CDBG) funds, Emergency Shelter Grant (ESG) funds and HOME, plus \$400,000 in 2003 from various CDBG programs to be determined as part of the 2003 CDBG budget process.

In addition, it is recommended that the 2003 levy funds of \$2,000,000 and approximately \$1,000,000 of uncommitted 2002 levy funds be included in the Trust Fund in 2003.

The Trust Fund may accept other funds from governmental or private sources, such as the proposed Federal Housing Trust Fund and private foundation grants. Any such funds will be in addition to the dedicated City appropriations described above.

3) Be It Further Resolved that the City will make every reasonable effort to award all of the Trust Fund dollars each year. Priority will be given to the projects that demonstrate long-term affordability for persons or families with incomes at or below 50% and 30% of MMI, in accordance with the City's Affordable Housing Policy.

4) Be It Further Resolved that the City will establish guidelines for the use of Trust Fund resources, and these guidelines will be reviewed annually by the Trust Fund Advisory Committee with future recommendations made to the City Council for approval.

5) Be It Further Resolved that the Advisory Committee will include up to 15 members experienced in affordable housing. The make-up of the Committee will include appointments as follows:

The Mayor will appoint the Chair and the following 7 members:

- 1 - representative from Community Planning and Economic Development (CPED);
- 1 - representative from the MPHA;
- 1 - representative from the Empowerment Zone;
- 1 - representative from the Neighborhood Revitalization Program (NRP);
- 1 - representative from the Planning Department;
- 1 - for-profit developer; and
- 1 - at-large member.

The City Council will appoint the following 7 members:

- 1 - non-profit developer;
- 1 - supportive housing provider;
- 3 - advocates nominated by the Trust Fund Coalition;
- 1 - low-income tenant; and
- 1 - at-large member.

The responsibilities of the Advisory Committee will include:

a) Recommending guidelines and specific criteria for Trust Fund use according to the principles and priorities of this Resolution;

b) Reviewing and commenting on annual reports that clearly delineate how funds are awarded, in accordance with program guidelines; and

c) Establishing a Housing Trust Fund Revenue Committee which will include representatives from the Mayor's office, the City Council, the Finance Department and appropriate Finance staff, the Minneapolis Community Development Agency (MCDA), business community, foundations, and the Housing Trust Fund Coalition to identify additional funding strategies to add dedicated revenue to the Trust Fund in time to be incorporated in the Mayor's Proposed Budget for 2004 and subsequent years. At least one-half of the members of the Revenue Committee will also be members of the Trust Fund Advisory Committee.

6) Be It Further Resolved that the Trust Fund will be established as part of the Year 2003 Budget and the first \$10,000,000 or more in funds will be awarded by December 31, 2003. The Advisory Committee will begin operating by February, 2003.

Adopted. Yeas, 10; Nays, 2 as follows:

Yeas - Schiff, Zerby, Lilligren, Johnson Lee, Niziolek, Benson, Goodman, Colvin Roy, Zimmermann, Ostrow.

Nays - Lane, Johnson.

**JANUARY 31, 2003**

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Passed January 31, 2003.

Approved February 6, 2003. R.T. Rybak, Mayor.

Attest: M. Keefe, City Clerk.

**CPED MULTIFAMILY HOUSING DEPARTMENT**  
**Affordable Housing Inventory Project Data Worksheet**

PROJ#: **593**  
 ACT#: **800**



Project Status	
Proposed:	6/30/2016
Approved:	<input checked="" type="checkbox"/>
Closed:	
Complete:	

Project Name:	Minnehaha Commons
Main Address:	3001 E Lake St
Project Aliases:	
Additional Addresses:	
Ward:	2
Neighborhood:	Longfellow

Impaction
<input checked="" type="radio"/> Non-Impacted
<input type="radio"/> Impacted

Occupancy
<input checked="" type="radio"/> Rental
<input type="radio"/> Ownership

**Housing Production and Affordability**

UNIT COMPOSITION	UNIT	QTY	UNIT AFFORDABILITY				
			<30%	<50%	<60%	<80%	MKT
0BR	43	0	43	0	0	0	0
1BR	0	0	0	0	0	0	0
2BR	0	0	0	0	0	0	0
3BR	0	0	0	0	0	0	0
4+BR	0	0	0	0	0	0	0
<b>TOT</b>	<b>43</b>	<b>0</b>	<b>43</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Shelter Units:  + Conversion Units:   
 Section 8:

Project Activity	Development	Household
<input checked="" type="checkbox"/> New Construction	<input checked="" type="radio"/> Apartment/Condo	<input type="checkbox"/> General
<input type="checkbox"/> Rehabilitation	<input type="radio"/> Townhome	<input type="checkbox"/> Family w/Children
<input type="checkbox"/> Stabilization	<input type="radio"/> Coop	<input checked="" type="checkbox"/> Senior
<input type="checkbox"/> Preservation	<input type="radio"/> Shelter	<input type="checkbox"/> Single
Year Built: <input type="text"/>	<input type="radio"/> Transitional	<input type="checkbox"/> Special Needs
	<input type="radio"/> Scattered Site/Other	<input checked="" type="checkbox"/> Homeless

**GENERAL INFORMATION**

Alliance Housing, Inc. has partnered with the Touchstone Mental Health to create Minnehaha Commons, a supportive service project for extremely low-income seniors who have experienced homelessness. A life of deferred health care and social isolation exacerbates the physical and psychological challenges faced by aging adults. Those with a history of homelessness and poor health are often determined to be 'medically' 15 years older than their biological age by physicians. Homeless studies show that many homeless people experience mental illness symptoms but may not have received a diagnosis and proper treatment. Others have been misdiagnosed, receiving improper treatments. Minnesota data show that 68% of people with mental illness have at least one chronic health condition, such as diabetes, obesity, COPD, asthma, and hypertension. Studies show homeless individuals often have experienced long term alcohol and drug abuse leading to additional health conditions. A front desk will be staffed throughout the evenings and weekends to provide support to tenants and help them manage guests and ensure safety.

The proposed development project consists of a 31,500 sq. ft. three-story building with 43 studio apartments. The property will have a community room, service provider space/office, property management office, laundry room and front desk on the first floor. There will be a tenant lounge area on the second and third floors and an outdoor patio for informal gatherings. The building also includes adequate storage space to hold property for required time periods when tenants leave without notice.

Partnership: Minnehaha Commons LP

Contact Information:

Developer:  
 Barbara Jeanetta  
 Alliance Housing, Inc.  
 2309 Nicollet Ave  
 Minneapolis, MN 55404-  
 Phone: (612) 879-7633 ext  
 Fax: (612) 870-7446  
 bjeanetta@alliancehousinginc.org

Owner:  
 Barbara Jeanetta  
 Alliance Housing, Inc.  
 2309 Nicollet Ave  
 Minneapolis, MN 55404-  
 Phone: (612) 879-7633 ext-  
 Fax: (612) 870-7446  
 bjeanetta@alliancehousinginc.org

Consultant:  
 Barbara Broen  
 Broen Housing Consultants  
 1437 Marshall Ave Suite 202  
 Saint Paul, MN 55104-  
 Phone: (651) 645-8474 ext-  
 Fax: (651) 645-8497  
 housing@broen.net

Contractor:  
 To Be Determined  
 ,  
 Phone: ext-  
 Fax:

Architect:  
 Terri Cermak  
 Cermak Rhoades Architects  
 275 E 4 St Suite 800  
 Saint Paul, MN 55101-1696  
 Phone: (651) 225-8623 ext-  
 Fax:  
 tcermak@cermakrhoades.com

Property Manager:  
 Hayes Gibson International  
 Phone: (612) 670-9467 ext-  
 Fax:

Support Services:  
 Touchstone Mental Health  
 Phone: (612) 314-1002 ext-  
 Fax: (612) 874-0157

CPED Coordinator:  
 Carrie Goldberg  
 CPED  
 105 5th Ave S Suite 200  
 Minneapolis, MN 55415-  
 Phone: (612) 673-5240 ext-  
 Fax:  
 Carrie.Goldberg@minneapolismn.gov

CPED Legal:  
  
CPED Support Coordinator

CPED Rehab:  
  
MPLS Affirmative Action

**CPED MULTIFAMILY HOUSING DEPARTMENT**  
**Affordable Housing Inventory Project Data Worksheet**

PROJ#: **593**  
 ACT#: **800**

Page 2 of 2  
 8/10/2017 8:09:21 AM



**Project Status**  
 Proposed: 6/30/2016  
 Approved:   
 Closed:   
 Complete:

**Impaction**  
 Non-Impacted  
 Impacted

**Occupancy**  
 Rental  
 Ownership

Project Name: Minnehaha Commons  
 Main Address: 3001 E Lake St  
 Project Aliases:  
 Additional Addresses:  
 Ward: 2 Neighborhood: Longfellow

**Housing Production and Affordability**

UNIT COMPOSITION	UNIT	QTY	UNIT AFFORDABILITY				MKT
	0BR	1BR	2BR	3BR	4+BR	TOT	
0BR	0	43	0	43	0	0	0
1BR	0	0	0	0	0	0	0
2BR	0	0	0	0	0	0	0
3BR	0	0	0	0	0	0	0
4+BR	0	0	0	0	0	0	0
<b>TOT</b>	<b>0</b>	<b>43</b>	<b>0</b>	<b>43</b>	<b>0</b>	<b>0</b>	<b>0</b>

Project Activity	Development	Household
<input checked="" type="checkbox"/> New Construction	<input checked="" type="radio"/> Apartment/Condo	<input type="checkbox"/> General
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<input type="checkbox"/> Preservation	<input type="radio"/> Shelter	<input type="checkbox"/> Single
Year Built: _____	<input type="radio"/> Transitional	<input type="checkbox"/> Special Needs
	<input type="radio"/> Scattered Site/Other	<input checked="" type="checkbox"/> Homeless

Shelter Units: \_\_\_\_\_ + Conversion Units: \_\_\_\_\_  
 Section 8: 10

**USES AND PERMANENT SOURCES**

**Project Uses:**

Land:	\$317,277.00
Construction:	\$6,674,424.00
Construction Contingency:	\$291,949.00
Construction Interest:	\$19,220.00
Relocation:	\$0.00
Developer Fee:	\$1,073,740.00
Legal Fees:	\$80,000.00
Architect Fees:	\$277,800.00
Other Costs:	\$1,217,319.00
Reserves:	\$870,149.00
Non-Housing:	\$0.00
TDC:	\$10,821,878.00
TDC/Unit:	\$251,672.00

**Project Permanent Sources:**

Source / Program	Amount	%	Term	Committed
FHLB FHLB (2017)	\$250,000.00			
CPED AHTF (2017)	\$150,000.00			
CPED AHTF (2016)	\$925,000.00			11/4/2016
Syndication Proceeds	\$2,643,289.00			
MHFA HIB	\$5,192,589.00			
Hennepin County AHIF	\$250,000.00			5/2/2017
FHLB FHLB (2016)	\$500,000.00			12/15/2016
Sales Tax Rebate	\$136,000.00			8/8/2017
Private Foundations	\$55,000.00			6/30/2016
Energy Rebates	\$20,000.00			8/8/2017
DHS Live Well	\$700,000.00			8/4/2016
<b>TDC:</b>	<b>\$10,821,878.00</b>			

**Financing Notes:**



Final

Revised March 21, 2016

**1.00 RED WING AFFORDABLE HOUSING TRUST FUND**

(1) Purpose and Intent.

There is hereby created and established for the City of Red Wing a fund to be known and denominated as the Red Wing Affordable Housing Trust Fund. This fund shall include a preference for the creation of Workforce Housing units, which shall include moderate, low, and very low income households. The Trust Fund shall be a permanent endowment and continually renewable source of revenue to meet, in part, the housing needs of Moderate, Low Income and Very Low Income households of the City. The Trust Fund is to provide loans and grants to homeowners, and for-profit and non-profit housing developers for the acquisition, capital and soft costs necessary for the creation of new Affordable rental and owner-occupied housing. Preference shall also be given to those projects that ensure that the Assisted Units remain Affordable for the longer period possible. Projects funded by the Trust Fund shall be disbursed throughout the City so no single neighborhood experiences a disproportionate concentration of housing units for Low Income and Very Low Income households.

(2) Definitions.

In this section:

- (a) "Affordable" means a housing unit that has an Affordable Housing Cost.
- (b) "Affordable Housing Cost" means an amount satisfied by:
  - 1. For owner-occupied housing, a housing payment inclusive of loan principal, loan interest, property taxes, property and mortgage insurance, and homeowners association dues which allows a Moderate, Low Income or Very Low Income household to purchase a home, while paying no more than thirty (30%) of their gross household income; and,
  - 2. For rental or cooperative housing, a housing payment, inclusive of a reasonable allowance for heating, which allows a Very Low Income household to rent a unit, while paying no more than thirty (30%) of their gross household income.
- (c) "Area Median Income" means the median income for the Goodhue County area adjusted for family size, as published by the United States Department of Housing and Urban Development.
- (d) "Assisted Unit" means a housing unit that is Affordable because of assistance from the Trust Fund.

- (e) "Commission" means the City of Red Wing HRA Board of Commissioners.
- (f) "Workforce Housing" shall mean owner-occupied or rental housing units that are provided to households with at least one member per unit who is gainfully employed at the time of entry into the unit.
  - (i) Workforce housing may be designed for households that make 50% to 115% of AMI but shall be inclusive of all income levels households who meet the definition of gainful employment and can meet the Affordable Housing Cost as defined in Subpart b (1) and (2).
  - (ii) Gainful Employment is defined as an employment situation where the employee receives consistent work and payment from an employer at 30 hours per week or more.
- (g) "Grants Supervisor" means the Red Wing Housing and Redevelopment Authority Executive Director, or his or her designee.
- (h) "Low Income" means gross household income adjusted for family size that is at or below eighty percent (80%) of Area Median Income, but more than fifty percent (50%) of Area Median Income.
- (i) Moderate Income means gross household income adjusted for family size that is at or below 115 percent (115%) of Area Median Income, but more than Eighty percent (80%) of Area Median Income.
- (j) Project may mean a single family house or a multifamily apartment complex, either as owner-occupied property or rental property.
- (k) "Recipient" means any homeowner, for-profit or non-profit housing developer that receives funds in the form of a loan or a grant from the Trust Fund Account. A Recipient may be an individual, partnership, joint venture, limited liability company or partnership, association or corporation.
- (l) "Tax Incremental Financing Equity Participation Payment" means an equity payment received by the City from a developer pursuant to a TIF Development Agreement in which the tax incremental district has been dissolved.
- (m) "Trust Fund" means the Red Wing Affordable Housing Trust Fund.
- (n) "Very Low Income" means gross household income adjusted for family size that is at or below fifty percent (50%) of Area Median Income.

(3) Trust Fund Account; Sources of Trust Fund Moneys.

- (a) There is also hereby established a Red Wing Affordable Housing Trust Fund Account, to be maintained by the Red Wing Housing and Redevelopment Authority (HRA). All funds received by the HRA on behalf of the Trust Fund shall be deposited in the Trust Fund Account. Principal and interest from loan

repayments, and all other income from Trust Fund activities, shall be deposited in the Trust Fund Account. All interest earnings from the Trust Fund Account shall be reinvested and dedicated to the Trust Fund Account.

(b) The Trust Fund shall consist of funds derived from the following, but not limited to:

1. Private cash contributions designated for the Trust Fund;
2. Payments in lieu of participation in current or future affordable housing programs;
3. Matching funds from a federal affordable housing trust fund;
4. Principal and interest from Trust Fund loan repayments and all other income from Trust Fund activities.
5. Budgeted payments made by the HRA Tax Levy fund as approved by City Council.
6. Matching funds from a State affordable housing trust fund or a State program designated to fund an Affordable Housing Trust Fund.
7. Employer based funds and matches.

(c) The Trust Fund may consist of funds derived from any other source, including but not limited to the following, subject to approval by the City Council, upon notification from the Finance Director that funds are available.

1. Amounts from the Operating Budget equivalent to City fees collected from dedicated uses related to housing, such as reinspection fees;
2. Tax Incremental Financing Equity Participation Payments;
3. Any other appropriations as determined from time to time by action of the City Council.

(4) Trust Fund Distributions.

(a) The Trust Fund is to function as an endowment fund to fund loans and grants in accordance with this Section. The Trust Fund program shall be administered by the HRA Executive Director. No disbursements may be made from the Trust Fund Account without the prior recommendation of the HRA Commission and authorization by the City Council.

(b) Disbursements from the Trust Fund Account shall be made as loans or grants to assist Recipients in the creation of Assisted Units. Recipients may use the funds to pay for: capital costs, including but not limited to the actual costs of

rehabilitating or constructing Assisted Units; preserving affordable units; demolishing or converting existing non-residential buildings to create new Assisted Units; real property acquisition costs; and professional service costs, including but not limited to, those costs incurred for architectural, engineering, planning and legal services which are attributable to the creation of Assisted Units.

- (c) Trust Fund moneys may not be used for operating expenses of any program, or supporting services such as childcare or any other social program.
  - (d) At least 25% of the funds eligible for disbursement annually shall be used to create Assisted Units for Low Income households.
  - (e) Funding for Rental Assisted Units shall be available only to households whose gross income, adjusted for family size, is at or below eighty percent (80%) of Area Median Income at time of entry into the unit.
  - (f) Owner-occupied Assisted Units shall be available to households who are Moderate, Low Income or Very Low Income.
  - (g) The HRA Commission shall periodically review the terms of assistance, and structure these terms to encourage the longest period of affordability possible.
  - (h) Loans or grants from the Trust Fund shall be used to develop Assisted Units within a project. The Trust Fund may assist up to one hundred percent (100%) of the units within a building or development of one (1) to nine (9) total units, up to fifty percent (50%) of the units within a building or development of ten (10) to fifteen (15) units, and up to twenty-five percent (25%) of the units within a building or development of sixteen (16) or more units.
  - (i) Assisted Units shall be distributed throughout the building or development so as to avoid a disproportionate concentration in any one area.
  - (j) The HRA Commission shall give preference to projects not located in any Tax Incremental District whose project expenditure period has not expired.
  - (k) Notwithstanding the stated purpose in subsection (1) herein to create the Fund as a continually renewable source of revenue, the Commission may, in its discretion, recommend that disbursements from the Trust Fund Account may be made as grants at any time that the Trust Fund Account balance exceeds \$50,000. The Commission will revisit this amount from time to time to ensure that the objectives of the AHTF are being met and the amount is set at the proper level to achieve the objectives.
- (5) HRA Commission's Powers and Responsibilities.
- (a) The Commission shall have the following powers and duties as regards to the Trust Fund:

1. Recommend policies, goals and objectives for the Trust Fund program to the Mayor and the City Council;
  2. Review project funding requests and recommend to the Mayor and the City Council all disbursements from the Trust Fund;
  3. Investigate and recommend to the Mayor and City Council additional sources of money for deposit to the Trust Fund Account; and
  4. Publish and distribute requests for proposals and notices of funding availability.
- (b) All projects considered for funding will be reviewed prior to HRA Commission action by the HRA staff, and the Executive Director shall submit to the Commission comments and recommendations.
- (c) The Commission shall within thirty (30) days following the close of each fiscal year prepare and submit an annual report to the City Council on the activities undertaken with funds from the Trust Fund. The report shall specify the number and types of units assisted, the amount loaned per Assisted Unit, the amount of state, federal and private funds leveraged, the geographic distribution of Assisted Units and a summary of statistical data relative to the incomes of assisted households, including their monthly rent or mortgage payments, and the sales prices of owner-occupied Assisted Units.
- (6) Term of Affordability.
- (a) The minimum term of affordability for any Assisted Unit shall be fifteen (15) years. The Commission shall give preference to those projects that ensure that the Assisted Units remain Affordable for the longer period possible.
  - (b) Assisted Units shall be deed restricted to ensure long term affordability.
  - (c) The HRA will utilize loan agreements with the recipients of the Trust Fund. The loan agreement will clearly state the conditions and requirements for recipients use of Trust Fund monies, including the term of compliance, transfer or sale requirements and other requirements as specified.
  - (d) In those cases where an Assisted Unit is sold or transferred, or where an Assisted Unit is no longer Affordable, the initial Recipient of assistance from the Trust Fund shall be obligated to repay to the Trust Fund the original loan amount, plus a pro-rated percentage of the appreciated value of the Assisted Unit as determined by the Commission.
  - (e) The HRA Staff and Commission shall enforce all debt and lien instruments to the fullest extent of the law. The Commission may recommend to the City Council, debt settlement offers, if it is determined to be in the best interest of the City.

(7) Exception Authority.

- (a) The City Council may make exceptions to any part of this memorandum if it is determined to be in the best interest of the City.

**Appendix 6. Red Wing HRA Affordable Housing Trust Fund Community Advisory Committee Tactical Plan**

**Red Wing Affordable Housing Trust Fund  
Tactical Plan for Use of Funds  
March 14, 2017**

**Preamble**

The Red Wing Affordable Housing Trust Fund (AHTF) was created in 2015 by the Red Wing Housing and Redevelopment (HRA) and Red Wing City Council (CC). An AHTF Memorandum giving the general guidelines of the AHTF were developed and accepted by both the HRA and CC in 2016. This Tactical Plan is designed to be more specific in the funding and usage of the funds over a specific period of time.

**Community Advisory Committee**

The HRA created a Community Advisory Committee (Committee) to develop this Tactical Plan. Members of the Committee include Colleen Clark (HRA Board Chair), Greg Schoener (Former HRA Board Chair), Jake Dahl (Realtor), Anthony Nemcek, (Citizen and Planner), Patti Robertson (Banker), Steve Setzer (Architect) and Randal Hemmerlin (HRA). The Committee met several times at the Jordan Tower II Conference Room to discuss the funding and usage of the AHTF.

The Committee shall meet at least twice per year to review and make recommendations on the funding and usage of the AHTF. The HRA shall have control of who is a member of the Committee. The Committee shall determine how the Committee shall function when it meets.

**Must follow the AHTF Memorandum**

The AHTF Memorandum is the guiding document for the use of the funds and nothing in the Tactical Plan can contradict the AHTF Memorandum.

**Funding**

The Committee recommends that the AHTF be funded annually \$100,000 per year from the HRA Tax Levy funds. Because of the emphasis of the need for Workforce Housing in the City, the Committee recommends that the HRA create an outreach program to the major employers in the City and contact these employers at least once per year requesting a contribution to the AFHT. In addition, Goodhue County should be contact annually for AHTF funding to assist in housing. It is also recommended that the City through its Planning Department give consideration that a small percent (5% or less) of their building permit fees be dedicated to the AHTF.

The Committee shall decide if the HRA should apply for and accept matching State funds that become available through legislative actions, depending on the requirements of those matching funds.

**The AHTF Bank Account**

The AHTF funds shall be placed in a FDIC insured checking account. The AHTF will place funds in interest bearing accounts (for example, money market, CDs, etc.) as much as feasible depending on planned usage. The HRA shall determine the best rates available through a phone or written survey and place the funds in the best interest bearing account possible.

**Usage of AHTF Funds**

Many alternatives are possible for the usage of the funds. For the period of January 2017 through December 2017, we anticipate the AHTF will have \$203,842 in funds from tax levy funds. This will

increase \$100,000 annually from tax levy funds, subject to the City Council approval. The Committee recommends the following usage of the funds going forward:

- \$40,000 of the 2016 and 2017 moneys will be used for a Homebuyers assistance plan.
- \$40,000 of the 2016 and 2017 moneys will be used for smaller Multi-family housing developments.
- \$120,000 or what is remaining will of the 2016 and 2017 funds will be bank for a larger Multi-family housing development.
- Going forward, 20% of moneys will be used for a Homebuyers assistance plan.
- Going forward, 20% of moneys will be used for smaller Multi-family housing developments.
- Going forward, 60% of moneys will be used for larger Multi-family housing developments.

#### **Applications for Funds**

For Multifamily Proposals, Request for Proposals shall be used to accept applications and will be advertised in the local newspaper of record for dispersing the funds. The HRA shall determine the date for issuing the RFP.

For Single Family Housing Homebuyers Assistance, the HRA shall accept applications on a pipeline basis and continue to process the applications until the funds are expended. The maximum amount of Homebuyers Assistance per applicant is \$9,000. The HRA shall develop Homebuyers Assistance guidelines to be used in the administration of the loans.

#### **Target Projects or Areas**

The HRA may consider targeting the funds, as recommended by the Committee to the following:

- Existing buildings that could be converted into housing projects
- Areas of recognized need and blight





## Local Housing Trust Funds legislation

To grow and sustain their economies, cities are looking for creative ways to make housing development work. Local Housing Trust Funds (LHTF) are a **proven tool** to help meet local housing needs.

Local housing trust funds are a **consistent, flexible resource** for the development of housing within a local jurisdiction. These trust funds allow communities to attract additional resources from public and private organizations and jump start projects that draw investment and jobs.

**Administered by local jurisdictions,** LHTFs enable communities to prioritize developments that maximize benefit to the local community.

With more than **770 city, county and state housing trust funds** in 47 states and Washington, D.C., housing trust funds can be created in small and large cities, rural counties, and metropolitan areas.

On average, city housing trust funds leverage \$6 in additional public and private funds for every \$1 the trust fund invests in housing.

Nationwide, these funds generate more than **\$1 billion per year**.

### Housing trust funds in MN

**ROCHESTER:** From 1999 to 2012, the City of Rochester's housing trust fund leveraged \$22 million in funds and served more than 1,000 households. According to Steve Borchardt, Housing Initiative Director for the Rochester Area Foundation, "there's no question" the fund helped to attract development and jobs to the area.

**RED WING:** The City of Red Wing recently established a trust fund, which is funded by maximizing the HRA levy. As of early 2017, more than \$200,000 has been invested in the fund.

**MINNEAPOLIS:** The City of Minneapolis created its Affordable Housing Trust Fund (AHTF) in 2003, and resources it with a combination of city and federal resources. As a direct result of the AHTF the city tax base has expanded by up to \$800 million, leveraging \$9 for every dollar invested in the fund.

### Minneapolis Affordable Housing Trust Fund



## Benefits of Affordable Housing Trust Funds legislation



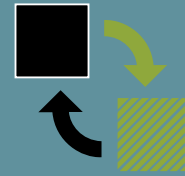
Encourage local contributions



Establish dedicated sources of revenue



Leverage private dollars



Flexibility to meet local challenges & needs

### PROPOSED LEGISLATION

In 2017, MHP secured passage of **enabling legislation** that provides local jurisdictions with **clear direction and promote the establishment of local trust funds** that bring together public as well as private investment.

Close to half of U.S. cities indicated that their housing trust fund **received initial funds to jumpstart its implementation**. The legislation rewards local jurisdictions for directing HRA levy funds to the trust fund.

This year we are requesting **\$2 million in one-time state matching funds** to reward communities that dedicate local resources to their trust funds. Additionally, we are asking for **\$100,000 to provide technical assistance grants** to communities requiring assistance in establishing a local housing trust fund.

### Addressing workforce housing needs

Throughout Minnesota, there is a growing need for decent homes that are affordable to residents across the income spectrum. Leaders across the state recognize this critical need and are eager to address housing challenges in their communities.

For instance, in Mankato, local leaders face significant challenges in providing adequate workforce housing. **“We need more tools in the toolbox, and we just don’t have them,”** says Patricia Ziegler of the Mankato Economic Development Agency.

Deanna Hemmesch, with the Central Minnesota Housing Partnership, has the same need for additional tools. **“Many of my small town projects could utilize a housing trust fund,”** she says, “because they don’t have a way to leverage funds.” Without those dollars her projects often aren’t competitive in applying for state funding.

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# Minnesota Housing Partnership 2019 State Legislative Agenda

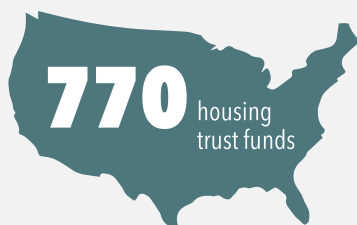
## Local Housing Trust Fund State Match

**To grow and sustain their economies**, cities are looking for creative ways to make housing development work. Local Housing Trust Funds (LHTF) are funds established by local government dedicating local public revenue for housing.

Local housing trust funds are a **consistent, flexible resource for housing** within a local jurisdiction. Trust funds help communities leverage public and private resources and jumpstart projects that draw investment and jobs. LHTFs enable communities to prioritize developments that **maximize benefit to the local community**.



**With a growing need for affordable, quality homes for Minnesotans, state investments that leverage public and private local funds are smart policy.**



There are more than **770 city, county and state housing trust funds** in 47 states and Washington, D.C.



Nationwide, these funds generate more than **\$1 billion per year**.



On average, **every \$1** a city trust fund invests in housing **leverages \$6** in additional public and private funds.

**Leaders across Minnesota are eager to address housing challenges in their communities.**

In **Mankato**, local leaders face significant challenges in providing adequate homes for the growing number of working households. "We need more tools in the toolbox, and we just don't have them," says Patricia Ziegler of the Mankato Economic Development Agency.

Deanna Hemmesch, with the **Central Minnesota Housing Partnership**, has the same need for additional tools. "Many of my small town projects don't have a way to leverage funds," she says. Without those dollars, her projects often aren't competitive in applying for state funding.

## PROPOSED LEGISLATION

### \$10 million State Match Fund for Local Housing Trust Funds

MHP is coordinating efforts with local government partners to secure a \$10 million appropriation to match local investments and incentivize creation of LHTFs.

#### State investments are proven to motivate communities to create and resource LHTFs.

Nearly half of U.S. cities with LHTFs received initial funds to launch their LHTF.<sup>2</sup> Since 2003, Iowa has provided state funds to stimulate creation of local housing trust funds, incentivizing establishment of 26 local housing trust funds serving 95 of the state's 99 counties.<sup>3</sup>

#### We must act now to establish a state match fund to spur the creation of Local Housing Trust Funds.

Leaders in Winona, a growing community, identified **creation of an LHTF as an important tool to support housing needs**. City Manager Steve Sarvi says a state matching fund could make a "crucial difference" in helping communities leverage local investment in an LHTF. "As we envision the next 30 years we're asking, **how do we continue to attract new talent and remain a viable community?**" Sarvi says. "Communities like Winona can use local housing trust funds to help answer that question. We're ready to step up and invest to support business growth and ensure community members can make ends meet. And **a state matching fund would give us the leverage we need to jumpstart those local investments.**"

## A PROVEN TOOL IN COMMUNITIES ACROSS MINNESOTA

**ROCHESTER:** The City of Rochester's housing trust fund **leveraged \$22 million in funds and served more than 1,000 households** from 1999 to 2012. According to Steve Borchardt, Housing Initiative Director for the Rochester Area Foundation, "there's no question" the fund helped to attract development and jobs to the area.

**RED WING:** In 2015, the City of Red Wing established an Affordable Housing Trust Fund (AHTF), which is funded by maximizing the HRA levy. Since then, the AHTF has **accumulated at approximately \$100,000 per year to nearly \$300,000 today**. To date, the AHTF has provided homebuyer assistance loans to at least five families.

**MINNEAPOLIS:** The City of Minneapolis created its Affordable Housing Trust Fund (AHTF) in 2003, and resources it with a combination of city and federal resources. As a direct result of the AHTF the city **tax base has expanded by up to \$800 million**, leveraging \$9 for every dollar invested in the fund.

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1. *Opening Doors to Homes for All: The 2016 Housing Trust Fund Survey Report*, Center for Community Change, 2016  
2. Local housing trust funds must provide a 25% local match threshold to receive state funds. Iowa Code section 16.181.

Learn more at [mhponline.org](http://mhponline.org)

