



## **Housing Stabilization Partnership**

A proposed collaboration between Northfield HRA and Community Action Center

**Summary:** The mission and goals of the Northfield Housing Redevelopment Authority (HRA) and Community Action Center (CAC) align in responding to the housing challenges faced by Northfield community members. CAC is proposing a defined and right-sized annual commitment from the HRA to provide housing stabilization funds for low-income families facing the loss of stable housing, in partnership with CAC.

### **The Need in Northfield:**

- **26%** of Northfield residents live under 200% of the federal poverty line, according to the City of Northfield's 2021 Housing Study (approximately **5,468 residents**)
- **45%** of Northfield renters are cost-burdened, spending more than 30% of their incomes on housing (according to the City of Northfield's 2021 Housing Study)
- **1,700+** of Northfield households are cost-burdened - **893** renters (out of 2,000) and **838** homeowners (out of 4,200)
- **60/40%** of individuals receiving CAC rental assistance identify as people of color/white
- **50%** of individuals benefiting from CAC rental assistance are children

Low-income or housing-cost-burdened households are at-risk for housing instability. For 1,700+ Northfield households, even a small setback - a temporary gap in employment, an unexpected car or medical bill - can lead to missed housing payments, evictions, and even homelessness. The loss of stable housing is incredibly costly with ripple effects impacting childhood learning, stable workforce for employers, public safety, and so much more.

**CAC's Housing Work in Northfield:** CAC presented an update of its housing work at the December 2023 HRA meeting (information attached). CAC housing staff work with hundreds of Northfield residents to resolve housing crises spanning from emergency housing to eviction prevention to affordable housing development. CAC operates a drop-in Resource Center connected to our Food Shelf at NCRC where families can access wraparound services and immediate supports, without appointment, in Spanish or English. CAC helps community members access the ever-changing landscape of mainstream resources (like RentHelpMN), but also responds when only direct rental assistance can prevent a housing crisis. CAC has policies and procedures in place to request, approve, and issue financial assistance to local landlords to prevent eviction and homelessness.

**History:** In 2020, at the start of the COVID-19 pandemic, CAC and HRA piloted a similar and successful partnership, with HRA committing more than \$53,000 in rental assistance. 100% of HRA funds were used to prevent housing eviction and homelessness in Northfield. The report from November 2020 about this partnership is included in this packet. The program was incredibly successful.

**Partnership:** Neither CAC nor HRA can or should be solely responsible for housing stabilization efforts. However, CAC is asking HRA to be a partner, working together and with other funders and resources secured by CAC. CAC is committed to partnering with HRA to continue efforts on **long-term** affordable housing solutions that will positively impact our



community. This current proposal is to help frame and clarify how CAC and HRA work together on **short-term** solutions.

**Proposal:** Can HRA consider committing \$50,000/year to an ongoing housing stabilization partnership with CAC. This is asking HRA to fund about 20% of CAC's annual rent/utility support in Northfield (\$220k in 2023, \$250k projected for 2024).

**Program Specifics:** As proven successful in past efforts between CAC and HRA, CAC will shoulder the burden and cost of administering the program. This includes meeting with families, assessing eligibility, developing policies and procedures, prioritizing other mainstream programs and resources (like RentHelpMN), and issuing direct financial assistance when needed. CAC's strength is in weaving together funding sources to support our community. CAC will seek reimbursement from HRA after funds are spent and will provide full financial back-up documentation as requested and/or at time of reimbursement.



## Community Action Center Update Northfield HRA 2023 Year in Review - December 2023



### Hillcrest Village:

- Fully occupied (17 units)
- 11 units affordable at 60% AMI
- 2 units emergency or similar (free)
- Remaining units affordable at 30% of AMI
- \$240/year/unit in heat/utility costs
- Heat, ele, water, and wifi included in rent
- Solar install delayed, but likely Spring '24
- “Builder of the Year” – *Xcel Energy 2022*
- State of MN Legislators interested in replicating success of Hillcrest Village

### Emergency Hotels:

*1-14 days with local hotel partners*

- 262 individuals (25% children) (up from 160 individuals in 2022)
- Diverse demographic of age, gender, race, etc. (ie: 65/35 white/people of color)
- Partnership with Northfield Police Department successfully implemented with **all but one** referral being paid by non-city funds.
  - Ease and consistency of paperwork for Police Officers
  - Stable funding source if CAC lacks funds to cover costs.

### Emergency Housing:

*1-90 days in CAC operated properties*

- 16 Households or 41 individuals (60% children)
- 4 locations in Northfield and adding 2 additional throughout Rice County

### Rental/Utility Assistance:

*Financial assistance to prevent homelessness or eviction*

- \$220,000 in direct rent/utility assistance in Northfield for 370 households (\$145k in 2022 and \$25k in 2019)

### Scale and Growth:

- 1 out of 4 people (~4,500 +/- individuals) in Northfield receive some type of service from CAC (55% growth - up from 2,900 in 2018)

### 2024 Discussion and Question:

- What is the role of the HRA in supporting rental assistance needs in the Northfield community?

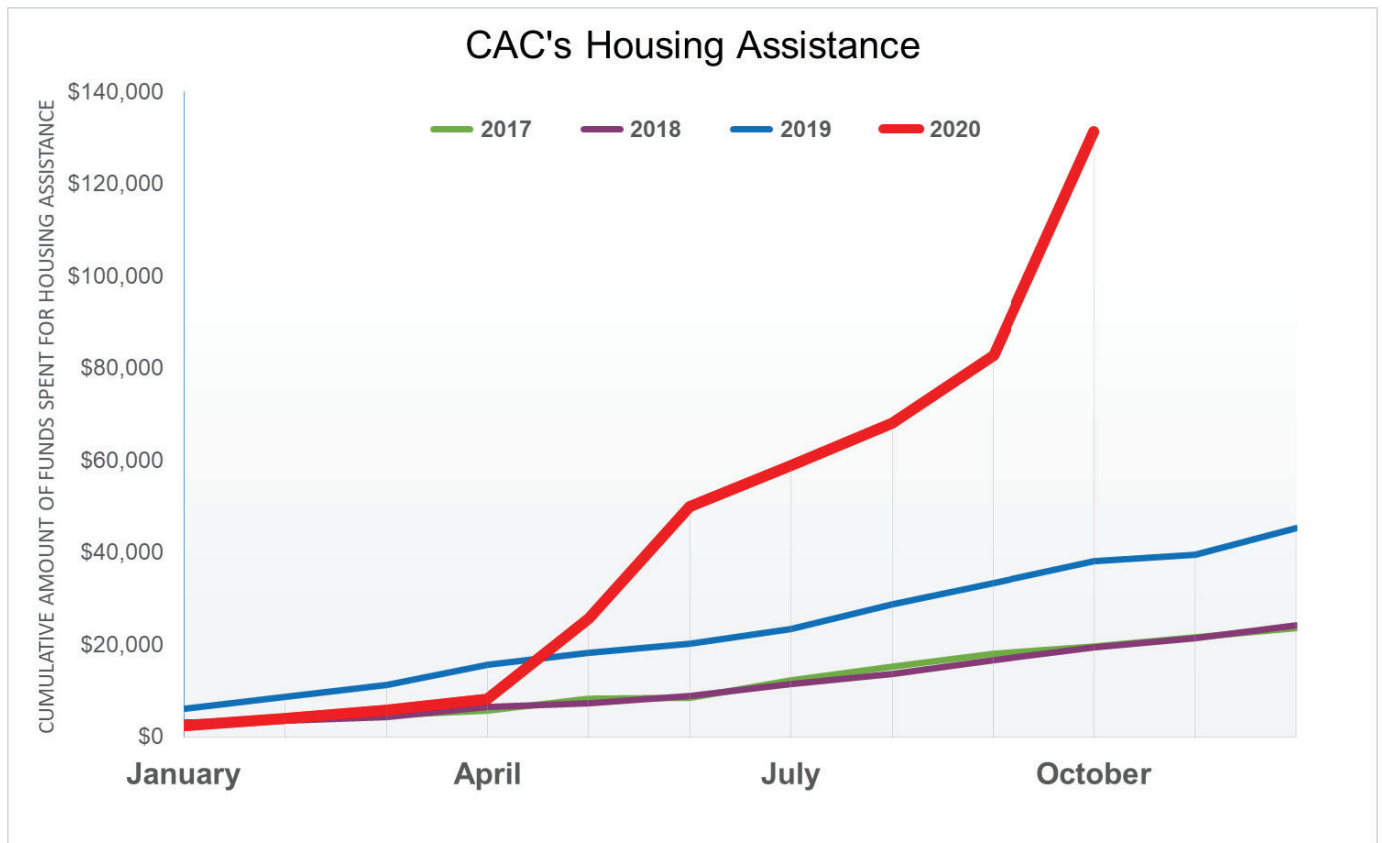


## Community Action Center (CAC) report and update for Northfield Housing and Redevelopment Authority (HRA)

### *Re: Rental Assistance Partnership*

**Background:** In April 2020, CAC approached Northfield HRA to share and highlight the overwhelming forecasted needs of families in our community from the impacts of COVID-19. It's hard to remember how little we all knew in April, just a month into this global pandemic. However, the partnership between CAC and HRA was affirmed with a pledge of \$53,600 set aside to support CAC's efforts to exponentially scale-up supports for the sake of low-income families in our community. CAC shared its strategy to turn over every stone to create a portfolio of interwoven funding sources to provide up to **10x** CAC's normal emergency financial assistance. In April, none of those funding sources even existed and so CAC and HRA operated from an optimistic view of the strength of the relationship between HRA and CAC. The following is a visual comparison of how things have panned out in Northfield from CAC's view, highlighting the various impacts of COVID-19. All data and visuals are through 10/31/2020.

**Housing Assistance:** This graph is isolated to housing assistance (rent, mortgage, and utilities) and shows the dramatic increase in challenges faced by low-income individuals and families in our community. This does not include any costs for staffing or administration. It only includes funds issued to landlords, mortgage companies, or utility companies. It equates to **6x** our normal spending and does not include the forecasted needs in November or December. This will likely peak at **10x** by the end of the year without considering the unknown of 2021.



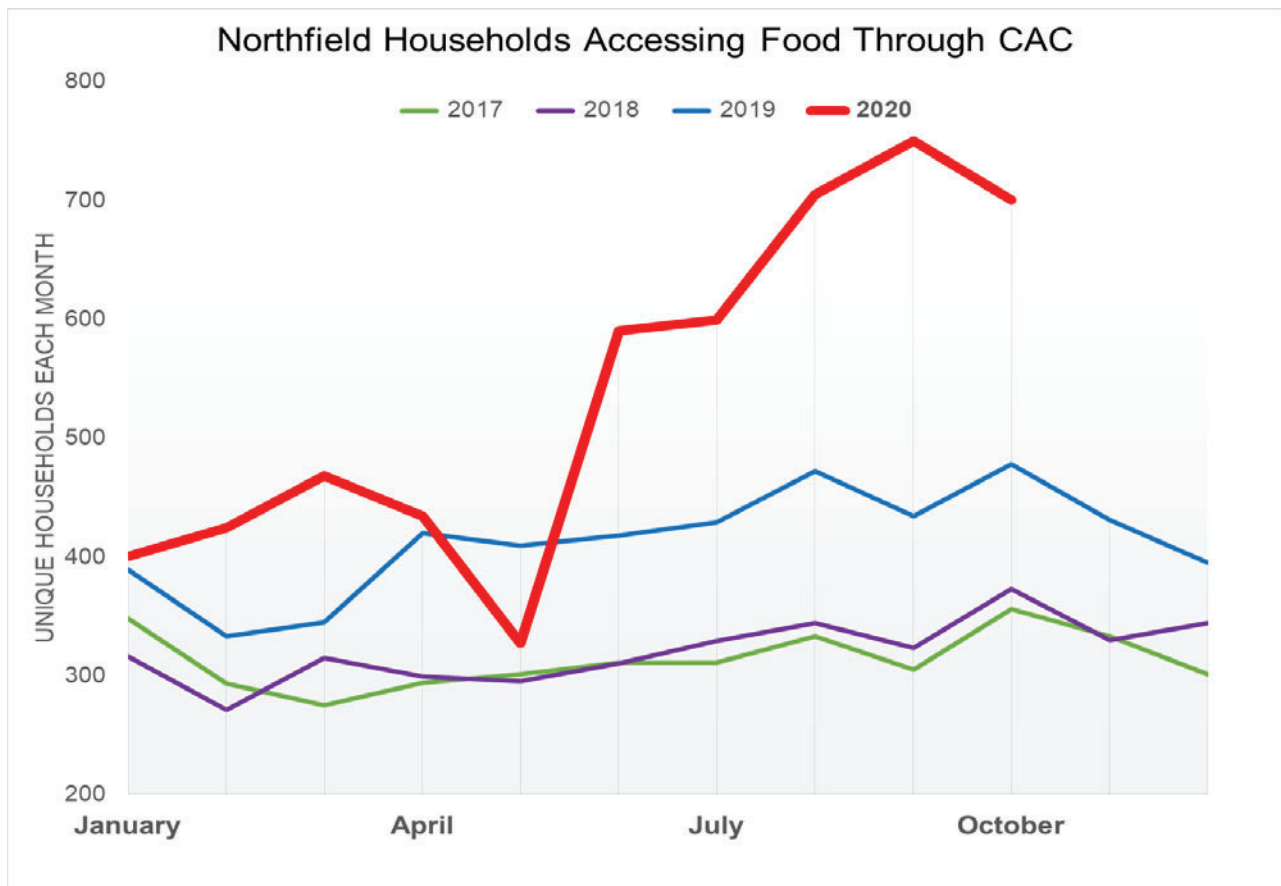


**Demographics:** This is a quick overview of the people and businesses supported.

- 203 households (710 individuals) ~350 children
- 38% Latino, 37% White, 5% Black, and 20% Other
- 10% Youth headed households (Age 24 or less)
- 61% with 5 or more household members, 31% with 2-4 members, 8% with 1 member
- 35 Landlords received total rental payments ranging from \$250 to \$29,614 (Viking Terrace). Median was \$1,450 and the average was \$3,319.69 (Total = \$116,189.32)

**Funding:** CAC successfully wove 13 funding sources together to support the increase in housing assistance through 2020. This includes local support from WINGS, CAC’s COVID-19 Assistance Fund (donation funded), and the Northfield HRA. Additionally, it includes an award from MN Housing through the Coronavirus Housing Assistance Program (CHAP). CAC was 1 of only 44 organizations to receive this funding across the state of MN. The remainder of funds were secured through small foundations and a realignment of other program partners (*ie: employment services*) to ensure people stayed housed.

**Food Access:** While food can seem unrelated to housing assistance, CAC’s approach is intentionally person-centered and works with individuals and families holistically. The increased challenges of COVID-19 related to housing assistance are confirmed in the correlated growth of food access needs.





**Shelter/Hotel Vouchers:** Most closely related to housing is CAC’s emergency shelter work. While CAC operates four emergency shelters (two in partnership with the HRA), our same staff have provided crisis response and housing intervention at **10x** our historical capacity. This is an impossible task outside of COVID. The inefficiencies and challenges of sanitation, hygiene, PPE, and electronic communication in supporting homeless individuals and families during COVID are staggering. The nights of shelter represented in this graph are for hotels only (excludes CAC’s 4 permanent shelters). A majority of hotel stays were related to homelessness, but this graph does include families requiring hotel support in order to quarantine and limit the spread of COVID-19 within households.



**What’s Next:** CAC anticipates the need from community members to be an additional \$100,000 by the end of 2020 related to housing assistance (rent and utility). This follows the trend of \$50,000 in October alone. CAC is committed to supporting families and individuals into 2021 as we have for over 50 years.

**Conclusion:** CAC is eternally grateful for the trust and partnership with the HRA. It’s humbling to reflect on the unknown and fear that dominated our thoughts in early 2020. While COVID cases now rise to unprecedented levels, CAC sees the impact of quarantining, job loss, and other challenges that continue to impact our low-income community members. We look forward to continuing to partner together to address the changing needs of our community for years to come.