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DATE: July 1, 2019

TO: Members of the Housing & Redevelopment Authority

FROM: Janine Atchison, Housing Coordinator

HRA Work Plan for 2019-2020

SUMMARY AND ACTION REQUESTED:

The Housing & Redevelopment Authority (HRA) to review and discuss priorities for 2019-2020 Work Plan.

BACKGROUND:

On February 19, 2019, the HRA held a retreat meeting in the conference room at the Fairfield Inn. Staff provided an overview of the Affordable Housing Priority outlined in the Northfield Strategic Plan. The Affordable Housing Strategic Priority contains 3 Desired Outcomes which includes:

- Grow & Maintain Affordable Housing
- More Senior Units
- Expanded Supportive & Emergency Housing

Four large sheets of paper, each with a different Desired Outcome as the page heading, served as holders for board member ideas. The Desired Outcome, “Grow & Maintain Affordable Housing” became two separate headings. Board members wrote possible strategic initiatives ideas for each of the four Desired Outcomes on large post-it notes and placed them under the corresponding headings. Staff read each of the post-its aloud and, with input from board members, wrote out each idea on a corresponding large sheet of paper.

2019-2020 Work Plan Ideas from HRA Board members are as follows:

- Create New Housing Opportunity (Growth)**
- Develop remaining HRA land at Southbridge
 - Incentives to attract developers

- Create Housing Trust Fund
- Consider DPA Fund for Manufactured Homes
- Work with EDA to purchase former DOT site
- Work with CAC to develop Manger Inn site
- Partner with other agencies for development
- Create Redevelopment plan

Maintain Existing Housing

- Home Matters rehabilitation program - Update program rules
- Plan for Koester Court to remain Affordable
- Rehab Northern Oaks Property
- Viking Terrace Rehab
- Fall Clean Up at Manufactured Home Parks
- Street Assessment Assistance Program
- Florella's Manufactured Home Park

More Senior Units/Senior Unit Inventory

- Develop inventory of affordable senior units
- Replicate Wellstone Commons Senior Apartments
- Incentives for single level unit developers
- Market study to determine needs

Expand Supportive & Emergency Housing

- Annual financial support to agencies
- Assist new CAC project at Manger Inn site
- Explore possibilities for tiny homes
- Collaborate & build relationships with Community Action Center, Police, Northfield Union of Youth, Churches, etc.

ANALYSIS:

The HRA has committed to working on many of the ideas expressed at the February 19, 2019 retreat. The following ideas are in various stages of development:

CREATE NEW HOUSING OPPORTUNITY (GROWTH)

Develop remaining HRA land - Three Rivers Community action Agency will submit a 2019 tax credit application to the Minnesota Housing Finance Agency (MHFA) in early June to obtain funding for a 32-unit affordable workforce townhome project.

Community Development Director Leah Hall has committed to working with staff, in the near future, to review possibilities for additional housing at the site that will provide ownership opportunities.

Incentives to attract developers - The City has options to assist housing developers which include tax increment financing, tax abatement, bonding and more. The HRA could consider providing other incentives to developers who provide affordable housing. Staff is currently researching best practices in other cities.

Create Housing Trust Fund - On April 19, 2019, HRA Chair Norvold, Mayor Pownell, Council Member Nakasian and Staff met with Elizabeth Glidden, Director of Strategic Initiatives & Policy of the Minnesota Housing Partnership to discuss Housing Trust Funds. Glidden shared possible legislative action that would provide matching state funds for the local creation of new housing trust funds. The Minnesota Housing

Partnership is creating a “how to” manual for local municipalities to follow when setting up a housing trust fund. The legislation and “how to” manual should be ready within the next year. A few weeks before the discussion with Glidden, Staff explained the need for state assistance with housing trust funds to Representatives Biernat and Lippert and asked for their support. In a follow up e-mail from Glidden, we learned that Rep. Lippert has joined the conference committee for Agriculture, Rural Development, and Housing Finance, which is considering the Local Housing Trust Fund State Match Bill (SF1961/HF1402).

Consider DPA Fund for Manufactured Homes - Staff has been exploring available financing options for the purchase of new manufactured homes. Because manufactured homes are personal property and not real estate, financing options are not widely available and interest rates are high. However, down payment assistance may be a viable option to assist income eligible manufactured home buyers.

Work with EDA to purchase former DOT site - The Department of Transportation is building a new facility just off Highway 3 near on or Cannon Rd. When the construction is complete the DOT facility currently located at Hwy 3 & Woodley will move to the new location. DOT will then sell the land at Woodley & Hwy 3. The location on Hwy 3 may be a good location to consider mixed use. Commercial spaces on the first floor with housing above. The land is in the commercial corridor and is close to downtown shopping and amenities. This may be a good partnership to consider with the Economic Development Authority (EDA).

Work with CAC to develop housing site - The Community Action Center has purchased the Manger Inn site. They are making plans to expand housing on this site. All the plans are not confirmed, the HRA will have opportunities to assist in the project.

Partner with other agencies & Developers for development - The HRA currently works with a number of agencies and will have additional opportunities for new and/or extended partnerships in 2019/2020. Staff was instrumental in attracting and supporting Tax Increment Financing (TIF) for a 24-unit townhome project in the Southbridge area. TIF will ensure that 5 of the units will be maintained as affordable. In addition, a market-rate, 8-unit townhome project in the Southbridge area should be completed this year.

City staff is working with developers on several projects, which include a variety of housing options.

Create Redevelopment plan - With undeveloped land for new housing development increasingly in short supply, the HRA will begin to consider redevelopment opportunities 2019/2020.

MAINTAIN EXISTING HOUSING

Home Matters Rehabilitation Program - The HRA to consider additional updates to their rehabilitation program for moderate & low-income homeowners in 2019. The Home Matters Residential Rehab Program rehabilitated 4 owner occupied homes in 2018. Staff is currently working on 2 applications for rehab services.

Plan for Koester Court to remain Affordable - Initial, brief conversations with the Community Action Center.

Rehabilitation of Northern Oaks Property -

Viking Terrace Rehabilitation Program - The HRA is partnering with the Healthy Community Initiative (HCI)-Growing Up Healthy Program, Xcel Energy, Dakota County Community Development Authority, Minnesota Clean Energy Resource Team and others. This will be a multi-layered program. The Growing Up Healthy Team, headed by Laura Tiano, will begin outreach in July within the Viking Terrace MH Park. The Growing Up Healthy Team will assess needs and schedule homeowners for energy squad assessments with

Xcel. The Team will also try to identify manufactured homes in need of repairs by talking to homeowners. The Team will assist owners with obtaining the required documentation needed for processing application for CDBG funds.

Providing energy and water savings to residents will be a focus throughout the project. This project will cover a combination of strategic plan priorities including Diversity & Equity Inclusion, Affordable Housing and Climate Change Impacts.

Fall Clean Up at Manufactured Home Parks - In 2018, the HRA partnered with Dick's Sanitation and Northfield Union of Youth to sponsor a very successful clean-up day at Viking Terrace and Florella's Manufactured Home Parks. The HRA has decided to make this an annual event.

Street Assessment Assistance Program - The HRA has assisted 64 families by paying a total of \$125,306 toward their street assessment bill since the program began in 2012. Staff is currently processing 10 applications for the 2019 program. The HRA has budgeted \$30,000 for 2019 assessment assistance.

Florella's Manufactured Home Park

Florella's has been purchased by a California group who specializes in Manufactured Home Parks. The closing is scheduled late May or early June. The new owners plan to clean up the park, institute rules and leases, and remove all abandoned/substandard manufactured homes.

The current owners, Edward Teske Trust, own and rent out 6 manufactured homes (1960's vintage) to individuals and/or families. The new owners do not intend to have any rentals and will be giving proper vacate notices to the tenants. It is estimated that 5 or 6 residential rental families could be displaced. The new owners intend to purchase multiple new manufactured homes to place on the vacant lots. These homes will be for sale. The existing residential tenants would have the opportunity to purchase one of these new units. However, it is likely the residential tenants are very low income and may not qualify for a loan.

Staff met with representatives of the Community Action Center, Healthy Community Initiative, and Northfield Schools to discuss low-income residential tenants who might be displaced in the next few months.

Update: The sale of Florella's Manufactured Home Park did not occur. The property is back on the real estate market.

MORE SENIOR UNITS/SENIOR UNIT INVENTORY

Develop inventory of affordable senior units - Staff is working toward the hiring of an intern to assist with development of senior unit inventory.

Replicate Wellstone Commons Senior Apartments - Wellstone Commons is a 29-unit, low-income senior building on Spring Street built in 2005 by Common Bond Communities. Staff tried to entice CDA to build a low-income senior housing project in the Dakota County portion of the City, but the timing and land availability did not work for the CDA.

Incentives for single level unit developers - Although the city has enticements such as TIF, bonding and tax abatement to offer, most developers want to build market rate housing. However, the HRA has a very good relationship with Three Rivers Community Action Agency, a non-profit developer.

Market study to determine need - Determining need for senior housing requires professional expertise.

EXPAND SUPPORTIVE & EMERGENCY HOUSING

Annual financial support to agencies -

The HRA has rented two dwelling units to the Community Action Center (CAC) for their Homeless Transition Program at fair market value rates since 2017.

The planned Spring Creek II project, when built, will set aside 4 units for supportive housing and 2 units for homeless prevention.

The HRA continues to lease a 3-bedroom home to Ruth's House of Hope for their Women in Transition Program.

The HRA provides annual assistance to the Northfield Union of Youth's (NUY) Wallflower Project (youth homelessness).

Assist new CAC project at Manger Inn site - The HRA is very supportive of the project which is still in it's infancy. When ready, CAC Executive Director Scott Wopata will bring the project forward to the HRA for their support.

Explore possibilities for tiny homes - The City Council is currently working on ordinance changes for Accessory Dwelling Units (ADU). The HRA could consider building a facility to serve tiny homes.

Collaborate & build relationships with Community Action Center, Police, Northfield Union of Youth, Churches, etc. - The HRA currently interacts with CAC, NUY, 55 North, churches, Isaiah, housing advocates, and others through the Affordable Housing Task Force.