

Recommendations

The housing landscape in Crow Wing County is diverse and has some challenges but they are not extreme or unsolvable. Communities across the county have differing needs for housing based on residents' income and age, employment and availability of housing.

Communities across the country are dealing with housing shortages primarily due to changes in the development of new housing through the recession from the past decade.

Recommendations have been developed to meet current and future needs of residents, potential residents and employers hoping to grow. Lack of access to housing shouldn't be a barrier to employers' ability to recruit workforce.

Additionally, residents who are cost-burdened by paying more than 30% of their income for housing should have better options for affordable housing. Communities need comprehensive, integrated housing strategies to improve housing affordability.

Strategies must connect opportunities for employment and new business creation with land-use decisions. They must also consider making a variety of dwellings available to meet the needs of diverse groups of residents.

According to the National League of Cities 2019 report, "Homeward Bound, the Road to Affordable Housing", city leaders must explore key questions, including:

1. What are my city's local housing goals and does the comprehensive plan reflect those goals?
2. What are the economic conditions of my city's local housing market?
3. What are the regulatory conditions of the local housing market for development and redevelopment (zoning, permitting, fees)?
4. What policy tools and options are available to cities in my state to address these conditions to improve quality and affordability?
5. What is the local political environment for decision making on housing?
6. Do residents understand the trade-offs in land-use decisions that come from a restricted housing supply on matters like taxes, job growth, investment attraction?
7. How do city leaders confront and pushback against NIMBYism (The "Not in my backyard" phenomenon where residents don't want affordable housing in their neighborhoods) in housing decisions?
8. How can good decisions that increase housing quality across a range of housing choices be accomplished for the benefit of existing residents without the collateral damage of displacement?

City leaders should work to create opportunity for affordable workforce housing development within their communities. Crow Wing County HRA can serve as facilitator to host conversations with municipal leaders to discuss these questions and possible solutions.

Recommendations will be presented in three categories: Policies & Regulations; Programs & Incentives; and Types of Housing.

Top Priority Recommendations

Recommendations for ways Crow Wing County HRA could support meeting these housing construction goals include the following:

1. Identify opportunity sites.

Identify on a map, properties available and well-suited for workforce single-family and multi-family development. Work to either acquire and hold land for development or be prepared to support acquisition by private developers.

2. Create or enhance a Down Payment Assistance Program.

Work with employers to create a Down-Payment Assistance Program geared toward year-round workforce to boost homeownership. This program could be in partnership with employers where they contribute a percentage of the down payment with each first-time homeowner employee. Employees would need to work for the employer and live in the house for a predetermined period of time in order to have the assistance be a grant. If an employee moved or changed jobs prior to the set period of time, the down payment amount would need to be paid back.

3. Assist with rehabbing older homes.

Supplement a program to provide financial assistance for rehabbing older homes. As a first step, municipalities may conduct an assessment to determine which homes are in most need of repair and target assistance to these property owners. Then, provide financial incentives to homeowners who undertake large remodeling projects. Financial incentives could include a grant up to \$5,000 and a rebate of 50% of building permit fees.

4. Amend Tax Forfeited Property Land policy.

Consider a temporary amendment to Tax Forfeited Property Land to encourage development. Offer available real estate to contractors and developers at steep discount or \$0 to spur redevelopment or development of tax forfeited property. Market the program aggressively.

5. Use the Housing Trust Fund to incent new construction.

Use the Housing Trust Fund for low/no interest gap financing for contractors to construct workforce single-family housing units and multi-family units.

6. Host developers onsite to build interest.

Host a familiarization tour for housing developers to allow them to understand the housing market, opportunity sites, and HRA assistance in Crow Wing County.

Policies & Regulations

1. Encourage municipalities to expedite permitting and development approval processes for housing. This will show contractors and developers that communities across Crow Wing County are welcoming and desirous of new residential developments. Streamlined processes reduce development and redevelopment time and cost, which contributes to reducing uncertainty for developers and contractors.

2. Allow for a variety of housing types and options through flexible and less-restrictive zoning, including allowing multi-family in more zoning districts, reducing minimum lot sizes, and reducing prevalence of single-family-only zoning. Housing comes in all shapes and sizes. To construct housing more people can afford, creativity is sparking new and innovative solutions. Accessory dwelling units, du/tri/fourplexes, courtyard apartments, townhomes, multiplex, pocket neighborhoods, mixed use, Container Home Villages, dorms, and unique tiny homes are all seeing an uptick in construction.

3. Encourage Universal Design (UD) in new construction and renovations. Universal Design principles benefit all users regardless of ability, so homes with UD aspects can be used and reused more easily over time, reducing the need for costly retrofits when someone ages or becomes ill or injured. It also increases choice for those with disabilities, making their options potentially more affordable. UD can be encouraged through policies, such as requiring UD elements in projects receiving public funding, or through direct funding like grants and loans for UD upgrades.

4. Explore premier resort tax or special lodging tax to fund housing for seasonal workers. Wisconsin Dells used this tactic effectively to pay for the construction of a dormitory for seasonal workers. Work with state legislature/local representatives to discuss a premier resort/lodging tax specifically to be used for construction of housing for seasonal workers.

5. Grant density bonuses for small footprint developments. Such a density bonus provides an increase in allowed dwelling units per acre (DU/A), Floor Area Ratio (FAR) or height, which generally means that more housing units can be built on a given site. Density bonuses create incentives for developers to provide public amenities in exchange for greater density level than allowed under existing zoning. The developer may build public amenities or, in some instances, low-income or workforce housing.

Programs & Incentives

- 1. Provide assistance with retrofitting homes for safety/accessibility.** Funding or technical assistance programs for adding ramps, grab-bars, walk-in showers, etc., will help seniors stay independent longer wherever they live.
- 2. Work with employers to create a Down-Payment Assistance Program geared toward year-round workforce to boost homeownership.** This program could be in partnership with employers where they contribute a percentage of the down payment with each first-time homeowner employee. Employees would need to work for the employer and live in the house for a predetermined period of time in order to have the assistance be a grant. If an employee moved or changed jobs prior to the set period of time, the down payment amount would need to be paid back.
- 3. Supplement a program to provide financial assistance for rehabbing older homes.** This program would prevent sprawl by infusing investment in existing homes and could potentially be a more affordable option for new home-buyers and existing homeowners than new construction.
- 4. Explore a variety of services to meet needs of various stages of aging, for example, transportation or home assistance.** Ensuring these needs are met could reduce demand strain on senior housing. Needs of aging adults can be understood by assessing (Instrumental) Activities of Daily Living (IADL and ADLs).
- 5. Work with employers to facilitate exploring a program for roommate & host family pairing.** This program would be focused on seasonal worker housing needs and should be employer-driven. It provides a shorter-term solution to helping seasonal workers find somewhere to live until more permanent solutions, such as a dorm, can be implemented.
- 6. Encourage large seasonal employers to provide housing for employees.** Housing options could come in the form of shared homes, dorms, campgrounds, or roommate/home share pairing services.
- 7. Facilitate zoning and approvals for Container Home Village with high quality exterior design standards.** Homes made from shipping containers provide small residential spaces that are affordable to construct. These dwellings could be used by seasonal or year-round residents.
- 8. Assist small businesses with pooling together ideas and resources to increase housing options for seasonal workers.** Create a task force of shop and restaurant owners, landlords, and larger employers like resort operators to implement a spectrum of solutions in partnership which benefit all businesses who rely on seasonal workers.
- 9. Host workshops for communities to plan where housing should go which is affordable for the workforce, including seasonal workers and seniors on a fixed income.** Workshops like these encourage a community approach to understanding and solving issues of affordability and seasonal worker housing shortages. Conducting the meeting in an open forum allows for citizen input up front. Developers, realtors, and property owners participating in the process earn credibility and acceptance from citizens.
- 10. Consider temporary amendment to Tax Forfeited Property Land to encourage development by dropping acquisition price to 10% of market value (or even \$0) plus costs.** To encourage development of tax forfeited properties, Crow Wing County HRA should consider selling land to builders at significantly steeper discounts or outright granting land to builders to construct affordable residential units.
- 11. Utilize Housing Trust Fund for gap financing for homeowners and developers to construct affordable housing.** Provide grants and loans for the construction, rehabilitation, and accessibility modification of affordable housing for low- to moderate-income individuals and families.
- 12. Utilize Housing Trust Fund for gap financing or grants for homeowners and developers to rehabilitate existing housing, income qualifying.** Provide low or no interest, deferred loan or grants based on financial need. Deferred loan repayable or forgiven after primary mortgage is satisfied.
- 13. Utilize Housing Trust Fund for low-interest loans or forgivable loans to landlords for rental housing rehabilitation for affordable units.** These loans would be available to landlords who will offer their units at an affordable rate, as determined in a developer agreement with the County. Property owner investment should be required and they should maintain income qualifications for a significant period of time.
- 14. Utilize Housing Trust Fund for low/no interest gap financing for the construction of multi-family units.** Provide low- or no-interest deferred loans to multi-family developers to construct affordable units. Deferred loans would be repayable or forgiven after primary mortgage is satisfied.
- 15. Incent developers who provide a mix of housing price points within their development to appeal to all income ranges.** Offer incentives and encourage developers to create mixed-income developments. Without instituting inclusionary zoning policies, negotiate housing affordability with those developing the housing.
- 16. Host a familiarization tour for housing developers to allow them to understand the market and its opportunities.** Invite housing developers from across the state to a one-day event in Crow Wing County. Meet to discuss this housing study, incentives, and the county's opportunities. Then take them on a bus tour of the county including target sites.

Types of Housing

- 1. Accessory Dwelling Unit:** Creating a second small dwelling on the same grounds as (or attached to) a single-family house, such as: a converted garage, an apartment over the garage, a tiny house (on a foundation) in the backyard, or a basement apartment.
- 2. Pocket Neighborhoods:** Clustered groups of small neighboring houses or apartments gathered around a shared open space — a garden courtyard, a pedestrian street, a series of joined backyards, or a reclaimed alley — all of which have a clear sense of territory and shared stewardship.
- 3. Home-sharing:** Home sharing is a concept in which seniors rent extra space in their homes to a tenant who can help with house upkeep, errands, etc. In exchange for work around the house, the tenant's rent is typically lower than market rate. Both parties benefit from companionship and teamwork. Agencies exist which can assist with matching renters with homeowners, including screening and background checks. Home sharing can also be among pairs or groups of seniors who can share the cost of in-home care and maintenance.
- 4. Multi-generational Multi-Family Housing:** Apartment or condo buildings which are marketed toward and provide amenities for people of various age ranges, from children to seniors, can provide benefits to all, including shared responsibilities and companionship.
- 5. Co-op Housing:** Co-ops offer a different type of ownership structure that could be a more affordable option than traditional home ownership. An added benefit for seniors is companionship and pooled maintenance.
- 6. Retirement Communities/Senior-Appropriate Housing on or Near Colleges:** Developers may be able to negotiate purchasing or leasing land at a lower cost if locating on public college or university land. Locating on or near institutions of higher education, such as Central Lakes College provides an opportunity for residents to easily participate in educational, cultural, and social events. It can also provide easy access to services like transportation and healthcare, which often locate near colleges and universities.
- 7. Campgrounds with Cabins for Seasonal Workers:** Cabins would be privately-owned options for seasonal workers. The County could play a key role in facilitating the construction of such units by engaging the public and ensuring zoning and permitting processes in the municipalities can accommodate them.
- 8. Dormitory-Type Housing:** Large seasonal employers such as resorts could develop their own boarding-house, or student housing-like residences with assistance from the County and municipalities. This housing could be developed in partnership with Central Lakes College so students can use them in fall, winter, and spring and seasonal workers can stay in summer.
- 9. Container Home or Tiny Home Villages:** This type of development would be privately owned but publicly facilitated for public engagement and zoning and permitting.

1.a. Identify properties for housing development.

Create a county-wide map of developable properties, which would include large parcels for multi-unit development and single-unit in-fill sites.

Complete in next 6-12 months

CWC HRA

Staff and HRA time

Examples & Resources

Workforce
Families
Seasonal
Aging

X X X X

1.b. Work to acquire or support acquisition of properties.

Work to either acquire and hold land identified in Priority 1 in a land bank for development, or be prepared to support acquisition of those properties by private contractors/developers.

CWC HRA

Cost of acquisition will be negotiated for each property.

X X X X

2. Create new or enhance existing down payment assistance program.

Ensure any existing down payment assistance programs are well-funded and utilized. Consider developing a program with employers in which they provide a portion of the funding, while the HRA manages and administers the program.

Complete in 12 months

CWC HRA
Major employers

CWC HRA could contribute \$5,000 for 10 loans or grants, which would be matched by the private sector at \$50,000.

X X

3.a. Provide financial assistance for rehabbing old homes.

Provide financial incentives to homeowners who undertake large remodeling projects. Financial incentives could include a grant up to \$5,000 and a rebate of 50% of building permit fees.

Develop and make program available within 9 months.

CWC HRA

\$5,000 per home plus permit fee rebates

Coon Rapids, MN
<https://www.coonrapids.mn.gov/547/Home-for-Generations-II>

X X X

3.b. Identify residential properties most in need of rehab to target marketing and implementation of rehab assistance program.

To use a rehab program most efficiently, municipalities can conduct an assessment of home conditions and target marketing of the County program toward properties most in need of updates in order to contribute suitably to the housing stock.

Ongoing

Municipalities

Staff and partner time

X X X

4. Consider a temporary amendment to Tax Forfeited Property policies.

Consider a temporary amendment to Tax Forfeited Property policies to encourage development and redevelopment by dropping acquisition prices to 10% of market value (or even \$0) plus costs.

Immediate

HRA

Staff and HRA time

X X

5. Use Housing Trust Fund to provide gap financing to developers to build single- and multi-family housing.

Provide low- or no-interest gap financing to contractors who cannot fully fund single- or multi-family home construction by traditional bank funding only.



When funding is available



CWC HRA



\$300,000 +

Examples & Resources

City of Milwaukee
<https://city.milwaukee.gov/commoncouncil/HTF#.XeQYx-hKJD4>

Workforce

X

Families

X

Seasonal

Aging

X

6. Host developers onsite to build interest and knowledge of opportunities in the county.

Host a familiarization tour for housing developers from across the state to allow them to understand the housing market, opportunity sites, and HRA assistance in Crow Wing County. This would be a one-day event where you will meet to discuss the housing study, incentives, and the county's opportunities. Then, take them on a bus tour of the county, highlighting target sites.

Annually

CWC HRA

\$1,200 - \$2,500

X

X

X

X

				Examples & Resources	Workforce	Families	Seasonal	Aging
<p>1. Encourage municipalities to expedite permitting and development approval processes for housing.</p> <p>Expediting these processes keeps pre-development time and costs lower for developers and reduces developer uncertainty and risk.</p>	3 months to implement	All municipalities	Staff time		X	X	X	X
<p>2. Allow for a variety of housing types and options through flexible, less-restrictive zoning.</p> <p>Create less-restrictive zoning across the county, including allowing multi-family units in more zoning districts, reducing minimum lot sizes, and reducing prevalence of single-family-only zoning. Allow for more flexible housing options, such as accessory dwelling units, du/tri/fourplexes, courtyard apartments, townhomes, multiplexes, pocket neighborhoods, mixed use, container home villages, student housing, and tiny homes.</p>	3 months to implement	All municipalities	Staff time		X	X	X	X
<p>3. Encourage Universal Design (UD) in new construction and renovations.</p> <p>Universal Design (UD) is a concept in which buildings and spaces are designed in an accessible way, but goes beyond the typical ADA compliance requirements to benefit all users, regardless of ability. Homes with UD aspects can be used and re-used more easily over time, reducing the need for costly retrofits when someone ages or becomes ill or injured. It also increases choice for those with disabilities, making their options potentially more affordable. UD can be encouraged through policies, such as requiring UD elements in projects receiving public funding, or through direct funding like grants and loans for UD upgrades.</p>	Immediate	All municipalities	Staff time	AARP Certified Aging in Place Specialist certified contractors.	X	X	X	X
<p>4. Explore premier resort tax or special lodging tax to fund housing for seasonal workers.</p> <p>Work with state legislature and local representatives to discuss lodging tax for construction of housing for seasonal workers.</p>	Within 12 months	County or individual municipalities	Staff time	Hiawatha Residence project, Wisconsin Dells, WI			X	
<p>5. Grant density bonuses for small-footprint developments.</p> <p>Small-footprint developments are those which use land efficiently by fitting units into smaller spaces. These opportunities do not always comply with existing zoning, so granting density bonuses can help incent this type of development.</p>	Within 12 months	All municipalities	Staff time		X			

Programs & Incentives

				Examples & Resources	Workforce	Families	Seasonal	Aging
<p>1. Provide assistance with retrofitting homes for safety and accessibility.</p> <p>The assistance could be provided by either an existing or new home rehab program. The program would provide funding or technical assistance for adding ramps, grab-bars, walk-in showers, and other safety features to help seniors stay independent longer wherever they live. The program could also assist with adding technology that helps maintain independence by providing remote monitoring, healthcare, and connectedness.</p>	As funds are available	CWC HRA; Crow Wing County Services	Starting at \$75,000	Caring Transitions Telecare				X
<p>2. Explore providing a variety of services to meet the needs of various stages of aging.</p> <p>Aging residents may need help with services beyond housing, which can impact the overall cost of housing. For example, ability to access transportation and home assistance impact where a senior can live. Ensuring these needs are met could reduce demand strain on senior housing.</p>	Within 1 year	Crow Wing County Services for Older Adults, Seniors and Disabled Adults						X
<p>3. Explore a program for roommate & host family pairing.</p> <p>Such a program would be a short-term solution to providing housing options to seasonal workers and should be employer driven.</p>		Private resorts, with assistance from CWC HRA	Funded by private sector	Park City, UT homestayfinder.com			X	
<p>4. Encourage large seasonal employers to provide housing for employees.</p> <p>Dorms, camp grounds, and roommate/homeshare pairing services could all provide more affordable, flexible housing options for seasonal workers.</p>	As soon as possible	Private resorts, with assistance from CWC HRA	Funded by private sector				X	
<p>5. Facilitate zoning and approvals for a Container Home Village with high-quality exterior design standards.</p> <p>Homes made from shipping containers and traditional tiny homes both provide small residential spaces which are affordable to construct. These homes could be used seasonally or year-round. These villages would be privately funded, but publicly facilitated through zoning changes and approvals.</p>	When requested	Municipalities, as needed	Municipal staff time	https://www.youtube.com/watch?v=XtfzvStTXII			X	X

				Examples & Resources	Workforce	Families	Seasonal	Aging
<p>6. Assist small businesses with pooling together ideas and resources to increase housing options for seasonal workers.</p> <p>Create a task force of resort owners and operators and small businesses to implement a spectrum of solutions in partnership.</p>	When requested	Resort owners; Could be hosted by CWC HRA	\$150				X	
<p>7. Host workshops for communities to plan where housing should go.</p> <p>Discussions should include places ideal for housing which is affordable for the workforce, seasonal workers, and seniors on a fixed income. Workshops like these encourage a community approach to understanding and solving issues of affordability and seasonal worker housing shortages. An open forum allows for citizen input up-front.</p>	Ongoing annually beginning in late 2020.	CWC HRA	\$250 per workshop		X	X	X	
<p>8. Use Housing Trust Fund for low- or no-interest loans to landlords for affordable rental housing rehabilitation.</p> <p>Property owners who use the program would be required to invest in part of the project. Recipients should maintain affordability to a determined income qualification for a significant period of time.</p>	As funds become available	CWC HRA	\$250,000+			X	X	
<p>9. Incent developers who provide a mix of housing price-points within their development.</p> <p>Offer incentives and encourage developers to create mixed-income developments. Without instituting inclusionary zoning policies, negotiate housing affordability with those developing the housing.</p>	9-12 months	Municipalities, Crow Wing County, & CWC HRA			X	X	X	