



# Crow Wing County HRA

*“Our mission is to support the creation of affordable housing, economic development, and redevelopment projects toward a more vibrant Crow Wing County.”*

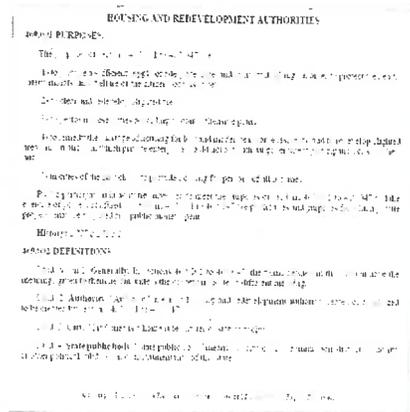
October 2, 2019

Jennifer Bergman,  
Crow Wing County HRA Executive  
Director



# What is an HRA?

- Local unit of government
- Governed by State Statute
- Created by counties or cities
- Intent is to be the housing and redevelopment arm of the county or city
- 155 HRAs across the State





## What is the purpose of an HRA?

- Provide a sufficient supply of adequate, safe & sanitary dwellings
- Clear & redevelop blighted areas
- Perform duties according to comprehensive plans
- Remedy the shortage of housing for low & moderate income residents
- Redevelop blighted areas, in situations in which private enterprise would not act without government participation or subsidies



## What do HRAs do?

- Acquire and sell property
- Redevelopment
- Issue bonds
- Perform needs assessments
- Operate and/or acquire affordable housing including federally-assisted public housing



## What do HRAs do?

- Administer Section 8 Program
- Develop and administer housing rehab loan or grant programs
- Create interest reduction programs
- Operate parking facilities
- Develop and administer down payment programs
- Housing development projects



## Crow Wing County HRA

- Governed by State Statute
- A component unit, created by Crow Wing County in 1986
- Governed by a 5-member board appointed by the County Commissioners
- Administers one TIF Revolving Loan Program
- Allocated Non-TIF Revolving Loan funds to BLAEDC Unified Fund (BUF)



## Crow Wing County HRA

1. Create awareness and visibility of the Crow Wing County HRA through education and collaboration with partners
2. Explore funding or facilitate redevelopment projects
3. Improve housing quality and availability in Crow Wing County
4. Address the workforce housing needs in Crow Wing County



## HRA Levy Increase?

- Asked by County Administrator Houle & Commissioner Brekken - how could the HRA help with the workforce housing shortage issues?
- What could be done with a levy increase?
- Would the HRA be willing to fund BLAEDC & CREDI on behalf of the County?



## Programs & Initiatives

- Since 2013 when we began staffing the Crow Wing County HRA:
  - » Veterans/Service Member Development
  - » Comprehensive Needs Assessment for Crow Wing County
  - » Brainerd Oaks, Serene Pines, Dalmar Estates
  - » Tax Forfeited Property Hold Policy & Procedure
  - » Scattered Sites Replacement Program (SSRP)
  - » Rehab Programs
  - » Crow Wing County Local Income
  - » Workforce Housing Study



## Programs & Initiatives

- Veterans/Service Member Development Project
  - » A private landowner owns several parcels of land in Nisswa, MN, and along Highway 371 on North Long Lake.
  - » Hired HkGi to create a redevelopment plan for four areas for housing, commercial, and recreational development geared towards veterans, service members, and their families.





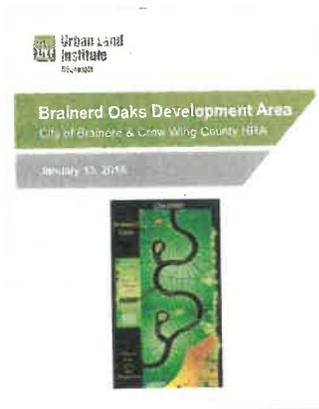
## Programs & Initiatives

- Comprehensive Housing Needs Assessment for Crow Wing County
  - » Used to address housing and redevelopment issues in the county.
  - » Typically, developers use these to determine whether or not a project is feasible.
  - » The HRA uses this to identify gaps, create programs, and solicit developers to fill the gaps.



## Programs & Initiatives

- Brainerd Oaks - Urban Land Institute (ULI) Interactive Workshop & Technical Assistance Panel
  - » Team of experts gathered to assist us
  - » Determined that assessments against the properties by the City of Brainerd were a major impediment to resale & development—sale to a developer would be unlikely.





## Programs & Initiatives

- Brainerd Oaks, Serene Pines, Dalmar Estates
    - » Complex Process
      - State deeded land to Crow Wing County
      - Crow Wing County conveyed lots to HRA
      - City of Brainerd waived special assessments
      - Eliminated Community Interest Community
    - » Negotiated Development Agreement
    - » Developer - purchase at least 10 lots annually & develop owner-occupied, single-family homes.
- All 113 lots sold & homes to be constructed within 3–9 years.



## Programs & Initiatives

- To date, 43 lots have been purchased.
- Brainerd Oaks
  - » 32 lots purchased
  - » 25 homes sold to end buyer
  - » 4 homes in construction
  - » Price: \$164,000–\$215,000





## Programs & Initiatives

- Serene Pines
  - » 11 lots purchased
  - » 8 homes sold to end buyer
  - » Price: \$206,000–\$279,000



## Programs & Initiatives

- Tax Forfeited Property Hold Policy & Sales Procedure
  - » Purpose—ensures tax forfeited properties are returned to productive use
  - » Primary Goals
    - Build Crow Wing County's density and tax base
    - Eliminate blight and reinvest in our neighborhoods
    - Create a clear, straightforward, and efficient procedure for the HRA and developers to act on acquisition
    - Encourage developer investment to stabilize Crow Wing County neighborhoods and construct affordable housing



## Programs & Initiatives

- Tax Forfeited Property Hold Policy & Sales Procedure
  - » Worked with the City of Baxter and Lakes Area Habitat for Humanity (LAHFH)
  - » Sold 3 tax forfeited lots in Crosby to LAHFH



## Programs & Initiatives

- Crow Wing County HRA & Brainerd HRA Partnership
  - » HRAs teamed up to hire a rehab coordinator
  - » Crow Wing County HRA contributed \$30,000 toward the position
- Programs Offered:
  - » Scattered Site Replacement Program (SSRP)
  - » Small Cities Development Program (SCDP)
  - » Minnesota Housing Rehab Loan Program (MHFA)
  - » Federal Home Loan Bank (FHLB) Affordable Housing Program (application pending)



## Programs & Initiatives

- **Scattered Site Replacement Program (SSRP)** - Created in 2018

- » Work w/cities to acquire the property, demolish the house, and prepare the land for a new single-family, owner-occupied home.
- » Successful in the City of Brainerd - 6 homes replaced with new ones.



Before



\* Available County wide



## Programs & Initiatives

- **Small Cities Development Program (SCDP)**

Project Area & Year	Description	SCDP Grant \$	Leverage	Total Investment
SE Brainerd - 2013	34 owner-occupied; 6 commercial	\$715,000	\$185,543	\$900,543
Crosby - 2015	21 owner-occupied	\$435,100	\$78,063	\$513,163
Downtown Brainerd - 2017	44 rental units; 10 commercial	\$650,105	\$279,070	\$929,175
NE Brainerd - 2018	10 owner-occupied; 24 rental units	\$638,338	\$300,550*	\$938,888*
Emily - 2018	10 owner-occupied	\$229,000	\$94,000*	\$323,000*
		<b>\$2,667,543</b>	<b>\$542,676</b>	<b>\$3,210,219</b>

\*Estimated Amount

**Total:**

- » **72 owner-occupied homes**
- » **16 commercial properties**
- » **68 Renter-occupied units**



# Programs & Initiatives

- Small Cities Development Program (SCDP)



# Programs & Initiatives

- Small Cities Development Program (SCDP)

SCDP Downtown Brainerd





## Programs & Initiatives

- Minnesota Housing Rehab Loan Program
  - » Rehabilitated 7 homes for a total of \$180,210
  - » 6 projects in progress

**How can the Rehabilitation Loan Program help me?**  
 We'll help you afford the improvements and repairs you need to stay safe and secure in your home.

- Deferred loan up to \$27,000
- Loan term up to 15 years
- Loan is forgiven if you do not sell, transfer title, or cease to occupy the property during the loan term

**What improvements can I make?**  
 Make basic improvements to the safety, livability, energy efficiency and accessibility of your home. Here are some examples - ask your lender if your project is eligible.

- Electrical wiring
- Furnace or boiler replacement
- Windows and doors
- Siding and roofing
- Plumbing
- Septic system upgrades
- Water heater
- Mold and radon mitigation
- Lead-based paint hazards

**Am I eligible?**  
 You may be eligible if you:

- Own and occupy the property
- Are current with your mortgage payments and property tax payments
- Do not have assets exceeding \$25,000
- Have homeowner insurance at loan closing
- Meet our income limits (subject to change):

Household size	Household income	Household size	Household income
1 person	\$21,091	5 people	\$32,400
2 people	\$24,091	6 people	\$34,900
3 people	\$27,091	7 people	\$37,297
4 people	\$30,000	8 people	\$39,900

Contact a participating lender to learn more. Visit [www.mnhousing.gov](http://www.mnhousing.gov) to find a lender near you.

Find a lender near you at [www.mnhousing.gov](http://www.mnhousing.gov) or 651.296.8215



## Programs & Initiatives

- Federal Home Loan Bank (FHLB) Affordable Housing Program (application pending)
  - » Partnered with Mid-Minnesota Credit Union
  - » Applied for \$200,000
  - » Would allow for approximately six to eight owner-occupied rehabilitation loans in Crow Wing County
  - » Application pending



## Programs & Initiatives

- Workforce Housing Study
  - » One of the goals the HRA Board made is to address the workforce housing needs in Crow Wing County.
  - » We keep hearing anecdotally there is a shortage.
  - » Decided to hire a consultant to conduct a study.
  - » Purpose of the study—help decision makers, stakeholders, and community members develop a meaningful sense of the availability and needs for workforce housing as well as an understanding of key housing issues.
  - » The report will provide community leaders and stakeholders a basis for formulating community-specific workforce housing priorities, policy alternatives, and strategies.



## Programs & Initiatives

- Workforce Housing Study (continued)
  - » Hired Redevelopment Resources who teamed up with the Windward Group
  - » Assembled a task force with representation throughout the county:
    - Cassandra Torstenson, City of Brainerd
    - Patrick Wussow, City of Breezy Point/Brainerd HRA Board
    - Dolly Matten, Greater Lakes Realtors Association (GLAR)
    - Mike Bjerkness, BLAEDC
    - Brad Chapulis, City of Baxter
    - Nancy Malecha, City of Pequot Lakes
    - John Andrews, Crosslake City Council
    - Mark Ronnei, Grandview Lodge
    - Craig Nathan, Rural MN CEP, CWC HRA
    - Bill Brekken, Crow Wing County



## Programs & Initiatives

- Workforce Housing Study (continued)
  - » Right now, we are conducting a survey and gathering data.
  - » Draft of the study anticipated for mid-November
  - » Final report by 12/31



## Programs & Initiatives

- Housing Trust Fund (HTF)
  - » Legislature created in 2016
  - » Gives HRAs several options to create programs to address the various housing needs throughout Minnesota
  - » Red Wing HRA, Goodhue County, Alexandria HRA
  - » As we were challenged to think of programs, this seemed like the perfect vehicle since it would allow us to create programs for development and rehab of owner-occupied and rental property
  - » HTFs created by ordinance by the County Board



## Programs & Initiatives

- HTF (continued)
  - » CWC HRA will be creating a HTF in the amount of \$450,000 in 2020.
  - » Currently in the process of drafting the ordinance.
  - » Will create programs based on workforce housing study recommendations.



## Summary

- One of the goals of the Crow Wing County HRA is to address the workforce housing needs in Crow Wing County.
- HRA commissioned a workforce housing needs study in 2019 to be completed by 12/31/19.
- Request from Commissioner Brekken and County Administrator Houle how the HRA could help.
- Heard the workforce housing shortage issue from Crosslake, Breezy Point, and Nisswa.



## Summary

- Crow Wing County HRA is providing a solution to the problem by creating a HTF.
- While this is a big initiative for the HRA, we're confident we can make a difference.



*Thank you!*