

March 3, 2021

Chisago County Commissioners
Chisago County Government Center
313 North Main Street
Center City, MN 55012

Dear Chisago County Board of Commissioners:

This letter is written in support of the Chisago County Housing Trust Fund proposed by the Chisago County HRA-EDA. The city of Stacy has been actively working to attract workforce housing to attract residents and workforce.

With the recent economic development activity in Stacy, it is imperative to look at workforce housing in the area. Currently, many of the employees working here commute from other cities as they are unable to find housing within the city or nearby. Additional housing would support the new business' ability to attract employees and help them be successful in their new locations.

Programs such as the Housing Trust Fund would provide a great incentive to attract housing developers to fill the housing needs of the city. By continuing to attract development, it will open the opportunities for housing options in Stacy and Chisago County.

Thank you for your consideration of the Chisago County Housing Trust Fund program.

Sincerely,

Sharon Payne
Stacy, City Clerk

cc: Nancy Hoffman, Chisago County HRA-EDA



CHISAGO COUNTY
— HRA-EDA —
A Natural Resource for Business

Chisago County Affordable Housing Trust Fund Policy and Guidelines

Purpose and Goals

Pursuant to Minnesota State Statute 462C16 the Chisago County Board of Commissioners (County) authorized an Affordable Housing Trust Fund (CCAHTF) that is administered by the Chisago County Housing and Redevelopment Authority-Economic Development Authority (HRA-EDA). Priority for the CCAHTF is for the development of Workforce Housing units, which shall include moderate, low, and very low-income households as defined annually for Chisago County by HUD. The CCAHTF may provide loans and grants to for-profit and non-profit housing developers for the acquisition, capital, and soft costs necessary for the creation or preservation 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 longest period possible. Projects funded by the CCAHTF shall be disbursed throughout Chisago County so no single neighborhood experiences a disproportionate concentration of housing units for Low Income and Very Low-Income households.

Funding Sources

The HRA-EDA will allocate resources to the CCAHTF as part of the annual budget process. The total available funding may include newly allocated resources or reallocation of existing funds. Funding sources for the CCAHTF program are primarily from distributions from housing currently owned by the HRA-EDA and the HRA Levy. Other funds may come from gifts, grants or donations from corporations or individuals, proceeds from the sale of HRA owned property and other funding sources as determined by the HRA-EDA.

Application Requirements and Process

- Requests for funding from the CCAHTF shall be submitted to the HRA-EDA on a form provided by the HRA-EDA.
- The Housing Trust Fund Committee designated by the HRA-EDA will review the application and make a recommendation to the HRA-EDA.
- The application will be submitted to the Chisago County HRA-EDA for consideration. The investment will be provided on approval of the terms of the funding documented in a development agreement.

CCAHTF Applications Will Receive Priority For Developments That:

- produce new workforce housing and/or preserves existing affordable housing.
- demonstrates support from the local unit of government.
- the Chisago County Housing Needs Analysis shows a demand for the proposed housing.
- the project pro forma is accurate and the gap in sources of development costs merit public financing.

Eligible Activities

Funds from the CCAHTF may be used to support the acquisition, redevelopment, or preservation of workforce affordable housing units. These funds may be used flexibly to ensure the financial feasibility of the projects. A wide range of uses of the funds are eligible as determined by the HRA-EDA.

Priority Housing

- Rental assisted units shall be available only to households whose gross income, adjusted for family size, is at or below 50% of the Area Median Income at time of entry into the unit.
- Rental Units having 20% of the units at 50% or less of the county median income or 2) 40% of the units at 60% or less of the county median income.
- Owner-occupied Assisted Units shall be available to households who are Moderate, Low Income or Very Low Income. Homeowners will pay no more than 30% of their household income.

Assistance Types

The CCAHTF Consists of two funds. The Revolving Loan Fund and the Housing Grant Fund. Grants and loans will typically range from \$30,000 to \$200,000 depending on funding availability and demonstrated need. The CCAHTF funding cannot be more than 10% of the total project.

Loans will be provided at interest rates will be 0% - 3% with a 20-year term. The loan will be reviewed every five years. If other funding is available, the owner may refinance and pay off the HRA-EDA, to make the funds available for other housing projects. The developer/owner must show that the loan will be paid back through cash flow.

Grants will be provided to projects that can clearly identify that the project would not happen but for the grant. This may include but is not limited to demolition costs, poor soil conditions, additional municipal requirements, etc. or are for the very low income.