
HEDA WORKING SESSION

Monday October 21, 2024

Following regular HEDA meeting

ATTENDANCE:			
	<i>President Shari Majkich Brock</i>		<i>Greg Pruszinske, City Administrator</i>
	<i>Member John Schweiberger</i>		<i>Andy Borland, City Attorney</i>
	<i>Member Jennifer Hoffman Saccoman</i>		<i>Sheena Mulner, Finance Director/Treasurer</i>
	<i>Member Steve Jurenes</i>		<i>Candie Seppala, City Clerk/Deputy Admin</i>
	<i>Member Roger Kivela</i>		<i>Betsy Olivanti, Community Dev. Director</i>
	<i>Member Mayor Pete Hyduke</i>		
	<i>Member Mike Egan</i>		

AGENDA:

Reports and Updates:

1. Local Housing Trust Fund Policy, Betsy Olivanti
2. Jefferson School Discussion
3. Boomtown Brewery Loan Discussion
4. Parking study update
5. Miscellaneous – Round Table

NEXT REGULAR MEETING: November 18, 2024

ADJOURNMENT:



Hibbing Economic Development Authority Local Housing Trust Fund Process and Policy Guidelines

Program Purpose

The City of Hibbing, through the Hibbing Economic Development Authority (HEDA), instituted a local housing trust fund (LHTF) through Ordinance No. 440, Chapter 18, for the specific purpose of creating a permanent source of funding and a continually renewable source of revenue to meet, in part, the housing needs of Moderate, Low Income and Very Low-Income households of the City. The Housing Trust Fund shall provide loans and grants to property owners, homeowners, local housing authorities, for-profit housing developers, and non-profit housing developers for the following purposes: (1) acquisition, capital and soft costs necessary for the creation of new Affordable and Workforce Housing (both rental and owner-occupied), (2) acquisition, rehabilitation, capital and soft costs necessary for the preservation of existing Affordable and Workforce Housing; (3) acquisition, capital and soft costs necessary for the creation of new Mixed Income Housing (both rental and owner-occupied); (4) the rehabilitation of the existing housing stock; and (5) other housing expenditures that are consistent with Minnesota Statutes, Section 462C.16 Subd. (3).

Commented [B01]: Add Hibbing to the name?

Uses of the Local Housing Trust Fund

There are currently three HEDA approved entities who may apply to the LHTF. They are:

1. Housing and Redevelopment Authority of Hibbing (HRA)
2. Arrowhead Economic Opportunity Agency (AEOA)
3. North St. Louis County Habitat for Humanity (NSLCHFH)

These entities will use the funds as described below.

The HRA will use the funds as outlined primarily in Purpose 1,2 and 3, with the option to include Purposes 4 & 5 with city-HEDA approval. Funds will be used in the acquisition, capital and soft costs necessary for: 1) Creation of Affordable and Workforce Housing, 2) Preservation of existing affordable housing and workforce housing and 3) Creation of new mixed income housing in keeping with the HRA's strategic plan and operating guidelines.

AEOA will request funds to administer their *Owner-Occupied Repair/Rehab Program* to provide grant and loan funds for emergency repairs, home energy improvements and sewer lateral repair/replacement. Applicant must own and occupy property for at least 6 months to be eligible - 6-month requirement may be waived for Buyer purchasing a home in need of sewer lateral repair/replacement. *Grant funds* available for emergency repairs to restore heat, water, electricity or remedy a situation that compromises health/safety. *Loan funds* available for home energy improvements and sewer lateral repair/replacement. Eligible home energy improvements include windows, doors, furnaces and ductwork, water heaters, wall and ceiling insulation, roofing. Loans are deferred with no monthly payment, 0% interest, 5-year term, secured by a mortgage lien and forgivable. Repayment of the loan is required if property is sold, transferred or no longer occupied by the Borrower during the 5-year term.



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North St. Louis County Habitat for Humanity will use the funds as outlined in Purpose 1 and 2. Funds will be used in the acquisition, capital and soft costs necessary for the creation of new affordable single-family housing and in the rehabilitation of existing single-family homes. Uses of funding include the acquisition of land, the acquisition of rehab properties, providing infrastructure (sewer, water, gas, and land preparation), purchasing building materials and hiring trades work for the purpose of creating new and rehabilitated single-family homes in the City of Hibbing.

Method of Application

The three entities and the programs mentioned above have been vetted and approved by HEDA at the outset of this program. Annually, at the time the HEDA Board declares priorities and funding amounts for each budget year, the HEDA Board will also review each organization and the programs to ensure that they remain in keeping with the intent and purpose of this fund.

Once the amount of funding has been determined and approved for each organization, each will have the opportunity to come forth with their request for funding. If each organization remains in good standing with the HEDA Board and their respective monitoring agencies, the funding requests will be reviewed and approved by the HEDA Board.

The application is contained in Appendix A of this document.

Funding Sources – Current and Future

The LHTF is seeded by initial funding from the HEDA levy in the amount of \$150,000.

Additionally, the city of Hibbing's allocation of local area housing funding will be deposited in this fund each year to be available for the purposes and uses described in this policy.

Additionally, the city council and HEDA Board may deposit funds into this fund or allocate a portion of the HEDA or HRA levy as needed by upcoming projects. The exact amount of funding may vary by year. In 2024 we will also be eligible to compete for a one-time match from the State in the amount of \$150,000. Finally, local businesses, organizations, or individuals are encouraged to donate into this fund for its stated purpose in the city of Hibbing.

Commented [B02]: Real estate donations?

Commented [B03]: Real estate donations?

Allocation of ~~AHTE~~-LHTF Funds

The HEDA Board will decide how much funding and what portions will be available to each purpose during their annual budget work.



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Annual Report

The statute calls for an annual report to the authorizing entity, in this case, the Hibbing City Council. An annual report will be provided to the HEDA Board by each entity that requests funds on the projects they achieved in the past year. These reports will then be summarized by HEDA staff into one report and provided to the Hibbing City Council, along with the rest of the HEDA activities.



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APPENDIX A: Local HOUSING TRUST FUND APPLICATION

A. APPLICANT INFORMATION

Applicant Name:	
Address:	
Phone:	Email:
	Brief organizational description, including history, and program documentation provided.
	Brief description of the proposed project or program provided

B. PROJECT INFORMATION

1. The project will be:

	Owner Occupied Rehabilitation		Sewer Lateral		Rehabilitation
	Multifamily Dwelling		New Construction		Rehabilitation
	Single Family Dwelling		New Construction		Rehabilitation

2. Funding Request

Amount of Funds Requested:	
Yes	N/A
Brief budget summary attached to this application	

3. Project Site

Address or Parcel ID, if known	
Current Real Estate Taxes on Project Site:	\$
Estate Taxes upon Completion:	\$



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4. Project Timeline

Start Date	
End Date	

C. PUBLIC PURPOSE

It is the policy of the City of Hibbing that the use of the ~~Affordable-Local~~ Housing Trust Fund should result in a benefit to the public. Please indicate how this project will serve a public purpose. Select all that apply.

☐	New development, which will result in additional private investment in the area.
☐	Enhancement or diversification of the City's economic base.
☐	The project contributes to the fulfillment of the City's Comprehensive Plan.
☐	Removal of blight or the rehabilitation of a high profile or priority site.
☐	Significantly increase the City's tax base.
☐	Provides affordable housing.
☐	Provides variety of mixed-income housing options.
☐	Other, please describe below.



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E. ADDITIONAL DOCUMENTATION AND CHECKLIST

	Project Plan, if needed
	Organizational financial statements/ 990 filing /most recent audit
	List of Board Members
	Organizational resolution to seek funding
	Letters of support

The undersigned certifies all information provided in this application is true and correct to the best of the undersigned's knowledge. The undersigned also agrees to provide any additional information as may be requested by the HEDA Board after the filing of this application.

NOTICE TO APPLICANT: Data Practices Act

The information you supply in your application to the HRA will be used to assess your eligibility for this funding. Minnesota Statutes, Chapter 13 (Minnesota Government Data Practices Act) governs whether the information that you are providing to the HEDA Board is public or private. If financial assistance is provided for the project, the information submitted in connection with your application will become public, except for those items treated as private data under the Minnesota Government Data Practices Act.

I have read the above statement and I agree to supply the information to the HEDA [Finance Committee and/or](#) Board with full knowledge of the matters contained in this notice. I certify that the information submitted in connection with the application is true and accurate.

Applicant Name _____ Date _____