

HENNEPIN COUNTY
HOUSING AND REDEVELOPMENT AUTHORITY

2025 BUDGET

As approved on December 12, 2024 by the

**Hennepin County Housing and Redevelopment
Authority Board of Commissioners**

Jeffrey Lunde, 1st District

Irene Fernando, 2nd District

Marion Greene, 3rd District

Chair: Angela Conley, 4th District

Debbie Goettel, 5th District

Heather Edelson, 6th District

Vice-Chair: Kevin Anderson, 7th District

**Hennepin County Housing and Redevelopment
Authority Executive Director**

David J. Hough

Hennepin County Housing and Redevelopment Authority

Hennepin County, MN

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Mission Statement:

The principal mission of the Hennepin County Housing and Redevelopment Authority is to serve the housing and economic development and redevelopment needs of the citizens of Hennepin County and its municipalities.

Description and Goals:

The Hennepin County Housing and Redevelopment Authority seeks to create a vibrant community with a diverse, growing economy where all people enjoy safe and affordable housing and have access to jobs, community services and neighborhood amenities supported by transportation choices.

Overarching Goals:

- Prioritize investment and innovation in housing for people with the lowest incomes to ensure a complete and equitable continuum of affordable housing options.
- Create supportive housing tailored and reserved for households experiencing homelessness, and others at greatest health and safety risk if they become unhoused.
- Provide best-in-the-nation resources to develop entrepreneurs, support business creation, and help businesses grow and thrive.
- Provide inclusive access to business ownership as a pathway to wealth creation by offering unparalleled access to resources, networks, and capital.
- Invest in community assets and community-driven development projects that revitalize under resourced communities.

Programming principles include:

- Low-income households are most likely to experience housing cost burdens
- Income disparities and housing cost burden disproportionately impact households of color
- Extremely low-income households experience affordable housing scarcity
- Racial disparities threaten our region’s prosperity, making inclusion an economic imperative
- Place-based disparities require investment to ensure all residents enjoy a high quality of life
- Entrepreneur support is a critical pathway to economic mobility
- Maximizing the ROI of transit investments creates a more sustainable and equitable region
- Equitable (re)development and revitalization at the district and corridor scale require partnerships across jurisdictions

Revenue Information:	2023 Budget	2024 Budget	2025 Budget
Budgeted Property Tax Requirement*	\$17,640,360	\$17,640,360	\$21,798,273
Federal	0	0	0
State	320,000	320,000	320,000
Local	0	0	0
Investment Earnings	125,000	125,000	125,000
Fees and Services	1,050,000	995,000	1,080,000
Other Revenue	662,087	162,087	162,087
Unassigned Fund Balance			5,839,908
Local Affordable Housing Aid	<u>0</u>	<u>0</u>	<u>10,036,825</u>
Total Revenues	\$19,762,447	\$19,242,447	\$39,362,093

** Reflects the adjusted property tax requirement budget, not actual property tax collections (\$22,186,537)*

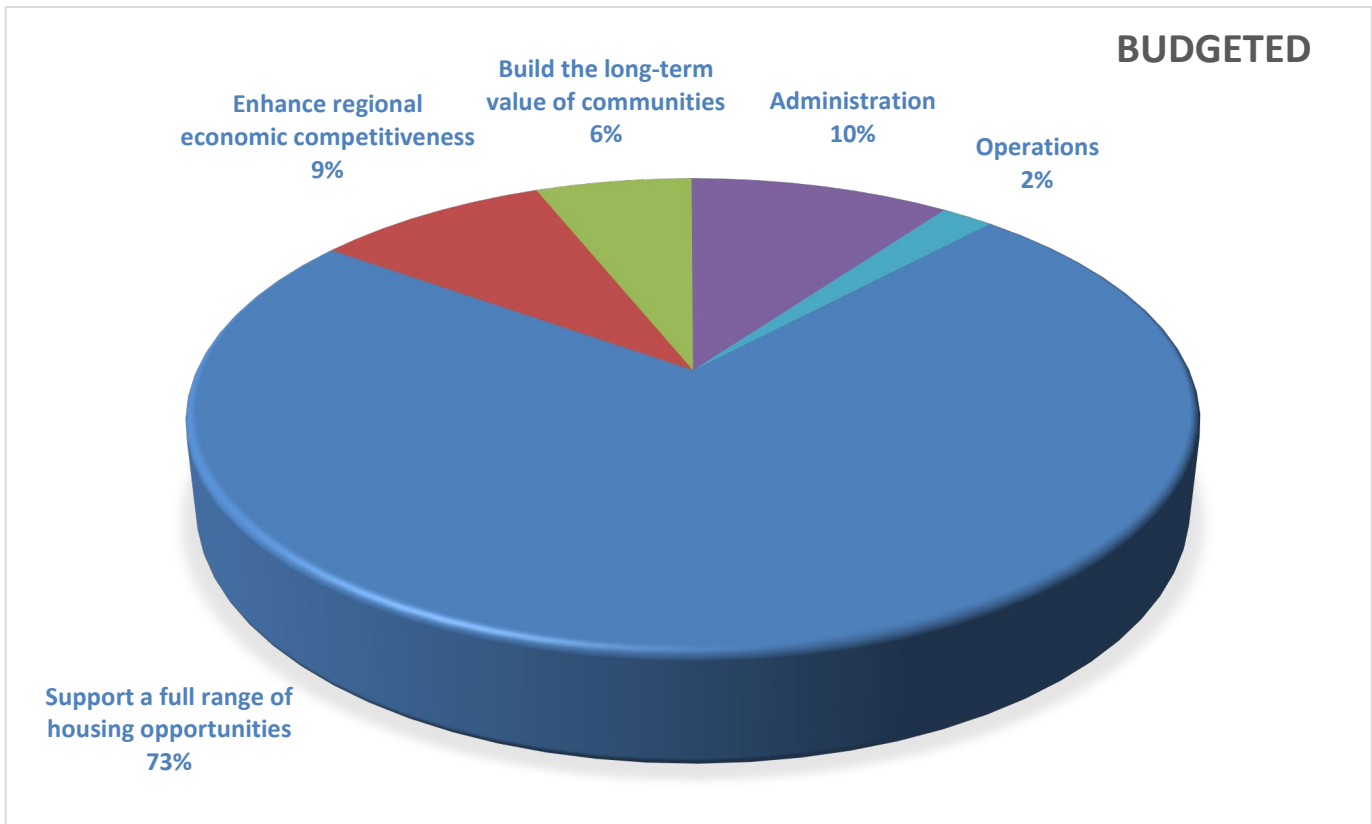
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Expenditure Information:	2023 Budget	2024 Budget	2025 Budget
Operational	\$4,482,780	\$4,462,780	\$5,730,693
Affordable Housing Incentive Fund	5,000,000	5,000,000	5,000,000
Transit Oriented Communities	2,200,000	2,200,000	2,200,000
Economic Support Strategies	200,000	200,000	525,000
Elevate Hennepin Programming Suite	0	0	2,975,000
Supportive Housing Capital Fund	5,000,000	5,000,000	5,000,000
SRO Capital Reserve	500,000	500,000	275,000
Homeownership Assistance	1,245,000	1,245,000	1,245,000
Project Based Assistance	634,667	634,667	634,667
SAHA/LAHA Supportive Housing	0	0	7,836,825
Affordable Housing Recovery	0	0	7,939,908
BLRT Community Investment Initiative	<u>500,000</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$19,762,447	\$19,242,447	\$39,362,093

Expenditure Summary:



Project Summary:

Affordable Housing Investment Fund - \$5,000,000

The Affordable Housing Incentive Fund (AHIF) Program was created to encourage the preservation and development of affordable housing opportunities throughout Hennepin County. AHIF typically provides gap funding assistance in the form of a 30-40-year, low-interest, deferred loan.

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Supportive Housing Capital - \$5,000,000

The Supportive Housing Capital program was established to provide targeted capital assistance to client-focused housing projects that preserve and expand the supportive housing system. The program advances the development of 30% area median income (AMI) supportive housing through more intentional and proactive county investment.

Homeownership Assistance - \$1,245,000

The homeownership assistance program supports the creation of homeownership opportunities through new construction, homebuyer assistance, and other activities.

Project Based Assistance - \$634,667

Project based assistance provides financial support to ensure the long-term stability and quality of the housing units while allowing rents to stay affordable to households with incomes at or below 30% of AMI.

SRO Capital Reserve - \$275,000

The HCHRA's single room occupancy (SRO) strategy aims to re-introduce basic affordable housing into the market to meet the needs of individuals with extremely low incomes and resulting housing instability. This capitalized reserve supports necessary repairs/improvements to SRO properties.

Transit Oriented Communities - \$2,200,000

The Transit Oriented Communities (TOC) program was created to promote a mixture of development such as housing, retail, services, jobs, and open space projects within walking distance of transit. TOD projects are compact and typically feature pedestrian and bicycle connections, reduced or shared parking, increased density, and building orientation towards the pedestrian environment. Benefits, many of which help to reduce disparities, include lower combined housing and transportation costs, a greater range of housing options, a reduced need to drive and own vehicles, and improved connections to employment and service destinations.

Economic Support Strategies - \$525,000

Economic Support Strategies is comprised of the Business District Initiative, Hennepin Planning Grants, Façade Improvement Program, and Commercial Ownership Pathways which collectively represent distinct approaches to partnering with municipalities to advance shared economic and community development goals. By design, these programs provide modest seed funding to leverage additional investment, foster greater collaboration with Hennepin County communities, and support strategies that help businesses and communities thrive and prosper.

Elevate Hennepin Programming Suite - \$2,975,000

Elevate Hennepin programming is comprised of Elevate Hennepin 1:1 Consulting, online resource hub, navigation, Elevate Nonprofits, Elevate Cohort Programming (CEO Start, CEO Now, CEO Next, Certified Access, HR Next (formerly Elevate Talent), and The Coven), and the Elevate Hennepin Employee Assistance Fund collaboration with Workforce Development.

SAHA/LAHA Supportive Housing - \$7,836,825

Consistent with Resolution 23-0438 affirming Hennepin County's strategy for Metropolitan Region Sales and Use Tax for housing proceeds and Statewide Local Affordable Housing Aid revenues, supports unique services and operating costs for supportive housing projects 100% affordable to households at or below 30% AMI.

Affordable Housing Recovery - \$7,939,908

Completion of existing pandemic recovery affordable rental and homeownership contracts with anticipated construction costs in 2025.