

HENNEPIN COUNTY
HOUSING AND REDEVELOPMENT AUTHORITY

2024 BUDGET

As approved on December 12, 2023 by the

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

Vice-Chair: Jeffrey Lunde, 1st District

Irene Fernando, 2nd District

Marion Greene, 3rd District

Chair: Angela Conley, 4th District

Debbie Goettel, 5th District

Open seat, 6th District

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:

| |
|---|
| Supporting the provision of a full range of housing choices |
| Creating/preserving jobs and improving employment access |
| Building long-term community infrastructure value |

| | |
|-----------------------|------------------------------------|
| Community Development | Multifamily and Supportive Housing |
| Business Development | Single-family Housing |
| Healthy Communities | Lead and Healthy Homes |

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: | 2022 Budget | 2023 Budget | 2024 Budget |
|------------------------------------|---------------------|---------------------|---------------------|
| Budgeted Property Tax Requirement* | \$17,640,360 | \$17,640,360 | \$17,640,360 |
| 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 | 2,550,000 | 1,015,000 | 995,000 |
| Other Revenue | <u>44,635,726</u> | <u>662,087</u> | <u>162,087</u> |
| Total Revenues | \$65,271,086 | \$19,762,447 | \$19,242,447 |

| Expenditure Information: | 2022 Budget | 2023 Budget | 2024 Budget |
|--------------------------------------|---------------------|---------------------|---------------------|
| Operational | \$6,659,147 | \$4,482,780 | \$4,462,780 |
| Affordable Housing Incentive Fund | 5,173,639 | 5,000,000 | 5,000,000 |
| Transit Oriented Development | 2,200,000 | 2,200,000 | 2,200,000 |
| Economic Support Strategies | 130,000 | 200,000 | 200,000 |
| Supportive Housing Capital | 5,000,000 | 5,000,000 | 5,000,000 |
| SRO Capital Reserve | 500,000 | 500,000 | 500,000 |
| Homeownership Assistance | 1,245,000 | 1,245,000 | 1,245,000 |
| Project Based Assistance | 446,205 | 634,667 | 634,667 |
| BLRT Community Investment Initiative | <u>0</u> | <u>500,000</u> | <u>0</u> |
| Total Expenditures | \$21,353,991 | \$19,762,447 | \$19,242,447 |

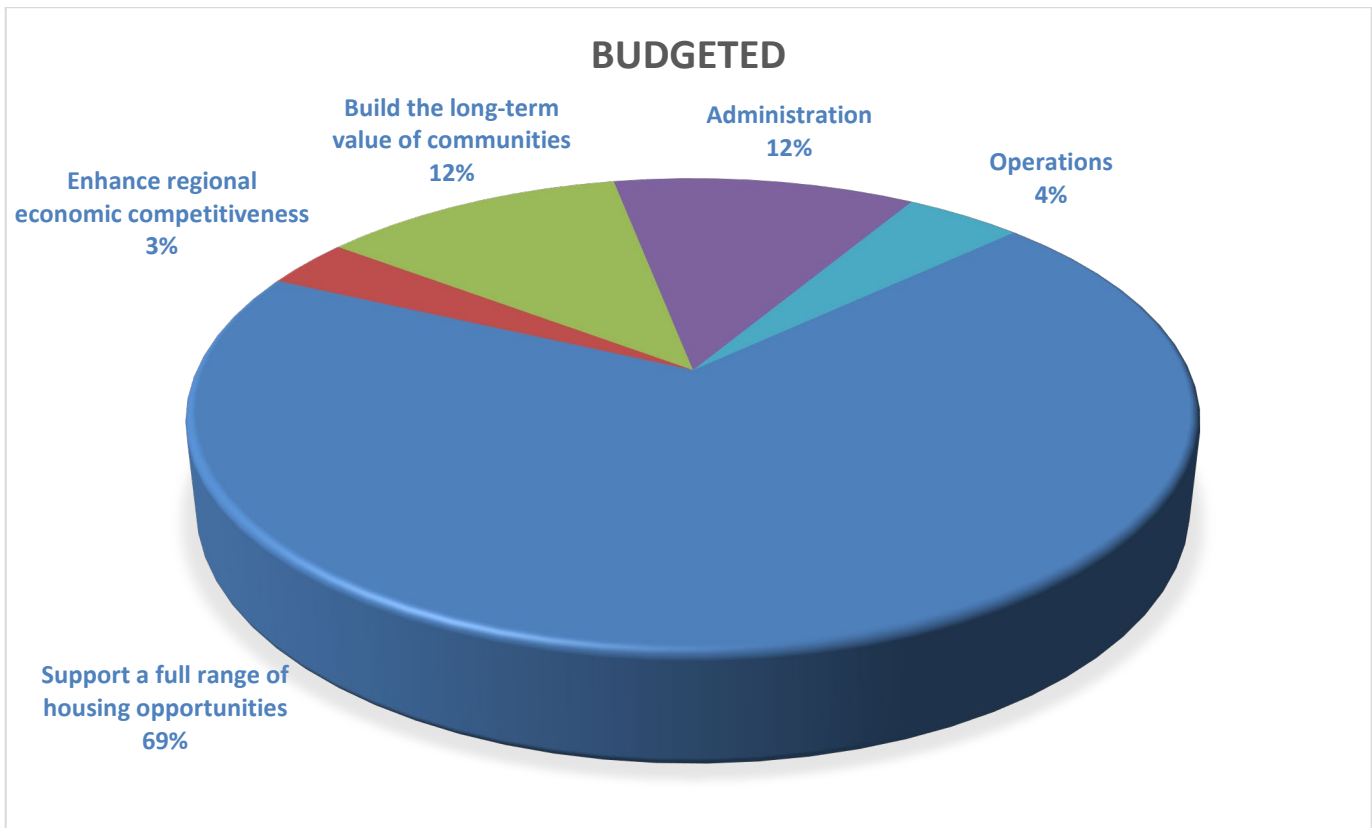
* Reflects the adjusted property tax requirement budget, not actual property tax collections

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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.

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 - \$500,000

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 Development - \$2,200,000

The Transit Oriented Development (TOD) 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

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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 - \$200,000

Economic Support Strategies is comprised of the Business District Initiative and Hennepin Planning Grants which represent two 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.