

**Advisory Team Meeting #14**  
**September 22, 2021**

**6:00 to 8:00 p.m.**

*Summary notes are below. A recording of this meeting is also available on the website at [www.red-wing.org/1032/Policy-and-Practice-Project-Meetings](http://www.red-wing.org/1032/Policy-and-Practice-Project-Meetings)*

**Team Members Present**

Michael Holmes, Steve Blaine, Sara Kern, Alexis DeVries, Cory Koplin, Liz Magill, Thomas Young, Janet Yaneth Santiago, Marvin Bradford, Racheal Savage, Sam Malcom, Cholwe Hantuba Walker

**Team Members Absent:** None

**Facilitator:** Michelle Leise, City of Red Wing Community Engagement Facilitator

**Guests:** Corrine Stockwell, Interim Executive Director HRA. Jennifer Cook, Program Management Coordinator, HRA. Regan Kilbride, Section 8 Housing Specialist, HRA. Ali Niemi, North Star Policy Consulting, LLC.

**Meeting Notes**

**Summary of the Red Wing Housing and Redevelopment Authority presentation.**

The HRA runs a variety of programs and owns multiple properties. Here is a summary of what the HRA owns and programs they run.

Property owned in Red Wing by the HRA:

- ✓ 119 public housing units (Jordan Tower 1 – 100 units: Featherstone, Deer Run, Pioneer Place Townhomes – each of these are 6 units each).
- ✓ 1 single family home.
- ✓ 104 Section 8 units in Jordan Tower 2 – these are technically called “new construction units” even though they’re quite old (which is confusing).
- ✓ 12 market rate units – the Bluffview Townhomes on East 5<sup>th</sup> Street over near He Mni Can-Barn Bluff.
- ✓ One twin home – they tore a home down and had an agreement with the high school and students helped build this.
- ✓ 3 rapid rehousing units – called the Hill Street Triplex. Three Rivers has a partnership with the HRA and works with these folks to get into these units.
- ✓ The women’s shelter

## Voucher Programs

*“Housing Choice Voucher Program”* This used to be called Section 8 and is still often called that in the general public. The HRA has been granted 169 Housing Choice vouchers they can give out for people to use in privately owned units that are owned by a private landlord who takes these vouchers. (Many landlords will not accept these.) The person usually pays between 30% and 40% of their income for rent. Most people who used these vouchers have jobs. HRA does inspections before and after the person moves out and also every 2 years. (Note, even though the HRA has been granted 169 vouchers, that usually equates to enough funds locally for 140 vouchers.)

\*\*The Housing Choice Voucher program is currently closed because the waiting list is so long. The program temporarily closed in April when the waiting list was 2 years long. Now it is 1.5 years long. Currently in September, 150 people/families are on the waiting list.

*“Bridges” Vouchers.* HRA has 12 of these vouchers to give out. This program helps people who have a serious mental health diagnosis. People in psych units, drug or alcohol institutions, or jail/prison get first priority. Homeless people get second priority. Then others. With this program, you still find your own place with a private landlord.

## Affordable Housing Trust Fund.

This started around 2016 and was one of the first in the state to start something like this. The HRA takes the \$100,000 tax levy they receive from the City each year and use that for the following programs:

- A homebuyer’s assistance loan of \$9,000 per household.  
This loan is for people who don’t have many options left and they’re trying to just get a down payment on their first home. The person/family does not have to pay it back for 30 years or whenever they sell their home. The HRA currently has 18 loans out to people at a total of \$161,000.
- A small site new construction loan  
HRA gives out \$25,000 per brand new unit brought into the city; they try to do about 150 every couple of years. For instance, the HRA helped with the Josephson’s Building remodel, which was 4 units. Half of the units need to be “affordable.” By affordable in this definition, it means the unit would be 40% of 60% of the area median income (they use Goodhue County’s median household income – which is much higher than Red Wing’s). The rent is a reduced rate (lower than market rate). But it’s also not an extremely low rate and not meant to be highly subsidized housing.
- Owner occupied rehab  
Total of 6 grants that equal \$107,000. i.e. They helped an elderly man fix his roof when there was no other way he could have done it. Typically the amount

is not more than \$24,000 per loan. Usually the loans are forgiven. The people just need to stay in their home for another 10 years after the project.

- Agreement with Habitat – With this agreement, Habitat can do three new construction homes per year and the HRA will give Habitat \$10,000 per home.

### Small Cities Development Program

HRA first got a grant from DEED in 2012 to start this program.

This is intended mostly for commercial businesses. For instance, they'll give a \$50,000 loan for new roof, improvements to become ADA compliant, do tuckpointing, etc. It's for the building property – not the business itself. The owner pays 0% interest and pays the first \$25,000 back over the first 10 years. The other \$25,000 is forgiven as long as they are still in business. Targeted areas are downtown and West End District. Over 80 loans have been done so far and the HRA is looking to do more in downtown soon.

Corrine says sometimes this type of loan can be used for owner-occupied and rental rehab; there are several kinds of things they can do with this DEED money but so far the HRA has focused on businesses.

The HRA currently has out just shy of 2 million dollars in loans.

Forgivable amount of that is just over 1 million.

HRA reserves are \$450,000

Would love to give out more loans. If you know a business who needs help, the HRA has \$50,000 available to give out.

They have helped West End Liquor, Bayside Tap & Steakhouse, Red Wing Brewery, Masonic Lodge, and others.

### Tax Increment Financing (TIF)

Example is the Keller-Baartman Properties

\$46 million project total

255 new units – in Park Place Apartments across from Mayo

66 new units going up behind Merchants Bank

Another group of units going up behind Walmart – most will be for senior housing

40% of all these units must meet the parameters of “affordable workforce housing”

The definition of that is 40% of 60% Area Median Income (that's the limit for they can charge for rent)

Here are things we need to work on in Red Wing:

Vacancy rate should be 5% and we're only at 1.4% in Red Wing.

Prevention and financial hardship. So many programs have so many hoops to jump through that it's hard to get access to them.

Increasing mental health services. An issue can lead to eviction.  
Help with mediating between landlords and tenants before things escalate to court or eviction.

Help getting an eviction expunged. If you have a conviction or an eviction, it's hard for years to rent anywhere.

**HRA-owned properties funded by HUD**  
(HUD is the U.S. Department of Housing and Urban Development)

Rent in these properties are 30% of the adjusted income of those tenants. They report their income. But there are also waitlists for all these units.

Our Section 8 list was so long that they closed it. (Right now you would have to wait more than 1 to 2 years).

We need education and all the different programs available.  
Jordan Tower 1 is open to general occupancy but we have preference points  
Jordan Town is open to people over age 62 or disabled.

Staff is excited to start collaborating. Before groups used to do things separately and now groups are starting to do things together.

### **Question and Answer Period:**

What is area median income for Goodhue County and Red Wing?

Goodhue County is \$66,800

Red Wing is \$54,785

How can we use our City of Red Wing's median income, instead of Goodhue County, since Red Wing's income level is so much lower.

Comment - Like having the idea of people getting more information on expunging an eviction. It usually takes someone to help but it's possible. It would help to have someone to guide people through that process.

HRA discussed a program called 1Roof Community Housing. This program exists in Duluth and they help with the following, among other things:

- Renter – Landlord mediation
- Education classes for tenants and landlords
- Education classes on financial literacy

Owner occupied loans are focused on what is termed "blighted areas" – in Red Wing, that is an area mostly around downtown. HRA will get us the exact location.

Team also had more questions on TIF – Affordable Workforce Housing. Corrine explained the details.

Groups talked about the stigma around what is still termed “Section 8 housing.” Landlords often do not want to rent to folks through this program so there are fewer units available. How can we collaborate with landlords? They are running a business so they have a different expectation and goal for renting. Are there incentives or other ways to encourage landlords to rent to those using these vouchers?

### **Summary from Ali Niemi’s Presentation on Homelessness and Housing Instability**

Ali Niemi of North Star Policy Consulting explained the parameters of the City of Red Wing project. It is a 4-month study of homelessness in Red Wing and a 4-month engagement process of community discussions to work on a plan for solutions. The results of Ali’s work is a *Study of Homelessness and Housing Instability* (already completed and on the City’s website) and a *Strategic Plan to Address Homelessness and Housing Instability* (due at the end of December and presented to City Council in January 2022.)

#### Goals of the Study portion:

- Understand the scale and breath of the homelessness issue (data)
- Identify best practices
- Identify gaps and duplication of efforts in Red Wing
- Set the stage for community conversations

Data is difficult to get because it’s often pulled into a regional analysis or at the county level – not the city level because of various funding streams.

There are also a variety of ways to count homelessness. For example, sometimes homelessness is counted when someone “doubles up” with friends and family. Other times (like with the federal government) that is not counted.

Ali provided lessons learned during the study. The full study and the presentation slides are all available on the City’s “Advisory Team Meetings” web page and also the City’s “Homelessness and Housing Instability” web page.

Here are key points made during the presentation:

- **Red Wing needs to develop a more consistent way of tracking homelessness.**

At end of May 2021, 68 clients in Goodhue County were placed on the Coordinated Entry priority list and were waiting for housing.

In January 2020, the point-in-time count was 459 people who were experiencing homelessness in the southeast MN region. Point-in-time is always held in January nationwide and is not a great time to measure in MN due to the cold weather, so homelessness is typically undercounted here.

- **Racial discrimination and disparities must be addressed if we want to end homelessness.**

A racial equity impact analysis from the study showed the following:

Clients active on the Coordinated Entry Priority List for Goodhue County from June 2020 to May 2021 were

34% people of color      23% Black/African American      8% Hispanic

Goodhue County Census data showed these are the total population numbers **for the county**

6% people of color      1.3% Black/African American      3.3% Hispanic

Also, this is the link to the video Ali wanted to show during the meeting:

<https://vimeo.com/516405224>

- **Affordable housing is the key to addressing the homelessness crisis.**

In RW, median rent is \$704 and the full income for most people who are homeless is \$592.

41% of the renters in the county are cost burdened

46% of people experiencing homelessness in SE MN are on a waiting list

Vacancy rate:

1.4% among affordable / subsidized properties

3.6% in market rate properties.

5.0% - what a vacancy rate should be. Lower than 5% means there is not enough housing available.

With the severe lack in housing in Red Wing, landlords have the ability to “screen out” renters since the landlords have so many options they do not have to take people with lower incomes, poor credit ratings, etc.

61% of those homeless couldn’t find affordable housing

46% had credit problems

36% had no rental history

37% had been released from jail or correctional facility

- **There is no one-size fits approach to ending homelessness.**

There is great variety in who is experiencing homelessness and what their barriers are.

Who is experiencing homelessness?

52% are children

40% identified as people of color

81% had lived in MN for last year (or often much longer)

45% had been homeless for at least one year

Some people who are homeless also have a lot of other issues – trauma, mental health, addiction, etc. – so that makes it even harder to get back into housing that works for people. Some people are homeless for years at a time.

- **We need to invest in the full continuum of services**

*Prevention* (financial supports and supportive services)

*Emergency* (shelter, drop-in centers, motel vouchers)

*Housing* (permanent supportive housing, affordable housing)

We need all three of these. Often we focus on the emergency piece, which is definitely needed, but we need to do all three.

### **Question and Answer Time**

Member also brought up an important program -- Housing First: The National Alliance to End Homelessness <https://endhomelessness.org/resource/housing-first/>

Member said everything is on one path. We need to consolidate resources to do education and outreach, starting with students in high school – more financial literacy planning, etc. Maybe the idea is a resource center and cast a large net to catch each person where they're at. The needs and people are different.

Discrimination across the board – against those with vouchers, racial discrimination, bias against those with disabilities, age, mental health issues, etc.

We learned from Ali (below) that some cities have passed ordinances saying a landlord cannot discriminate against someone because they use a voucher. Minneapolis and other cities have done this. This is controversial.

Someone brought up the high school's "Adulting" class. Would like to find out what is the curriculum for that?

Another member: How do we find more and different grants for programs? Maybe we can work with the county to access different kinds of grants.

What are drop-in centers for homeless people? We want to find out more. Also, how many units for those with disabilities.

The meeting was two hours and ended at 8:00.