COMMUNITY DEVELOPMENT

ANNUAL REPORT TO THE BOARD OF DIRECTORS
AUGUST 17, 2022
PROJECTS COMPLETED TO DATE:

- Preserved 405 affordable rental units
- Created 326 new affordable rental units
- Rehabilitated and re-sold 32 single family homes
- Rehabilitated 18 owner-occupied homes
- Built 101 single family homes

A total of 882 affordable housing units created/preserved
Totals: 882 Units Completed and 116 Pending = 998 Units Funded to Date

$118,006,769 in Total Development Investment to date; $163,986,003 in Total Funds Awarded

Behind the numbers: Public / Private Partnerships

- Private Investors
- HRA’s – land donations, funding contributions
- Cities – TIF
- Counties - CDBG
- Federal Home Loan Bank
- Other private foundations

Housing created in communities across the region – meeting local needs
Last year our 18 rental properties (574 units) were home to:

- 513 children
- 120 households of color
- 273 seniors & persons with disabilities
- 296 households were receiving rental assistance

In addition....

Projects paid $453,013 in property taxes
PROJECTS UNDER CONSTRUCTION IN 2021....
24-unit USDA 515 property with 100% Project Based Section 8 (subsidized); acquisition/rehab project

Rehab includes new siding, interior improvements (bathrooms, kitchens, floor coverings, paint, etc.) parking lot, accessibility improvements

Total Development Cost $4,170,276

Secured 9% tax credits, (MHEG), deferred loan, first mortgage

Rehabilitation is complete & closing on perm loan
- 24-unit USDA RD 515 Project (acquisition/rehab)

- Rental Assistance now 100% = 18 units with 6 additional units secured through RD

- Mix of family units (18) and one-bedroom units (6)

- Rehabilitation includes: upgrades to the aging fire alarm system, lighting improvements, accessibility upgrades, mechanical system, insulation, floor coverings, kitchen/bathroom upgrades, parking lot/retaining wall and much more.

- Total Development Cost: $4,205,876

- Interior rehabilitation is complete & Exterior will be complete by September
PROJECTS WE ARE WORKING ON RIGHT NOW....
SPRING CREEK II, NORTHFIELD

- Expansion of existing, successful Spring Creek Townhomes

- 32 townhome units, including 4 units for homeless families & 4 units for persons with developmental disabilities

- Service Provider Partners: South Central Human Relations Center (SCHRC), Rice County Social Services and the Laura Baker Service Association
  - Rental Assistance – 8 units of Housing Support + 8 Project Based Section 8

- Total Development Cost: $16 million: Local Contributions– Northfield HRA (Land & grants), City (TIF), Rice County grant, 4% tax credits, deferred loan funds, HOME funds, Three Rivers contributions, MHFA first mortgage

- Closed August 11th – Construction is now beginning!
BUILDING A FRONT (WEST) ELEVATION
1/16" = 1'-0"

BUILDING A REAR (EAST) ELEVATION
1/16" = 1'-0"
BREWERY CREEK, DULUTH

- Co-Developer with One Roof Community Housing
- 52 apartment units in downtown Duluth; 26 units for homeless youth & 6 units for youth with disabilities
- Service Provider Partner: Life House
- Rental Assistance: 10 units of Project Based Section 8 – Duluth HRA & 22 units of Housing Support – Life House
- Local Contributions– City of Duluth (TIF, CDBG, Site Work), LISC (pre-dev loan), Fond du Lac Band of Ojibwe, Essentia Health, Local Anonymous Donor.
- Total Development Cost: $18,664,935
- MHFA Mortgage Credit this month then in Closing (90-120 days)
UNDERWOOD TERRACE, LAKE CITY

- 32-unit apartment complex, City-owned land (Cemstone Site)
- Workforce Housing/Family Housing+ PSH Component: combination of 12 three-bedroom units, 12 two-bedroom units and 8 one-bedroom units with Housing Support
- Includes 8 units for individuals with disabilities that are experiencing housing instability/homelessness
- Service Provider: Three Rivers; includes Housing Support (Rental Assistance)
- Local Funding Commitments: City (TIF), City land donation
- Total Development Cost: $10,586,832
- Currently on track to close by the end of September (Sept 22nd goal)
WHAT WE APPLIED FOR IN JULY 2022….

(ANNOUNCEMENTS IN DECEMBER 2022)
I ST & 3 RD APARTMENTS, AUSTIN

- 40-unit new construction project – redevelopment of a site across from the post office downtown; targeted redevelopment area for the city
- 4 units for individuals experiencing homelessness and 5 persons with disabilities (4 singles, 1 family)
- Service Provider: Independent Management Services (IMS) with Housing Support
- Equitable Development (Enhanced for this project)
- Local Funding Commitments: HRA donated & cleared the sites, City (TIF and grant), Mower County ARPA, Hormel Foundation (over $2 million not including land)
- Total Development Cost: $16,469,270
Partnership with Rice County HRA & Rice County Habitat for Humanity

Three Rivers role: Technical Assistance, Downpayment & Value Gap

6 large family homes (4+ bedroom units)

Target population: Households of color, households that are new to the US at 80% AMI

Rice County will donate the land (north of the Safety Center) and the HRA assist with coordination of other local contributions

Sales Price Estimate: $348,840. After $55,000 downpayment & MHFA downpayment & GMHF Gap Financing total mortgage amount = $279,600 (example)
MN has one of the greatest disparities compared to other states; Ranked #4 on a scale of the worst gap-states in the nation.

Downpayment program created to close the homeownership gap between white households and households of color.

Paired with Achieve Homeownership education & counseling.

2008 - to date: the program has helped over 500 diverse households purchase homes in the region.

Applied for an additional 15 loans through the MHFA Impact Fund round in July 2022.
Thank you!

Questions?

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