



Request for Action

TO: Faribault Housing and Redevelopment Authority

FROM: Kim Clausen, Community Development Coordinator

MEETING DATE: August 12, 2019

SUBJECT: Habitat for Humanity Request

PURPOSE:

The purpose of this memorandum is to consider a request from Habitat for Humanity for assistance with their next two Faribault builds.

DISCUSSION:

At the July meeting, Dayna Norvold of Habitat for Humanity provided an overview of their organization, history of building in Rice County and approach to partnering with families to provide affordable housing. The HRA and Habitat have a long history of working together to provide affordable home ownership opportunities for area families. They are starting construction on two homes in Faribault for 2019. They are requesting assistance from the HRA in the form of \$6,400 for each home, which would cover the approximate cost of permits and fees, or some other designated amount to be used on these properties.

There is an existing Tax Increment Housing District (6-1) that has excess increment that must be spent on affordable housing programs. In 2011 the City and HRA approved a plan to use this excess increment for Habitat for Humanity requests. Currently the balance of this account is approximately \$85,862 and it generates approximately \$15,000 in increment every year. The district will end in 2023.

REQUESTED ACTION:

Make a determination on providing assistance for the two Faribault homes being started by Habitat in 2019.

To: City of Faribault, Housing and Redevelopment Authority
From: Rice County Habitat for Humanity, Dayna Norvold, Executive Director
Date: For August 12, 2019 HRA meeting
Re: Reimbursement for Build Permits for 3000 Acorn Trail and 706 30th Street, Faribault

Thank you for your time at your July, 2019, HRA meeting. It was a pleasure to share with you the mission of Habitat for Humanity.

As promised... I'm coming back asking for your financial support for two more builds in Faribault.

As of July 22, 2019, we have submitted the build permit for 3000 Acorn Trail in Faribault and expect to submit the build permit for 706 30th Street NW at the end of July, 2019.

REQUEST:

Rice County Habitat for Humanity is asking that the Faribault HRA either pay for the building permit fees for both properties (we estimate to be about \$6,400 each for a total of \$12,800) or to give a designated amount to us to be used on these properties.

The households for both of these properties have qualified for their first mortgage from USDA's Rural Development program. However, neither household was qualified for enough to cover what we anticipate the costs to be. We anticipate the costs of each house to be between 190K and 200K (that's the land, costs of construction and operational costs). The households were qualified for amounts between 160K – 185K).



3000 Acorn Trail

706 30th Street NW



Thank you for your continued partnership with Rice County Habitat for Humanity.