



**To:** Mayor & City Council

**Agenda Item #:** VI. A.

**From:** Joyce Repya, Senior Planner

**Action**

**Discussion**

**Date:** February 18, 2014

**Information**

**Subject:** PUBLIC HEARING – 2014 Community Development Block Grant ,  
Resolution No. 2014-22

### Action Requested:

Approve recommended 2014 CDBG budget for submission to Hennepin County.

### Information / Background:

The CDBG Community Development Block Grant Program is a federal entitlement program administered by HUD who in turn, charges Hennepin County to oversee the distribution of funds to its communities. These funds are to be directed toward the improvement of housing opportunities and providing a suitable living environment for persons with low and moderate incomes. As a recipient of HUD funds, the County, and each community must affirmatively further fair housing. Hennepin County encourages all communities to be proactive by addressing impediments to fair housing choices.

The use of CDBG funds to address local needs must be consistent with priorities identified in the Consolidated Plan for affordable housing, community development and human services. HUD mandates that no more than 15% of the city's budget may be directed toward funding public service agencies with the remaining 85% addressing community development needs. Edina's preliminary 2014 budget allotment for planning purposes is **\$124,671**, the 2013 approved budget amount. Once HUD establishes the 2014 CDBG budget later this spring Hennepin County and its respective cities will be notified of any changes to the allotments. If a change in the budget occurs, a paragraph in the accompanying Resolution provides for Edina's final 2014 CDBG budget to be readjusted without coming back to the City Council.

The following agencies requesting 2014 CDBG funds are those which the City has supported for many years:

#### Public Services – 15% of total (\$124,671) budget = \$18,700

- **Senior Community Services (HOME – Household & Outside Maintenance for the Elderly)**  
The mission of HOME is to assist older adults to maintain their dignity and live independently by providing accessible, reliable, and affordable homemaker, home maintenance and chore services.
- **Community Action Partnership for Suburban Hennepin (CAPSH)**  
CAPSH provides full-cycle homeownership services to include foreclosure prevention, first time homebuyer education, reverse mortgage counseling, home repair and maintenance, energy assistance, free legal services and tax preparation, employment counseling and financial/budget counseling.

- **HOME Line**

Provides tenant advocacy services for Edina renters with a Tenant Hotline offering free legal advice to tenants regarding tenant/landlord law.

The proposed 2014 budget reflects the funds distributed to each agency in final 2013 allotment.

<b>PROVIDER</b>	<b>2013 BUDGET</b>	<b>2014 REQUEST</b>	<b>2014 PROPOSED</b>
<b>H.O.M.E.</b>	\$ 10,095	\$ 10,095	\$ 10,095
<b>C.A.P.S.H.</b>	\$ 5,000	\$ 5,000	\$ 5,000
<b>HOME Line</b>	\$ 3,605	\$ 3,605	\$ 3,605
<b>TOTAL</b>	\$ 18,700	\$ 18,700	\$ 18,700

**Community Development – 85 % of total (\$124,671) budget = \$105,971**

After the \$18,700 distribution for public services, \$105,971 remains to be directed toward community development projects. Staff recommends directing \$50,000 of those funds to the **Rehabilitation of Private Property** program which provides deferred repayment loans of up to \$30,000 to make structural improvements to owner occupied single-family homes. Eligibility for the program is based on a household income schedule established by HUD for the Minneapolis/St. Paul area. The income limits may not exceed 80% of the median household income (for FY 2014, a 4 person household = \$63,900). Hennepin County facilitates this program and reports that there are currently 3 households receiving rehabilitation assistance. There is no one on a waiting list at this time; and there is currently \$97,000 available in uncommitted funds. As the construction season ramps up, staff anticipates that the program will continue to attract income eligible homeowners interested in improving and maintaining their homes.

The remaining \$55,971 of the community development funds are recommended to be distributed to **West Hennepin Affordable Housing Land Trust (WHAHLT)** for their Homes Within Reach program – which provides an affordable homeownership opportunity using the Community Land Trust model for one income eligible homebuyer.

The Community Land Trust model removes the market value of the land from the mortgage equation, thus reducing the cost of a home for a work-force family by approximately 30-50 percent, making it more affordable than houses on the open real estate market. WHAHLT owns the land and the homeowner owns the home. A Ground Lease signed by both parties defines and secures the roles and responsibilities of both WHAHLT and the homeowner, including, but not limited to a resale/recapture provision, and long-term rights and use of the land.

One of the strategies identified in the Housing element of the Comprehensive Plan calls for the City's commitment to fund and expand its financial and technical support of community land trusts. Attesting to this goal, since 2007, the City has provided \$747,350 in CDBG assistance to WHAHLT - assisting in the purchase, rehabilitation and resale of nine Edina homes to income eligible buyers.

Moving forward, the proposed \$55,971 is proposed to be directed toward assisting WHAHLT to purchase another land trust home, reinforcing the City's commitment to providing and securing affordable housing in the community.

Staff recommends the following distribution of 2014 CDBG funds for community development purposes:

<b>ACTIVITY</b>	<b>2013 BUDGET</b>	<b>2014 PROPOSED</b>
<b>Rehab. Of Private Property</b>	\$ 50,000	\$ 50,000
<b>WHAHLT</b>	\$ 55,971	\$ 55,971
<b>TOTAL</b>	\$ 105,971	\$ 105,971

Over the past year, the city has continued to advertise the availability of the aforementioned programs as well as other social services available to Edina residents through the City of Edina's website and the "About Town" magazine.

**ATTACHMENTS:**

**\*Resolution 2014-22**

**\*Hennepin County PRELIMINARY 2014 CDBG Allocation**

**\*2009 – 2014 CDBG Budget Breakdown**

**\*Requesting Agencies Funding Requests**



**RESOLUTION NO. 2014-22  
APPROVING PROPOSED USE OF 2014 URBAN HENNEPIN COUNTY  
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM FUNDS  
AND  
AUTHORIZING EXECUTION OF SUBRECIPIENT AGREEMENT  
WITH HENNEPIN COUNTY AND ANY THIRD PARTY AGREEMENTS**

WHEREAS, the city of Edina, through execution of a Joint Cooperation Agreement with Hennepin County, is cooperating in the Urban Hennepin County Community Development Block Grant Program; and

WHEREAS, the city of Edina has developed a proposal for the use of 2014 Urban Hennepin County Community Development Block Grant funds made available to it; and

WHEREAS, the city held a public hearing on February 18, 2014 to obtain the views of citizens on housing and community development needs and priorities and the City's proposed use of \$124,671 from the 2014 Urban Hennepin County Community Development Block Grant.

BE IT RESOLVED, that the City Council of the City of Edina approves the following projects for funding from the 2014 Urban Hennepin County Community Development Block Grant Program and authorizes submittal of the proposal to Hennepin County.

<u>Activity</u>	<u>Budget</u>
Rehabilitation of Private Property	\$50,000
Homes Within Reach – Affordable Housing	\$55,971
Senior Community Services	\$10,095
Community Action Partnership for Suburban Hennepin (CAPSH)	\$ 5,000
HOME Line	\$ 3,605

BE IT FURTHER RESOLVED, that the City Council hereby authorizes and directs the Mayor and its City Manager to execute the Subrecipient Agreement and any required Third Party Agreement on behalf of the City to implement the 2014 Community Development Block Grant Program.

BE IT FURTHER RESOLVED, that should the final amount of FY2014 CDBG available to the city be different from the preliminary amount provided to the city, the City Council hereby authorizes the City Manager/Administrator to adjust project budget(s) to reflect an increase or decrease in funding.

Dated: February 18, 2014

Attest: \_\_\_\_\_  
Debra A. Mangen, City Clerk

\_\_\_\_\_  
James B. Hovland, Mayor

STATE OF MINNESOTA )  
COUNTY OF HENNEPIN )SS  
CITY OF EDINA )

CERTIFICATE OF CITY CLERK

I, the undersigned duly appointed and acting City Clerk for the City of Edina do hereby certify that the attached and foregoing Resolution was duly adopted by the Edina City Council at its Regular Meeting of February 18, 2014, and as recorded in the Minutes of said Regular Meeting.

WITNESS my hand and seal of said City this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.  
\_\_\_\_\_

## Hennepin County PRELIMINARY 2014 CDBG Allocation

<b>Community</b>	<b>Based on 2013 Allocation</b>
Brooklyn Center	\$239,249
Brooklyn Park	\$477,677
Crystal	\$106,088
Edina	\$124,671
Hopkins	\$111,861
Maple Grove	\$133,915
New Hope	\$133,964
Richfield	\$201,637
St. Louis Park	\$195,859
<b>Subtotal</b>	<b>\$1,724,921</b>
<b>Consolidated Pool</b>	<b>\$451,149</b>
<b>Community Allocation Total</b>	<b>\$2,176,070</b>
<b>Hennepin County Administration</b>	<b>\$325,159</b>
<b>County Entitlement Total</b>	<b>2,501,229</b>





# Senior Community Services

## Executive Committee

Woody Love  
President

Thad Standley  
1st Vice President

Laurie Lafontaine  
2nd Vice President

Beth Falkenberg  
Secretary

Bruce Thiel  
Treasurer

Terri Urbaniak  
Executive Member-at-Large

Matt Bochnicek  
Executive Member-at-Large

Jim Crist  
Past President

## Board of Directors

Sharon Burnham

David Fisher

Rochelle Gill

Marvin Johnson

John Lawson

Cathy Medich

Jeanette Metz

Dr. Chinyere Njaka

Gen Olson

Walter White

Scott Zerby

Deb Taylor, CEO

## Programs

- Caregiver Support Services
- Community Senior Centers
- Health Insurance Counseling
- H.O.M.E.
- Senior Outreach
- Senior Partners Care

10201 Wayzata Boulevard  
Suite 335  
Minnetonka, MN 55305

fax: 952.541.0841

tel: 952.541.1019

[www.seniorcommunity.org](http://www.seniorcommunity.org)

January 21, 2014

Joyce Repya  
Senior Planner  
City of Edina  
4801 West 50<sup>th</sup> Street  
Edina, MN 55424

Dear Joyce,

Thank you for the opportunity to submit a CDBG application to the City of Edina for \$10,095. The Household & Outside Maintenance for Elderly (HOME) program's operating budget for the City of Edina is \$26,000. The Edina Housing Foundation has partnered with the HOME program in the past to make up the difference in our operating budget for the city.

HOME provides the following services to help seniors remain independent and continue to lead a vital and engaging life:

Homemaking (dishwashing, laundry, grocery shopping, cleaning)  
Yard work  
Snow removal  
Indoor & outdoor painting  
Minor home repairs/handyman services  
Safety improvements

Your consideration of this request is greatly appreciated. If you have any questions or need more information please feel free to call me at 952-767-7897 or email me at [d.taylor@seniorcommunity.org](mailto:d.taylor@seniorcommunity.org).

Sincerely,

Deb Taylor  
CEO



REQUEST FOR FUNDING - PUBLIC SERVICE

URBAN HENNEPIN COUNTY CDBG PROGRAM YEAR 2014

General Information:

City: Edina
Co-Applicant: Senior Community Services
Type of Entity: Public Subrecipient
Project Name: Household & Outside Maintenance for Elderly (HOME)
Contact: Deb Taylor
Phone: 952-767-7897

Activity Data:

CDBG Funding Reque \$ 10,095.00 Resolution: 2014-22
Is this an existing CDBG-funded project? Yes
Project Location: 10201 Wayzata Blvd., Suite 335, Minnetonka, MN 55305

Describe below the activity in detail, including priority need(s) it meets within the 2010-2014 Hennepin County Consolidated Plan. Click link below.

2010-2014 Hennepin County Consolidated Plan Chapter 5

Let's reimagine aging! By working together, we are creating a new vision for independence, keeping the passion, purpose and potential of our older adults in our communities. As family, friends and neighbors age, we all have a shared responsibility to strengthen their connection to community. We join together open-hearted people who are ready to stop and listen, stand by and support the caregiver, and champion the senior's pursuit to lead an engaging life. Household & Outside Maintenance for Elderly (HOME) services will enable older adults in need of a little help with home maintenance, homemaking and chore services to lead a vital and engaging life in the place they call home.

Services are provided to Edina residents, age 60+, on a sliding fee basis. Over 80% of HOME clients are unable to pay the full cost of services. For them, HOME is a lifesaver that helps them age with dignity in their own homes and communities. Some services are provided at no-cost by volunteer groups. With our partners, we seek to build innovative systems that create new opportunities for care and community connection.

Household and Outside Maintenance for Elderly (HOME) helps seniors remain in their homes in dignity and safety by providing reliable and affordable homemaking, grab bars & other safety installations, minor repairs, exterior home maintenance, interior and exterior painting, yard work, lawn mowing, and snow removal. Senior Services is identified as a high priority in the Consolidated Plan.

Please choose the activity, and national objective that this project will meet from the drop down lists below. The activity priority level is noted next to each dropdown item as: H (High), M (Medium), L (Low).

Activity: Senior-H
National Objective: L/M Income Limited Clientele

If the proposed project is a low urban county priority, you must explain below why it has a higher priority in your community.

Please describe anticipated results/accomplishments the project will have:

We anticipate serving 80 Edina residents, age 60+. Here is a sample of the impact our Household & Outside Maintenance for Elderly (HOME) program has on the people we serve.

"I'll always remember your kindness." - Elaine

Senior Community Services loves getting feedback from the seniors and families we serve. Elaine, who is 86 and has lived in her own home for 59 years, found Senior Community Services' HOME program to be very helpful. "My thank-you seems so small compared to what you folks did for me. I was overwhelmed and so appreciative. Your volunteers raked, cut, bundled and bagged my yard waste. HOME is a fabulous program to help seniors remain in their own homes."

Approximate number of persons to receive services: 80

Implementation Schedule: Identify major project tasks to occur during/within the first 12 months.

Table with 2 columns: Task and Date. Tasks include Homemaking, Home Maintenance & Painting, Mowing, Snow Removal, and Yard Clean Up.

Budget: Specify total project budget by major funding sources. Attach additional listings where appropriate.

Table with 3 columns: FUNDING SOURCES, AMOUNT, and SPECIFY FUNDING SOURCE. Includes rows for CDBG, Prior Year CDBG Funding, and Project Total.

Signature: Deb Taylor

Date: 1/21/2014

Printed Name: Deb Taylor

Title: CEO



- Energy Assistance
- Homebuyer Education
- Foreclosure Prevention
- Reverse Mortgage
- Home Maintenance & Rehab
- Homeless Services
- Employment Counseling
- Financial Counseling
- Planning & Development
- Community Development
- Tax Assistance
- Voter Education & Registration
- Asset Development

January 24, 2014

City of Edina  
Community Development Department  
4801 W. 50<sup>th</sup> Street  
Edina, MN 55424

Attn: Joyce Repya, Senior Planner

RE: Community Action Partnership of Suburban Hennepin 2014 Application for CDBG Funding

Dear Ms. Repya:

Community Action Partnership of Suburban Hennepin (CAPSH) is pleased to submit its 2014 CDBG Public Service Funding request to the **City of Edina**. We are requesting \$5,000 for the purpose of funding the CAPSH Full-Cycle Home Ownership Program.

CAPSH, as the anti-poverty Community Action agency serving Suburban Hennepin County, has provided residents of Edina with services for over 20 years. CAPSH services to Edina include: full-cycle homeownership, energy assistance, free legal services and tax preparation, employment counseling and financial/budget counseling. We look forward to continuing to partner with the city of Edina and its surrounding communities to ensure access to housing services for low to moderate-income households.

If you have any questions, or need additional information, please do not hesitate to contact me at 952-697-1395, or Marcy Harris, Director of Planning, Development and Legal Services, 952-697-1325, mharris@capsh.org.

8800 Highway 7,  
Suite 401  
St Louis Park, MN 55426  
Tel 952-697-1300  
Fax 952-933-8016

Sincerely,

Carol Watson  
Community Developer  
952-697-1395  
cwatson@capsh.org

Encl:



Our mission: To improve the quality of life in suburban Hennepin County by creating and supporting links between individuals and communities through: service, education, and collaboration.



REQUEST FOR FUNDING - PUBLIC SERVICE

URBAN HENNEPIN COUNTY CDBG PROGRAM YEAR 2014

General Information:

City: Edina
Co-Applicant: Community Action Partnership of Suburban Hennepin
Type of Entity: Private Subrecipient Non-Profit
Project Name: CAPSH Full-Cycle Homeownership Programs
Contact: Marcy Harris
Phone: 952-697-1325

Activity Data:

CDBG Funding Reque \$ 5,000.00 Resolution: 2014-22
Is this an existing CDBG-funded project? Yes
Project Location: City of Edina

Describe below the activity in detail, including priority need(s) it meets within the 2010-2014 Hennepin County Consolidated Plan. Click link below.

2010-2014 Hennepin County Consolidated Plan Chapter 5

Foreclosure Prevention: through its certified program and certified counselors CAPSH will provide foreclosure prevention counselin Edina residents in danger of losing their homes due to delinquency. Our counselors work directly with clients to resolve their housing needs in a manner best suited to their financial status and other needs.
Homebuyer Education: CAPSH provides First-Time Homebuyer workshops using the Homestretch curriculum developed by the Minnesota Homeownership Center. Workshops are offered at multiple locations throughout suburban Hennepin County in order to make them easily accessible.
Homebuyer Counseling: once participants have completed the Homestretch workshop they are eligible to receive individual counseling at CAPSH.
Reverse Mortgage: CAPSH provides one-on-one, in-person counseling to eligible clients (one spouse must be at least 62 years old and meet financial eligibility requirements) who are interested in a reverse mortgage.
Home Repair and Maintenance: the Home Rehab counselor works with low-income clients in need of critical home repairs or maintenance needed to maintain habitability.

Please choose the activity, and national objective that this project will meet from the drop down lists below. The activity priority level is noted next to each dropdown item as: H (High), M (Medium), L (Low).

Activity: Housing Services-H
National Objective: L/M Income Limited Clientele

If the proposed project is a low urban county priority, you must explain below why it has a higher priority in your community.

Not applicable

Please describe anticipated results/accomplishments the project will have:

Foreclosure Prevention: 10 households obtain assistance to resolve their housing crises in a realistic, appropriate manner.
Homebuyer Education: 6 households obtain the information they need to make intelligent decisions regarding first-time home purchases.
Homebuyer Purchase Counseling: 8 households improve their credit, build realistic budgets and are in position to purchase a home for the first time.

Reverse Mortgage: 4 households obtain the information and counseling they need to make an informed decision about obtaining a reverse mortgage.

Approximate number of persons to receive services: 28

**Implementation Schedule:** Identify major project tasks to occur during/within the first 12 months.

Task: Homeownership Counseling (foreclosure, reverse mortgage, 1st time homebuyer)	Date: <u>Ongoing</u>
Task: Homebuyer Education	Date: <u>Ongoing</u>
Task: Home Repair and Maintenance Services	Date: <u>Ongoing</u>
Task: _____	Date: _____
Task: _____	Date: _____
Task: _____	Date: _____

**Budget:** Specify total project budget by major funding sources. Attach additional listings where appropriate.

FUNDING SOURCES	AMOUNT	SPECIFY FUNDING SOURCE
CDBG	\$ 5,000.00	Edina CDBG
Prior Year CDBG Funding - This Project	5,000.00	Edina CDBG
Other: NFMC/MHA Foreclosure counseling funding	92,500.00	HUD/Neighborworks; administered by MN Homeownership Center
Other: Other CDBG Funding	25,000.00	Henn. Cty Consolidated Pool; other city CDBG funds
Other: Community Action grants	213,000.00	US Dept of Health & Human Services; MN Dept of Human Services
Other: MN Housing Counseling grant	87,500.00	MN Housing Finance Agency
Other: Homebuyer Education fees	13,000.00	Participants
Other: Hennepin County Foreclosure Assistance	215,000.00	Hennepin County
<b>Project Total</b>	<b>\$ 656,000.00</b>	

Signature: /s/ Marcy L. Harris

Date: 1/24/2014

Printed Name: Marcy Harris

Title: Director, Planning, Dev. & Legal Svc.



3455 Bloomington Ave  
Minneapolis, MN 55407

Office Phone: 612/728-5770  
Hotline: 612/728-5767  
Fax: 612/728-5761  
[www.homelinemn.org](http://www.homelinemn.org)

Joyce Repya  
Associate Planner  
City of Edina  
4801 West 50<sup>th</sup> Street  
Edina, MN 55424

January 10, 2014

Dear Ms. Repya,

This letter is to request funding in the amount of \$3,605 from the City of Edina's Community Development Block Grant Program to support HOME Line's services for renters.

A copy of the 2014 CDBG Program Request for Funding is enclosed. Along with the CDBG Request Form, I am enclosing summaries of our hotline's service to Edina residents. The total cost to provide these services to the city of Edina is \$4,253. If the city of Edina, receives more CDBG resources than is currently expected, we would like to request this full amount.

In 2013, HOME Line's Tenant Hotline served 110 Edina families, prevented an estimated 6 evictions, and saved Edina residents an estimated \$20,309. HOME Line is working to meet the current challenges facing low-income renters and would like the City of Edina to continue as our partner in meeting these needs.

We thank you for the opportunity to submit this application. If you have any questions or need additional information, please call me at 612/728-5770, extension 107 or Mike Vraa, our managing attorney at extension 113.

Sincerely,

A handwritten signature in cursive script that reads "Beth Kodluboy".

Beth Kodluboy  
Executive Director

enclosures as noted



REQUEST FOR FUNDING - PUBLIC SERVICE

URBAN HENNEPIN COUNTY CDBG PROGRAM YEAR 2014

General Information:

City: Edina
Co-Applicant: HOME Line
Type of Entity: Private Subrecipient Non Profit
Project Name: Tenant Hotline Services
Contact: Mike Vraa, Managing Attorney/Hotline Director
Phone: 612 728-5770 x107

Activity Data:

CDBG Funding Reque \$ 3,605.00 Resolution: 2014-22
Is this an existing CDBG-funded project? Yes
Project Location: 3455 Bloomington Avenue, Minneapolis, MN 55407 HOME Line's tenant services are citywide. Tenants call

Describe below the activity in detail, including priority need(s) it meets within the 2010-2014 Hennepin County Consolidated Plan. Click link below.

2010-2014 Hennepin County Consolidated Plan Chapter 5

Renters make up nearly 5,436 households in Edina, and many of these families have low incomes. When renters have problems involving their homes, those who don't know their rights and responsibilities can end up living in housing that is unsafe, lose security deposits that are rightfully theirs, or make decisions that cost them their home.

HOME Line's Tenant Hotline provides free legal advice to tenants about landlord/tenant law. These services prevent problems ranging from homelessness to illness from unsafe living conditions, and result in reducing the use of the city's emergency resources.

The Tenant Hotline began in 1992 as a service to Suburban Hennepin County residents. Today we serve the entire state (excluding Minneapolis) and have recently taken our 159,000th call. Five full time and one half-time staff attorneys work on the hotline along with 50-75 law student volunteers each year.

While our services are available to all renters free of charge, 88% of our Edina callers have low incomes; almost three quarters (79%) of these callers are women; 12% are racial minorities. Our programs are aimed at low-income renters.

Please choose the activity, and national objective that this project will meet from the drop down lists below. The activity priority level is noted next to each dropdown item as: H (High), M (Medium), L (Low).

Activity: Housing Services-H
National Objective: L/M Income Area Benefit

If the proposed project is a low urban county priority, you must explain below why it has a higher priority in your community.

Please describe anticipated results/accomplishments the project will have:

We anticipate assisting approximately 100 Edina renter households, 250 residents over the hotline during the program year. We expect to prevent approximately 6 evictions, and save these families over \$15,000 in returned security deposits and rent abatements.

Approximate number of persons to receive services: 250

Implementation Schedule: Identify major project tasks to occur during/within the first 12 months.

Table with 2 columns: Task and Date. Row 1: Task: Tenant Hotline Services, Date: Ongoing. Rows 2-5: Task: \_\_\_\_\_, Date: \_\_\_\_\_

Budget: Specify total project budget by major funding sources. Attach additional listings where appropriate.

Table with 3 columns: FUNDING SOURCES, AMOUNT, SPECIFY FUNDING SOURCE. Rows include CDBG FY2014 Proposed, Prior Year CDBG Funding, Other MHFA, County (FHPAP and foreclosure), Municipal, Edin Prairie, Minnetonka, Bloomington, Private, Other, and Project Total.

Signature: Beth Kodluboy

Date: 1/9/2014

Printed Name: Beth Kodluboy

Title: Executive Director

# HOME Line's Tenant Hotline in Edina: 2013

## OVERVIEW

In 2013, 110 Edina renter households contacted HOME Line for Tenant Hotline Services. This represents service to approximately 275 residents when all family members have been counted. The cost to serve Edina in 2014 is \$4,253.

## HIGHLIGHTS

In 2013, HOME Line helped renters from Edina:

- Recover and/or save an estimated \$20,309.
- Prevent an estimated 6 evictions.
- Renters with repair issues who follow our advice are 37% more likely to get their problem fixed than those who don't.
- In landlord foreclosure, the average amount of days stayed after the sheriff's sale by renters we have helped is 180 days, and the amount of money saved by renters in landlord foreclosure is \$5,935 in 2013.

## INCOME BREAKDOWN

The vast majority (88%) of these callers are extremely-low, very-low or low-income. These income categories are those used by the U. S. Department of H. U. D.:

- Extremely Low: Incomes below 30% of metro median.
- Very Low: Incomes between 30% and 50% of metro median
- Low: Incomes between 50% and 80% of metro median.
- Moderate: Incomes above 80% of metro median.

## RACIAL BREAKDOWN

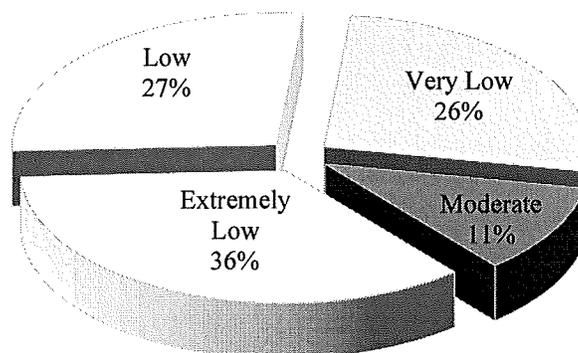
88% Caucasian  
8% African American  
3% Asian  
1% Hispanic

## GENDER BREAKDOWN

79% Female  
21% Male

Top Ten Reasons For Calls (2013)	
1. Repairs	25
2. Security Deposit	20
3. Break Lease	17
4. Eviction	9
5. Neighbors	6
6. Foreclosure	5
7. Notice to Vacate	5
8. Discrimination	5
9. Fees	3
10. Infestation/Bed Bugs	3

Callers' Income 2013



<b>Proposed CDBG</b>	
Brooklyn Center CDBG	6,703
Brooklyn Park CDBG	7,063
Hopkins CDBG	1,000
Edina CDBG	3,065
Hennepin County Consolidated Pool CDBG	8,227
Maple Grove CDBG	3,000
New Hope CDBG	4,075
Plymouth CDBG	7,350
Ramsey County CDBG	22,488
Richfield CDBG	5,364
<b>Private</b>	
McKnight Foundation	40,000
Otto Bremer Foundation	37,000
Family Housing Fund	25,000
F.R. Bigelow Foundation	17,020
St. Paul Foundation	12,580
Hugh J. Andersen Foundation	6,660
Ramsey County Bar Foundation	2,000
Minnesota State Bar Foundation	1,500
Hennepin County Bar Foundation	1,000
<b>Other</b>	
Community Shares	2,220
Contributions	3,700
Hotline Training	16,650
Tenant Rights Book	2,220
Interest Income	148
Miscellaneous Income	148
Other (Attorney Fees, etc.)	12,000



Transforming lives through home ownership

January 22, 2014

Joyce Repya  
City of Edina Associate Planner  
4801 West 50<sup>th</sup> Street  
Edina, MN 55424-1394

Dear Joyce;

Thank you for the opportunity to submit the West Hennepin Affordable Housing Land Trust (WHAHLT), dba Homes Within Reach (HWR), 2014 Edina CDBG application. The application consists of the fillable form provided by you and three exhibits and a PDF of HWR Annual Report, completed in November 2013. The exhibits include -

- Exhibit 1 – HWR Project Description
- Exhibit 2 – Community Land Trust and How it Works
- Exhibit 3 – Equity Resale Provisions
- PDF of HWR Annual Report

WHAHLT is seeking financial support from the City of Edina to accompany other matching funding sources to create another affordable home in the community of Edina, using the Community Land Trust practice.

This application will enable HWR to continue creating and preserving affordable homeownership in Edina, using the community land trust practice, which allows homeownership to be affordable for low/moderate income work-force families.

We appreciate the support the City has provided to those we serve in Edina. We look forward to continuing our partnership in addressing the needs of affordable homeownership housing.

Thank you for taking the time to review and consider our proposal. If you have any questions, please feel free to contact me at (952) 401-7071.

Sincerely,

A handwritten signature in blue ink that reads "Janet A. Lindbo".

Janet A. Lindbo  
Executive Director





REQUEST FOR FUNDING - NON PUBLIC SERVICE

URBAN HENNEPIN COUNTY CDBG PROGRAM YEAR 2014

General Information:

City: Edina
Co-Applicant: West Hennepin Affordable Housing Land Trust
Type of Entity: CHDO
Project Name: Homes Within Reach
Contact: Janet A. Lindbo
Phone: 952-401-7071

Activity Data:

CDBG Fd \$ 55,971.00 Resolution: 2014-22
Is this an existing CDBG-funded project? No
A specific property address has not yet been determined. Once funding is finalized, HWR will search for property to acquire based on purchase price, condition of property, location, matching Project L contributions and applicants' needs.

Describe below the activity in detail, including priority need(s) it meets within the 2010-2014 Hennepin County Consolidated Plan. Click links below.

2010-2014 Hennepin County Consolidated Plan Chapter 4

2010-2014 Hennepin County Consolidated Plan Chapter 5

This description of each activity shall estimate the number and type of families that will benefit from the proposed activities, the specific local objectives and priority needs, and a target date for completion of the activity. Please describe activities thoroughly.

Housing Services: West Hennepin Affordable Housing Land Trust (WHAHLT) dba Homes Within Reach (HWR) is requesting assistance to continue to offer the City of Edina a program that creates and preserves an affordable home using the Community Land Trust practice for low and moderate income households who provide essential work force services in the City and who otherwise would be unable to buy a home in Edina.

In addition, the HWR program meets multiple community needs; they include but are not limited to the following.

- Workforce families provide essential services to maintain and sustain the infrastructure of the community. Demand for living in the suburban communities has led to increased home values that have risen to the point that many single-family homes, despite their age, are not affordable to low and moderate income work-force families. Land values in particular have increased, making it difficult for developers to build affordable single-family homes.
• The program preserves community resources through the use of existing buildings (preservation and rehabilitation of existing housing stock) and the community's infrastructure.
• The program enables newcomers to join the community, revitalize the housing inventory, support the investment in the delivery of the Community's infrastructure and maximize the one-time investment in sustaining affordability.

The three principal features of the HWR program continue to appeal to the targeted market, they include the cost of homes, the quality of the home and their location. In addition, providing a long-term practice for families to become homeowners, stabilizes families and in turn adds value to the community, where they work and or live. Housing is identified as a high priority in the Consolidated Plan - Chapter 4 & 5, Existing Housing: rehabilitation and First Time Homeownership.

Please see supplemental information accompanying this form that includes an Overview of the program, How the CLT Works, Equity Sale Provisions & HWR Annual Report.

Please use the below drop down lists to choose the applicable activity and national objective that this project will meet.

Activity: Homeownership Assistance
National Objective: L/M Income Housing

If the proposed project is a low urban county priority, you must explain below why it has a higher priority in your community.

Please describe anticipated results/accomplishments the project will have.

The Community Land Trust practice used by HWR in creating and sustaining affordable homeownership, offers long-term affordability for the home because it provides multiple families an affordable home in the City of Edina through its resale requirements - typically assisting six to nine families over the course of the 99 year lease. In addition, it brings stability to families and enhances the community and maximizes the one-time investment in sustaining affordability.

Number of affordable housing units to be rehabilitated or built:

Implementation Schedule: Identify major project tasks to occur during/ within the first 12 months.

- Task: Application Process: Application, orientation, homebuyer education, interview, & approvals Date: Ongoing
Task: Acquisition/Rehab of Property: Property search, selection, offer - due diligences, acquisition/rehab Date: 6 months
Task: Selling Process for the Home: Mortgage application and approval, selection of home, Committee interview, finalize income eligibility, execute PA Date: 3-6 months
Task: Closing Process: Home Inspection, Attorney Review, coordination with funders, buyers & closer Date: 60 days
Task: Project Close: Receive and pay final project expenses, complete final Sources & Uses Statement, submit documentation to funders, receive funding and pay off line of credit Date: 60 days

Budget: Specify total project budget by major funding sources. Attach additional listings where appropriate.

Table with 3 columns: FUNDING SOURCES, AMOUNT, SPECIFY FUNDING SOURCE. Rows include CDBG, Prior Year CDBG Funding, Other Federal Funds, Low Income Housing Tax Credits, State, Municipal, Metropolitan Council, Private, Program Income, Other, and Project Total.

Signature: Janet A. Lindbo Date: 1/22/2014
Printed Name: Janet A. Lindbo Title: Executive Director

## **Exhibit 1: HWR Project Description**

Response to questions in the CDBG application

### **REQUEST:**

West Hennepin Affordable Housing Land Trust (WHAHLT) dba Homes Within Reach (HWR), a non-profit corporation is seeking a minimum CDBG grant of \$55,971 from the City of Edina to assist in creating and preserving an affordable home using the Community Land Trust practice, for a workforce household (50%-80% of the area median income) in the City of Edina.

### **INTRODUCTION:**

The West Hennepin Affordable Housing Land Trust (WHAHLT) dba Homes Within Reach (HWR) is a Community Land Trust, creating long-term affordable homeownership for workforce families in the western suburban communities in Hennepin County; thereby enhancing community vitality by working in partnership with public agencies and private organizations in addressing the need for affordable homeownership. HWR has served eleven (11) communities in western Hennepin County including the City of Edina.

- West Hennepin Affordable Housing Land Trust **vision** is to transform people's lives through homeownership.
- The **mission** is to use the Community Land Trust practice to provide housing for working families that would be otherwise unable to buy in the West Hennepin suburban communities, offering both communities and homebuyers the ability to sustain permanently affordable homeownership.
- The **goal** is to create and sustain affordable homeownership in the western suburbs of Hennepin County through the implementation of its Homes Within Reach program.
- The **core values** of the program are:
  - Belief in homeownership
  - Convey stability into people's lives
  - Create and preserve value for families and communities served.

The establishment of WHAHLT, later named Homes Within Reach (HWR) was in direct response to the City of Minnetonka's interest in developing a means of increasing the number of permanent affordable homes in Minnetonka and in the western suburban communities of Hennepin County for low to moderate income households. Thus making efficient use of its financial investment and providing a vehicle to meet the communities' housing goals and objectives.

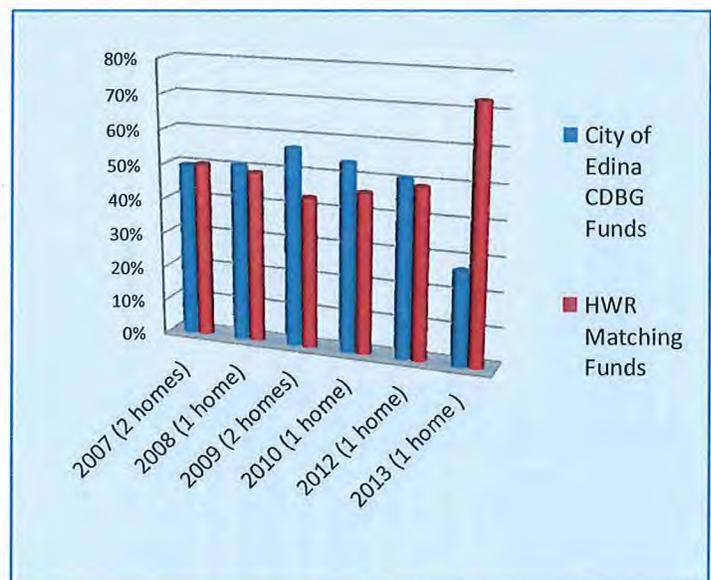
Since 2002 HWR has assisted over 117 families in becoming homeowners, of which eight are families in Edina.

### **CITY OF EDINA:**

In 2007, Homes Within Reach began its work in Edina, providing affordable homeownership opportunities to two families in the City of Edina.

Over the past several years (2007-2013), Homes Within Reach has created eight affordable homes and in late 2013 purchased the ninth property in Edina. The chart to the right highlights the funds applied to each home in creating and preserving the eight affordable homes in Edina.

The average HWR sales price for the Edina homes using HWR Community Land Trust program over the past five years is \$139,812; serving families with an Area Median Income (AMI) of 59.8%. Please see the HWR Profile Chart on this page, which



provides more detail for the homes acquired and sold in Edina using the Community Land Trust practice

**HWR PROGRAM DESCRIPTION:**

The purpose of this request is to once again offer the HWR program in the City of Edina. With land and housing costs exceeding the means of low to moderate workforce households to purchase a home in Edina, West Hennepin Affordable Housing Land Trust (WHAHLT) through its program Homes Within Reach (HWR), creates and preserves affordable homeownership for families that otherwise would be unable to buy a home in Edina.

- **Population Served:**

- HWR’s target market is households with incomes at 80% or less of Area Median Income (AMI). In practice, HWR has served households between 32% and 79% AMI, the average AMI is 58.1% program wide and 59.8% in Edina.
- Average Income for leaseholders is \$41,729 and the average in Edina is \$45,363.

- **HWR & Edina Profile:**

Categories	2002-2013 HWR Totals	2002-2013 Edina Totals	Comments
Total HWR Parcels	109	9	
HWR Average Income Served	\$41,729	\$45,363	
HWR Area Median Income Served (%)	58.1%	59.8%	<b>Income and family size drives AMI calculation</b>
HWR Average Final Monthly Mortgage Amount	\$904	\$1,021	<b>Includes PITI</b>
HWR Average Sale Price	\$125,224	\$139,812	
HWR Resale	11	0	
Household Size	3.86	3.38	
HWR Number Persons Currently Served	452	27	
HWR Households	106	8	<b>Does not include resales of 11</b>
Number of Communities Served	11	1	

**How HWR Community Land Trust Works:**

HWR homes cost less than market rate homes because HWR homebuyers purchase only the house and enter into an agreement with HWR for the use of the land. By taking the cost of the land out of the real estate transaction, land trust homes are more affordable than houses on the open real estate market. By eliminating these costs, homes are purchased at approximately 30% - 50% below the typical market value amount in Edina.

Therefore, HWR acquires single-family properties, retains ownership of the land and sells the homes on the land to qualified income families. Please refer to **Exhibit 2 & 3** for further detail on how the Community Land Trust works.

The homes are made permanently affordable for work-force homeowners through contractual controls embedded in the Ground Lease, even after the resale of the homes. Given that HWR owns the land and the homeowner owns the home, the homeowner and HWR execute a Ground Lease that defines the roles and responsibilities of both HWR and the homeowner. The Ground Lease allows the homeowner to secure, *long-term rights* to the land. In addition, they have full use of the land and responsibility for the property. The homeowner is responsible for the payment of all real estate taxes on the house and on the land.

The homeowner may sell his/her home only to WHAHLT or a qualified buyer. The resale price is limited by a formula which more than likely (based on market conditions) allows the seller to recover the original cost of the house plus a modest profit. Therefore, assuming the house has retained or

increased in value, the homeowner who sells his or her home will get all of their equity (the amount of money that they used as a down-payment as well as all principal that has been paid) plus a percentage (35%) of the home's appreciation (the amount that a home has increased in value since it was purchased).

Thus, subsidies awarded to HWR to purchase the land, stay with HWR and incorporate perpetual affordability using the community land trust practice. Therefore, the home purchased by HWR applicants using the land trust practice are part of the resale-restricted domain of HWR and will remain affordable for low-to-moderate income households, through one resale after another.

The components of permanent housing affordability and subsidy retention create and sustains the affordability of the homes through the HWR program. Therefore, the removal of the market value of the land from the mortgage equation provides initial affordability and permanent affordability is obtained through:

- A pricing formula that provides the owner with an amount of equity while ensuring that the resale price of the home is affordable and
- A resale restriction that requires the homeowner to sell the house to another qualified household.

Therefore, a one-time investment in the cost of the land and other related expenses creates a permanently affordable home and in turn maximizes the effectiveness of the investment in affordable housing while providing the benefits of home ownership to households that are otherwise unable to buy a home in Edina. Again, please refer to **Exhibit 2 & 3** for further detail.

**Method of Approach and Implementation of Schedule:**

HWR acquires, rehabilitates and then turns around and sells the home to a qualified family using the land trust practice. The following graph highlights the major components of HWR housing production timeline.

	MONTHS	1	2	3	4	5	6	7	8	9	10	11	12
<b>Creation of one Affordable Home</b>													
<b>1. Application Process</b>													
Informational Meeting													
Application													
Orientation & Homebuyer Education													
Interviews and Income verification													
Meeting with Lender process application													
Pre-approvals													
<b>2. Acquisition</b>													
Property Search													
Property Selection													
Purchase Offer of Selected Property													
Due-Diligence Period & Admin - Determine Scope of Rehab, LC, Finalize offer, remove contingencies													
Acquire property													
Rehab													
<b>3. Selling/Closing Process</b>													
Mortgage Application and approval													
Selection of Property													
HWR Resident Committee Interview, Finalize income eligibility													
Execute PA , home inspection, attorney review													
Closing - coordination with funders, buyers, closer													

Please keep in mind that multiple steps can be completed concurrently or previously – therefore it does not take 12 months to purchase a home, if the applicant is financially ready and there are available homes in their desired community where they work or live

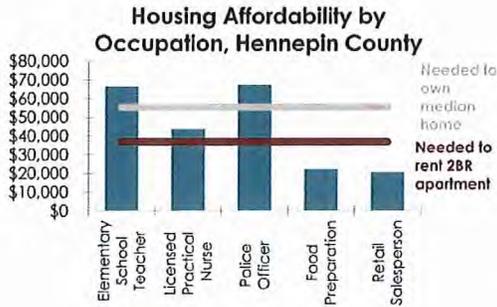
The Application Process can take place at any time, however once a property is located and acquired, many times applicants need to be reapproved for a mortgage, if their pre-approval is more than 60 days old; especially in these times of changing lending requirements.

With respect to the 2014/2015 proposed activity, a specific location in the City of Edina has not yet been predetermined prior to approving this proposed activity. Properties typically are selected and acquired once the funding commitment has been completed, along with matching funds. Properties

are typically acquired as opportunities arise due to market conditions and the requirements of the HWR acquisition process.

Required repair and rehabilitative work are those renovations that will provide the buyers good operating condition of the home and property, promote a safe environment and permit the reuse of structurally sound buildings, many of which were constructed in a manner that is superior to some of today's housing products.

**COMMUNITY NEED:**



Many of the jobs that are available today or are being created do not pay wages that are adequate to afford homeownership for workforce families who provide essential services in the suburban communities of Hennepin County. Please refer to the chart to the left, prepared by Minnesota Housing Partnership, Sources – OES Wage Data by economic development region, MN DEED, Q4 2012; HUD FMR, 2013.

With land and housing costs exceeding the means of low to moderate income workforce households to purchase a home, the Community Land Trust, West Hennepin Affordable Housing Land Trust (WHAHLT)

dba Homes Within Reach (HWR) was formed to create and preserve affordable homeownership for families that otherwise would be unable to buy a entry-level home in the City of Edina and other Hennepin County suburban communities, where they work or live and not over burden their income to do so.

Homes Within Reach is a creditable program with twelve years of experience providing scattered site affordable homeownership. Offering communities the opportunity to create and preserve affordable homeownership and enhancing community vitality through collaborating with public and private organizations to address the dreams, goals, and objectives of working families to own their home.

HWR program meets multiple community needs; they include but are not limited to the following.

- Workforce families provide essential services to maintain and sustain the infrastructure of the community. Demand for living in the suburban communities has led to increased home values that have risen to the point that many single-family homes, despite their age, are not affordable to low and moderate income work-force families. Land values in particular have increased, making it difficult for developers to build affordable single-family homes.
- The program preserves community resources through the use of existing buildings (preservation and rehabilitation of existing housing stock) and the community's infrastructure.
- The program enables new comers to join the community, revitalize the housing inventory, support the investment in the delivery of the Community's infrastructure and maximize the one-time investment in sustaining affordability.

**Sample of Edina Land Trust Homes**



Therefore, the benefits and value of the HWR program to the Edina Community are -

**The Expansion of Homeownership Opportunities:**

The three principal features of the HWR program continue to appeal to the targeted market, they include the cost of homes, the quality of home and their location. In addition, providing a long-term practice for families to become homeowners, stabilizes families and in turn adds value to the community, where they work and or live.

The HWR program assists in reducing the pressure to build either new housing by preserving existing affordable units or converting existing housing for workforce households.

Additionally, owning a CLT home is a starting point on the homeownership ladder for many of HWR homeowners. A 2010 study <sup>1</sup> found that nearly 80% of Land Trust homeowners go on to purchase market-rate homes.

**Sustains Community Resources**

The HWR program makes maximum use of existing buildings and the community's infrastructure. The community's infrastructure is a major selling point to the buyer, and in return, the new family provides value and benefits with respect to the following:

- Community's growth,
- Delivery of services,
- Increasing the labor pool available to local businesses,
- Reducing freeway congestion given the opportunity workers can live near their work,
- Adding younger households to the community where the population is often aging and
- Providing the mechanism to invest in affordable housing

**Supports Residential Stability:**

HWR program provides assistance to neighborhoods in maintaining property as they age. With the aging process taking place there is a need to renew the residential base and support the seniors in moving from their detached home to a suitable arrangement.

In addition, HWR like other CLT organizations support homeowners before and after the purchase of the home. Homeowners are required to attend a homebuyer education class before purchasing their home. Furthermore, HWR continues to support homeowners after they move into their home, especially during times of crisis and change in their lives

**Preserves Housing Affordability:**

Community Land Trust homes remain affordable between consecutive generations of homeowners. The resale restriction is the subsidy retention and is tied to the home not the owner. This recycling of funds from owner to owner ensures the home remains affordable for low-to-moderate income families over a long period.

Studies of land trust ownership have found that the income level served remained about the same from one homeowner to the next. <sup>2</sup> This recycling of funds from owner to owner ensures the home remains affordable for low-to-moderate income families over a long period.

For example, if homeowners spend 10-15 years in their home before moving, this would mean 6 to 10 families are served by the CLT during the 99-year lease, thereby spreading the initial investment by 6-10 families.

Overall, Homes Within Reach is an excellent affordable homeownership program by enhancing community vitality through collaborating with public and private organizations in transforming lives through homeownership.

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<sup>1</sup> Urban Institute, Shared Equity Homeownership Evaluation: Case Study of Northern Communities Land Trust, April 2010 draft (This evaluation is part of a larger study still in progress of CLTs, limited equity co-ops and deed restriction programs)

<sup>2</sup> John Emmenus Davis and Amy Demrowitz (2003) Permanently Affordable Homeownership: Does the Community Land Trust Deliver on Its Promise?



## Community Land Trust – How it Works

West Hennepin Affordable Housing Land Trust dba Homes Within Reach is a Community Land Trust.

A Community Land Trust organization is a -

- Nonprofit organization
- Formed to hold title to land to preserve its long-term affordability
- Receives public and private donations of land or monies, to purchase land on which housing exists or can be built
- The homes are sold to low-to-moderate income workforce families
- The CLT retains ownership of the land and provides a long-term ground lease to homebuyers to secure their rights to use the land
- The CLT retains a long-term option to re-purchase the homes at a formula-driven purchase price when homeowners later decide to sell & move.

Two key components driving the interest in Community Land Trusts are

- ☑ **A Social Component:** Promoting homeownership for low to moderate income families
- ☑ **A Financial Component:** Protecting the public's investment in affordable homeownership

The Community Land Trust (CLT) is one vehicle that allows homeownership to be affordable for low-to-moderate income workforce families.

A Community Land Trust (CLT) establishes affordability by removing the value of the land from the mortgage equation to create initial affordability resulting in savings of principal and interest and in down payment and closing costs.

The CLT retains ownership of the land and enters into a 99-year ground lease with the leaseholder-homeowner. Therefore, each affordable home will offer affordable homeownership to 6-9 families throughout the life of the lease.

The CLT leaseholder-homeowner pays property tax on both the home and the land, and secures the rights to use the land via a Ground Lease.

Federal, State, City and private contributions fund project costs - land acquisition, buyer assistance, rehab, and holding costs.

A CLT ensures permanent affordability of the home through two provisions found in the Ground Lease.

- ☑ The first is a pricing formula that provides the owner with a fair amount of equity (25%-35%), while ensuring the sale price for subsequent low-to-moderate income households is affordable.
- ☑ The second provision requires the homeowner to sell either to another low-to-moderate income household. In addition, the provisions ensure the home continues to be affordable with each sale.

A CLT leaseholder-homeowner receives benefits similar to non-CLT homeowners such as the ability to build equity, the federal mortgage interest and property tax deduction and the ability to pass on the lease interest and home to their heirs.

The following Chart provides an example of how a Community Land Trust creates initial and permanent affordability (99 years plus). The example compares the difference in affordability after ten years under the CLT and conventional model.

### Affordability Comparison

Affordability Comparison			CLT Model	Conventional Model
<b>Acquisition costs</b>				
	Market Value Land		\$ 90,000	\$ 90,000
	Market Value Home		\$ 120,000	\$ 120,000
	Total		\$ 210,000	\$ 210,000
<b>Subsidy</b>				
	Subsidy/Affordability Gap		\$ 90,000	\$ -
	Sale Price		\$ 120,000	\$ 210,000
<b>Housing Costs</b>				
	Principal and Interest	<sup>1</sup>	\$ 719	\$ 1,200
	Property Taxes		\$ 235	\$ 235
	Homeowner Insurance		\$ 135	\$ 135
	Land Lease Fee		\$ 30	n/a
	Total Monthly Principal, Interest, Taxes, Insurance		\$ 1,119	\$ 1,570
	Down Payment		\$ 1,000	\$ 10,500
	Closing Costs		\$ 4,150	\$ 5,650
<b>Market Value After 10 Years</b>				
	Market Value Home		\$ 161,270	n/a
	Market Value Land and Home		n/a	\$ 282,222
	Increase in Value	<sup>2</sup>	\$ 41,270	\$ 72,222
<b>Sale Price Calculation after 10 Years</b>				
	Percentage of Appreciation to Owner		35%	100%
	Owners Share of Appreciation		\$ 14,445	\$ 72,222
	New Sale Price of Home		\$ 134,445	\$ 282,222
<sup>1</sup>	Mortgage Interest Rate 6%, Term 30 years,			
<sup>2</sup>	Annual average increase in market value 3%			

The chart above demonstrates that after ten years, the CLT home sells for \$134,445 as opposed to \$282,222 under the conventional model, a difference of \$147,777.

There are two primary factors to account for this difference. First, the land has been permanently removed from the speculative market. Secondly, the homeowner receives only a percentage of the appreciation of the home when they decide to sell. In the above example, the owner receives 35% or \$14,445, based on a formula that is standard among CLTs (25-35%) across the United States, where the homeowner receives only a portion of the appreciation in order to make the home affordable for each subsequent sale.

## Equity Resale Provisions



The home purchased by HWR applicants in Edina using the land trust practice will be part of the resale-restricted domain of WHAHLT - HWR and will remain affordable for low-moderate income households, through one resale after another, and continue to serve homebuyers without the need of additional subsidies, regardless the number of times the home sells (99-198 years).

The Ground lease (executed between WHAHLT-HWR and the homeowner) protects the assets of the land by providing the land trust certain rights to safeguard the condition and affordability of the home. HWR homes cost less than market rate homes because HWR homebuyers purchase only the house and enter into an agreement with WHAHLT- HWR for the use of the land. By taking the cost of the land out of the real estate transaction, land trust homes are more affordable than houses on the open real estate market.

Given that WHAHLT-HWR owns the land and the homeowner owns the home, the homeowner and WHAHLT-HWR sign a long-term legal document called a Ground Lease, which defines the roles and responsibilities of both WHAHLT-HWR and the homeowner. The Ground Lease allows the homeowner to secure, long-term rights to the land. The homeowner is responsible for the payment of all real estate taxes on the house and on the land.

The homeowner may sell his/her home only to a qualified buyer or WHAHLT-HWR. The resale price is limited by a formula which more than likely (based on market conditions) allows the seller to recover the original cost of the house plus a modest profit.

Therefore, assuming the house has retained or increased in value, the homeowner who sells his or her home will get all of their equity (the amount of money that they used as a down payment as well as the entire principal paid to that point in time). In addition, to a percentage (35% for WHAHLT) of the home's appreciation (the amount that a home has increased in value since it was purchased). Please see the attached - How the Community Land Trust Model Works - Exhibit 2.



### Charting a legacy of partnership, innovation & growth.

We are committed to the business axiom that “what gets measured gets improved.” To that end, see below for a summary of our annual and related achievements. This progress is due to the commitment of our homeowners, funders, community partners and board of directors.

#### Increased Housing Production

- ✓ Acquired 9 properties in 2012.
- ✓ Created 9 new homes in 2012.
- ✓ Resold 4 homes in 2012.
- ✓ Acquired 6 additional properties in early 2013.
- ✓ Total of 106 properties and 113 families since 2001.



#### Updated Strategic Planning

- ✓ Completed 5-year strategic plan.
- ✓ Defined 4 key strategic objectives:
  1. Continue providing effective programs that sustain and grow HWR.
  2. Remain financially efficient, stable and transparent.
  3. Strengthen community partnerships via HWR programs.
  4. Positively influence public policy to ensure effective operations.

#### Expanded Collaboration

- ✓ Continued to expand our network of communities, partners and services.
- ✓ Working with City of Lakes Community Land Trust on proposed strategic collaboration.

### Our Mission

The HWR mission is to create and preserve affordable home ownership in western suburban Hennepin County by using the Community Land Trust practice to help qualified families purchase the house and lease the land at a nominal fee.

## From the President



**Robert Hamilton**  
WHAHLT President

2012 was a year of significant progress. We had the privilege of serving thirteen new families with affordable housing options, raising the total of families served to 106 from 2001 through 2012. As a result, both our homeowners and communities have benefited from HWR's community land trust program. This unique business model creates and sustains homes in neighborhoods near

where families work and serve, which helps protect and enhance community wealth and stability.

**We have expanded the number of families and communities we serve, and completed our five-year strategic plan.**

Thanks to the expertise and diligence of our board and staff, it's also been a productive year with respect to planning. We formally established a long range vision to guide HWR's growth over the next five years, with our focus on:

- Expanding the number of communities we serve.
- Creating and sustaining a strong mix of both public and private financing and partnership.
- Collaborating with the City of Lakes Community Land Trust to create a shared business and service model that can increase homeownership equity for underserved families across Hennepin County.

The joy for all of us who are passionate about HWR comes from serving our families and the appreciation they express. The *Why They Serve* article about HWR homeowner and volunteer Jennifer Smith is a prime example of why supporting the HWR mission is a personal commitment for all of us.

**Join us for a grand evening at our May 17 fundraiser.**

Looking into 2014, our second annual fundraiser will be held on May 17<sup>th</sup> at the Minnesota Arboretum in Chanhassen.

This popular event will feature silent and live auction items, and fun tram-ride tours of the grounds and gardens.

As always, we are deeply thankful for your support over the last year.

**Support the HWR mission with an early contribution via the [donation link on our website](#).**

## Why They Serve

It's no secret that our ability to support our homeowners and communities is tied directly to the contributions of our volunteers.

As both an HWR homeowner and member of two committees, Jennifer Smith exemplifies the ongoing commitment that all of our volunteers make to our mission.

**Jennifer Smith, HWR homeowner and member**

*"I discovered HWR several years ago after a divorce and health challenge compelled me to start looking for a home for me and my two boys. I had no real options until a friend told me about HWR, so I did my homework and realized their program could work for us. A few months after my first meeting with the staff, we moved into a great Minnetonka neighborhood, and it's been home ever since.*

*HWR opened a second and equally important door for us as well. Moving to the Minnetonka house meant my youngest son had to switch schools. His new teachers discovered that he is a gifted student, and he's now on an accelerated learning program that is helping him reach his full potential.*

*I serve on the fund development committee because diversifying our funding sources is essential to the future of HWR. I also devote time to the homeowner's committee because I know how nervous I was during my application process, and so I can help prospective homeowners relax and understand how to keep working toward owning their own home.*

*HWR opened doors to our new home and a new life for my son.*

*Volunteering is my way of giving back to this exceptional organization and its great people.* ”

## New Look Online

Our updated website has a refined design, easy navigation and enhanced ability to communicate with our homeowners and partners.

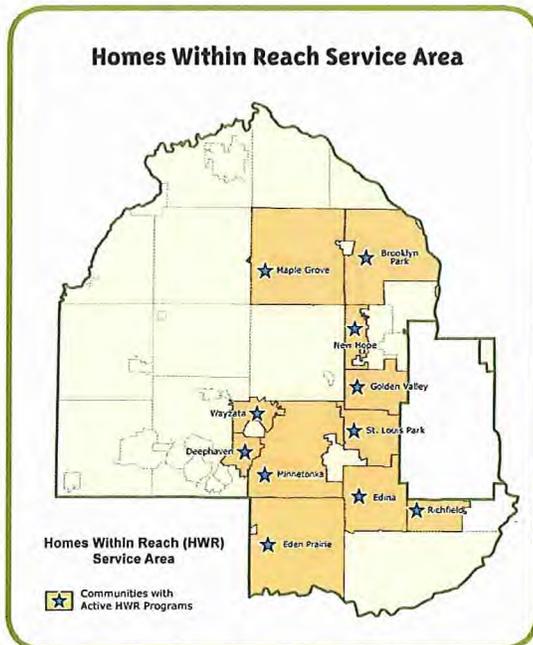


[www.HomesWithinReach.org](http://www.HomesWithinReach.org)

## 2012 Board of Directors

Ameena Elshershaby  
Robert Hamilton  
Gene Haugland  
Christine Johnson  
Patti Marrinan  
Jerry Nystuen

Joel Papa  
Terry Schneider  
Brian Sullivan  
Chris Trailer  
Winnie White-Scherber  
Margaret Willie



## 2012 Financials

### Statement of Activities & Changes in Net Assets

	2012	2011
<b>Support &amp; Revenue</b>		
Grants, Contributions & Other Revenue	\$ 1,271,341	\$ 1,053,486
Ground Lease Fees	32,123	29,006
Property Sales	1,074,400	1,069,000
Interest	239	605
<b>Total Support &amp; Revenue</b>	<b>\$ 2,378,103</b>	<b>\$ 2,152,097</b>

### Expenses

Property Costs	1,215,816	1,144,297
Operations	206,347	193,168
<b>Total Expenses</b>	<b>1,422,163</b>	<b>1,337,465</b>
<b>Increase in Net Assets</b>	<b>\$ 955,940</b>	<b>\$ 814,632</b>

### Statement of Financial Position as of December 31, 2012

	2012	2011
<b>Assets</b>		
Cash	\$ 274,999	\$ 270,630
Accounts Receivable	1,895	2,460
Prepaid Expense	3,037	3,876
Properties to be Sold	607,425	571,852
Equipment, Net of Depreciation	1,730	2,808
Grant Receivable	86,700	3,795
Land in Trust	8,360,850	7,445,850
<b>Total Assets</b>	<b>\$ 9,336,636</b>	<b>\$ 8,301,271</b>

### Liabilities & Net Assets

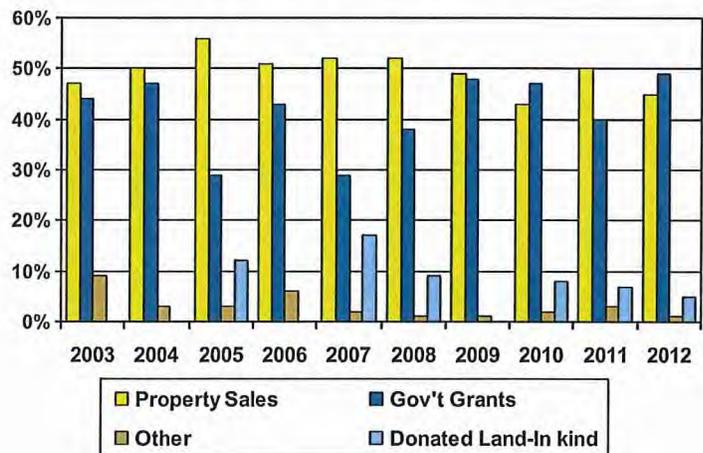
Accrued Expenses	\$ 67,789	\$ 150,173
Loans	863,376	701,567
<b>Total Liabilities</b>	<b>931,165</b>	<b>851,740</b>
<b>Net Assets</b>	<b>8,405,471</b>	<b>7,449,531</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>\$ 9,336,636</b>	<b>\$ 8,301,271</b>



**“I don’t know how we’d have done this without you.”**

— HWR homeowner

### 2012 HWR Support & Revenues



# Thanks to our program funders and contributors.

## Program Funders

- B.C. Gamble and P.W. Skogmo Fund /Minneapolis Foundation
- Bremer Bank
- City of Brooklyn Park
- City of Eden Prairie
- City of Edina
- City of Golden Valley
- City of Maple Grove
- City of Minnetonka
- City of New Hope
- City of Richfield
- City of St. Louis Park
- City of Wayzata
- Deephaven Cove LLC/Steven Scott Development
- Fannie Mae Minnesota Partnership Office
- Family Housing Fund
- Greater Twin Cities United Way
- Halley's Custom Homes
- Hennepin County
- HOME Partnership
- Homes for All
- Interfaith Outreach and Community Partners
- Local Initiatives Support Corporation/McKnight Foundation
- Metropolitan Council
- Minnetonka United Methodist Church
- Minnesota Housing Finance Agency
- Otto Bremer Foundation
- Ryland Homes
- St. Luke Presbyterian Church
- St. Joseph the Worker Church
- United Way
- Thrivent Financial for Lutherans
- Wells Fargo Bank
- ZB Companies



*Transforming lives through homeownership*

**952-401-7071 • 952-224-2857 (fax)**

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Willie, Margaret  
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### **ORGANIZATIONS**

Barnes & Nobel  
Best Buy  
Blue Plate  
Convention Grill  
Cooks of Crous Hill  
Crave Restaurant  
D'Amico & Sons  
Dundee Nursery  
Edina Country Club  
Edina Grill  
Edina Landscaping  
Energy Saver  
Garden by Den  
Garden Gate  
Haskell's  
Heartland Payment Systems  
Joseph A. Bank  
Lorie Line Music, Inc.  
Mahoney, Ulbrich, Christiansen,  
Russ, P.A.  
McCormick's & Schmick's  
Minnesota Twins  
Nordic Walking  
Omni Floors  
Oreck Clean Home Center - Edina  
Original Pancake House  
Parasole Restaurants  
Premier Fencing  
Private Design Decorating  
Q Cumbers  
Quantum Restoration  
R.F. Moeller Jeweler  
Salut Bar & Grill  
Schmitt Music  
Skunkmaker, LLC  
Sunnyside Gardens  
Tavern on France  
TCF Foundation  
The Brass Handle  
TLC Toys  
Twin Cities Closets  
UPS Store 1779  
Warner's Stellan  
Westin Edina Galleria Hotel  
William Henney-Attorney at Law  
William Soules-Attorney at Law  
Williams Sonoma



REQUEST FOR FUNDING - NON PUBLIC SERVICE

URBAN HENNEPIN COUNTY CDBG PROGRAM YEAR 2014

General Information:

City: Edina
Co-Applicant:
Type of Entity: Local Government
Project Name: Rehabilitation of Private Property
Contact: Joyce Repya, Senior Planner
Phone: 952-826-0462

Activity Data:

CDBG Fu: \$ 50,000.00 Resolution: 2014-22
Is this an existing CDBG-funded pro Yes
Project L: City wide

Describe below the activity in detail, including priority need(s) it meets within the 2010-2014 Hennepin County Consolidated Plan. Click links below.
2010-2014 Hennepin County Consolidated Plan Chapter 4 2010-2014 Hennepin County Consolidated Plan Chapter 5

Citywide Housing Rehabilitation Program: The City of Edina will provide deferred loans of up to \$30,000 per unit to low-or moderate-income owner occupants who are elderly (62+), disabled, single-heads of households, or families for rehabilitation of substandard single-family structures. Applications are accepted throughout the year on a "first-come, first served" basis. The loans are non-amortizing and must be repaid only if the property is sold or transferred within 15 years. The income limits for a low- or moderate-income household for all of our housing programs are in direct alignment with the HUD 2014 income limit guidelines for the state of Minnesota; Minneapolis-St. Paul - Bloomington metropolitan and surrounding area. It is anticipated the loans will serve 3 or more families and be completed by July 1, 2015. Housing rehabilitation for households at or below 50% of AMI is considered a high county priority in the Consolidated Plan and local priority for the City of Edina. This program is administered by the Hennepin County Housing, Community Works and Transportation office.

Please use the below drop down lists to choose the applicable activity and national objective that this project will meet.

Activity: Rehabilitation
National Objective: L/M Income Area Benefit

If the proposed project is a low urban county priority, you must explain below why it has a higher priority in your community.

Please describe anticipated results/accomplishments the project will have.

The city anticipates providing housing rehabilitation assistance for three to as many as eight income/asset eligible Edina homeowners of single dwelling unit properties. The funds will assist them in making structural improvements to their homes.

Number of affordable housing units to be rehabilitated or built: 3 or more

Implementation Schedule: Identify major project tasks to occur during/ within the first 12 months.

Task: Rehabilitation of 3 or more private properties for income/asset eligible homeowners Date: 7/14 - 7/15
Task:
Task:
Task:
Task:
Task:

Budget: Specify total project budget by major funding sources. Attach additional listings where appropriate.

Table with 3 columns: FUNDING SOURCES, AMOUNT, SPECIFY FUNDING SOURCE. Rows include CDBG, Prior Year CDBG Funding, Other Federal Funds, Low Income Housing Tax Credits, State, Municipal, Metropolitan Council, Private, Program Income, Other, and Project Total.

Signature: Joyce Repya Date: 2/18/2014
Printed Name: Joyce Repya Title: Senior Planner