

# WINONA COUNTY LOCAL HOUSING TRUST FUND



## WHAT IS A LOCAL HOUSING TRUST FUND?

Local Housing Trust Funds (LHTF) are funds established locally by dedicating local revenue for housing. LHTFs provide a consistent, flexible resource for housing within communities. Trust funds help communities leverage public and private resources and jump-start projects that draw investment and jobs. LHTFs enable communities to prioritize housing that maximizes benefits to the local community and its citizens.

## GOALS OF THE LOCAL HOUSING TRUST FUND

- ✔ Provide a consistent, dedicated revenue stream for affordable housing
- ✔ Serve as local leverage for affordable housing programs and developments
- ✔ Provide an economic multiplier by supporting investment in housing construction and rehabilitation, including redevelopment sites, leading to job creation and increases in the community's property tax base
- ✔ Catalyze revitalization of a community via reinvestment in the existing housing stock
- ✔ Support public health by increasing housing options for vulnerable populations in the community
- ✔ Improve educational outcomes for children by promoting housing stability
- ✔ Increase housing inventory, accessibility, and stability
- ✔ Reduce housing insecurities and their long-term consequences
- ✔ Align the community network of nonprofit providers to support property owners and residents with needed services

## WHY A LOCAL HOUSING TRUST FUND?

Throughout Winona County, there is a growing need for decent homes that are affordable to residents of all income ranges. Leaders across the County recognize this critical need and are eager to address housing challenges in their communities.

In Winona County, 44% of renters and 14% of homeowners pay more than 30% of their income towards housing costs, putting them at risk of being unable to afford basic needs like food and medicine.

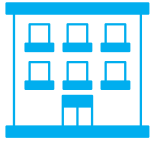
In all communities in Winona County, it is challenging for individuals and families to find an affordable place to call home. This challenge limits economic growth, as businesses are unable to expand or hire new employees because workers cannot find an affordable home. Additionally, as the cost of homes increases, incomes are not keeping pace, so prospective homeowners are not able to afford down payment and closing costs, thereby hindering their dream of homeownership.

Many rural communities struggle with adequately meeting housing needs. This can result from a lack of affordable housing options, a greater prevalence of substandard housing conditions or less access to mortgage products and local down payment assistance programs. Furthermore, there is often limited capacity to provide housing for underserved populations.

A LHTF is an important tool to address these needs. LHTFs can be used to increase rural homeownership, rehabilitate existing housing stock, provide affordable rental housing and supportive housing options, and help prevent homelessness, among other housing-related uses.

The long-term purpose of the LHTF is to provide incentives for new developments and provide financing for the rehabilitation of existing housing, which is our most affordable housing.

Mirroring the state trend, the price of rent continues to rise and incomes are not keeping up, making it increasingly challenging for renters to make ends meet.



## RENTER HOUSEHOLDS

5,749 | 30% of all households

Median rent, 2000:	\$696	↑ rent up 11%
Median rent, 2019:	\$629	
Renter income, 2000:	\$29,311	↓ income down -7%
Renter income, 2019:	\$31,594	

The income for families is not rising at the same pace as home values, making it more difficult for families to purchase and own a home.



## OWNER HOUSEHOLDS

5,749 | 30% of all households

Home value, 2000:	\$167,300	↑ value up 17%
Home value, 2019:	\$142,672	
Owner income, 2000:	\$73,812	↑ income up 5%
Owner income, 2019:	\$70,368	

Source: Minnesota Housing Partnership.

## HOW WILL THE LOCAL HOUSING TRUST FUND BE FINANCED?

The LHTF can be financed from revenue derived from:

- Private donations and gifts
- Grant funding
- Appropriations by Local Governments (City, County, Port Authority, HRA)
- Matching funds (governmental, business or private)
- Employer Contributions
- Tax Increment Financial Pooling

## WHAT IS "HOPE FOR HOMES"?

Hope for Homes is a coalition of community leaders from across systems dedicated to addressing housing needs in Winona County. During 2022-23, members of this coalition participated in the Minnesota Housing Partnership's Southern Minnesota Housing Institute. It was through this participation that the Winona County Local Housing Trust Fund was developed.

## HOW WILL THE HOUSING TRUST FUND BE MANAGED?



### WINONA COMMUNITY FOUNDATION

Funds provided to and managed by the Winona Community Foundation.



### STRATEGIC ADVISORY BOARD

Review requests for funds to develop or rehabilitate housing and make recommendation to Winona Community Foundation Board.



### HOPE FOR HOMES

Winona Community Foundation Board makes final decision for Hope for Homes.