

BEMIDJI CITY COUNCIL

Special Work Session Agenda

Tuesday, August 29, 2023

**City Hall
317 4th Street NW
5:30 P.M.**



1. CALL TO ORDER / ROLL CALL

2. HOUSING DISCUSSION

3. ADJOURN

MEMORANDUM



TO: City Council
FROM: City Staff
DATE: August 28, 2023 Work Session
RE: Opportunities for the City to Assist with and Preserve Affordable Housing

BACKGROUND

With the closing of two buildings in the Ridgeway Complex and now the vacation order of the Red Pine Estates apartment building in July, the concerns about affordable housing in the City were brought to the forefront. With the vacation of 47 residents from their homes in Red Pine Estates, the question of what the City can do to assist if, and when, another crisis happens has been our focus.

While working to answer this question, a bigger question came to light; what can the City do to assist with the aging and disappearing stock of affordable housing located within the City? Staff has worked diligently with State, County, community members and organizations the past few weeks to try to find an answer to these serious questions. Knowing and understanding the City cannot tackle this problem alone, staff will be attending an after-action meeting with the County and community stakeholders with the goal of creating recommendations on what the community, including the City and County, can do to proactively try to prevent losing more affordable housing and also how to create more affordable housing. Unfortunately, this meeting cannot take place prior to this work session, however staff are hopeful to have the date of that meeting available at the work session.

Below is an outline of possibilities staff have identified to not only better prepare for any emergency that may arise, but also what the City can do long term to assist in ensuring affordable housing is available to citizens.

WHAT STEPS THE CITY CAN TAKE TO WORK TOWARDS A SOLUTION

Below is a bulleted list to summarize the talking points as this is an extensive list. Staff plan to elaborate, as needed, during the work session to better explain the details of these items.

1. *Ordinance Changes*
 - a. Rental Ordinance
 - i. Require Structural Engineer Report every 10 years
 - ii. Require Landlords to provide temporary housing if tenants if tenants vacated from housing due to no fault of the tenant.
 - b. Planning and Zoning Ordinances

- i. Full review of ordinance after January 1, 2024
 1. Add incentives for building affordable housing
 2. Certain fee forgiveness for building affordable housing
 3. Comp Plan requirements to address affordable housing

2. *Bemidji Economic Development (BEDA) Authority*

- a. Acquire, purchase, sell, or lease property;
- b. Eminent Domain;
- c. Enter into contracts;
- d. Enter into construction agreements and contracts;
- e. Join in as a Limited Partner in a corporation;
- f. Acquire easements;
- g. Buy supplies and materials;
- h. Accept public land, money, grants, or gifts;
- i. Act as an agent for other local, state, or federal political bodies;
- j. Public relations activities;
- k. Take part in economic development activities, including land development;
- l. Issue bonds and bond anticipation notes;
- m. Take part in transactions in the “secondary” market;
- n. Take part in seed and venture capital projects (with limits and stipulations);
- o. Tax Levy up to .01813 for the EDA and HRA.

3. *Bemidji HRA*

- a. Limited in abilities due to ordinance that created BEDA;
- b. Manages the housing that was already created in 1989 when BEDA was formed.

4. *Legal Options*

- a. Tenant Remedies Actions & Emergency Tenant Remedies Actions

5. *Local Housing Trust Fund*

- a. Can be matched by State grant for matching funds
- b. City would need to fund

6. *Minnesota City Participation Program*

- a. City program that helps eligible first-time home buyers by providing up to \$15,000 for the down payment and closing costs on a home loan.
- b. Minnesota Housing Finance Agency (MHFA) would help facilitate to connect the City with approved lenders and market the program.

7. *Available Funding Options*

- a. Apply for funding and facilitate Minnesota Housing Financing Agency (MHFA) Funds
 - i. Publicly Owned Housing Program (POHP) – deferred, forgivable, no-interest loans to eligible cities and HRA's to preserve or rehabilitate existing HUD housing units
- b. Housing Infrastructure Bonds
 - i. State bond funds used to fund loans that finance specific multifamily housing development purposes.
- c. Funding for Emergency Management and CERT Program
 - i. Look towards grants to fund these initiatives

8. *Additional Staff Positions*

- a. Community Development Director
- b. Public Relations Officer
- c. Grant Writer/Grant Coordinator

WHAT CITY STAFF ARE WORKING ON NOW

1. Continuing to Identify and build relationships with State, County, and Community Stakeholders
2. Preplanning High Risk Locations for Emergency Preparedness Plans
3. Community Emergency Response Team (CERT) Program

RECOMMENDATION

To set another work session for after the community after-action meeting with the goal to review the recommendations from the after-action meeting and develop Council priorities in working towards assisting in preserving and creating affordable housing in the community.