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TO: Goodhue County Board
FROM: Lucas Dahling, Finance Director
SUBJECT: Additional Information for Statewide Affordable Housing Aid Options
DATE: September 15, 2026

Background:
Staff provided an update to the County's Statewide Affordable Housing Aid (SAHA) program on September 1st, 2026. This update included the results of the current program, information regarding statutory limitations, as well as options moving forward. Board Members requested additional information regarding both Goodhue County Habitat for Humanity and Three Rivers Community Action's ability to utilize SAHA funding to create new affordable housing units within Goodhue County. Both Bob Hawley, Executive Director of Goodhue County Habitat for Humanity, and Laura Helle, Housing and Homeownership Director of Three Rivers Community Action, asserted that any and all funding could be utilized by their organizations for the creation of new affordable housing units within Goodhue County.

Goodhue County Habitat for Humanity:
The organization is currently building four new affordable housing units per year. Two of these are in the Hope Heights development located in the City of Red Wing. The other two units are built in partnership with the Kenyon-Wanamingo School District and the Goodhue School District. These homes are constructed at the school and then moved to their final location.

Their plan going forward is to begin construction of an additional new unit in the Hope Heights development each year. Each new home costs between approximately $260,000 and $270,000 including the cost of the lot. Bob believes SAHA funding would give assurances that they would be able to achieve their goal of building five new units each year rather than the current four. SAHA funding would be allocated specifically to new homes built in partnership with the schools and would ultimately be located outside of the City of Red Wing.

Three Rivers Community Action:
On September 9th, the organization submitted a proposal with the Red Wing Housing and Redevelopment Authority to redevelop the old Jefferson School property within the City of Red Wing. The proposed project would renovate and preserve the existing school building while adding 16 affordable housing units. The plan also includes the construction of an additional building that would contain approximately 32 affordable housing units.

Project timeline includes applying for financing from the Minnesota Housing in July 2027 with award information to be released by the end of December 2027. Additional due diligence would be completed in 2028 with actual construction beginning in 2029. A funding package would potentially be awarded by Minnesota Housing and may include Low-Income Housing Tax Credits, Historic Tax Credits, and instruments. To score well on a Minnesota Housing funding application, the Jefferson School project will need a substantial local contribution which may come from local employers, local units of government or others. SAHA funds would work well as a local contribution.