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TO: Goodhue County Board

FROM: Lucas Dahling, Finance Director

SUBJECT: Statewide Affordable Housing Aid Update

DATE: October 20, 2026

Background:

Staff presented an update on the County's SAHA program and provided recommendations on [September 1, 2026](#). At request of the Board, additional information related to the proposed uses of the funds was provided on [September 15, 2026](#). During this meeting, the Board approved splitting the current SAHA balance of \$351,391.55 equally between Goodhue County Habitat for Humanity and Three Rivers Community Action. This funding was to be used for the creation of new affordable housing units within Goodhue County. Future funding decisions were to be approved at a later date.

Discussion:

Three Rivers Community Action's plan was to use the funds to help offset the cost of redeveloping the old Jefferson Elementary School in Red Wing. This was to be a joint project with the Red Wing Housing and Redevelopment Authority and would have created 15-16 new units within the building as well as constructing another structure with an additional 32 units. Ultimately the Red Wing Port Authority approved a different developer and as a result Three Rivers has respectfully declined the award of SAHA funds for the creation of new housing units within the County.

The County now has \$175,695.77 of SAHA funds available to disburse. Options include contributing the remaining funds to Goodhue County Habitat for Humanity and/or using a portion of the funds to supplement the existing emergency rental assistance program administered by the HHS Department. Both options would meet statutory requirements, however, the contribution to Goodhue County Habitat for Humanity meets the program's initial intent of developing additional affordable housing capacity.

Recommendation:

Staff recommends the County Board contribute the remaining SAHA funds to Goodhue County Habitat for Humanity for the creation of new affordable housing units within Goodhue County.