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To: Budget Committee

From: Patty Heraty, Accountant and Justin Stotts, CEO

Date: May 28, 2026

RE: 2027 HRA Levy Budget

SEMMCHRA's mission is to enhance and strengthen communities through advocacy, collaboration and promotion of self-reliance, housing, and community development. Our goal is to continue to be a recognized advocate and leader in creating housing opportunities and community development solutions. Annually, our Board sets agency standards to ensure we realize that vision and grow our mission.

Our HRA levy is essential to sustain our currently funded programs and maintain baseline customer service levels. This request directly addresses the economic and housing challenges impacting federal, state, and local governments. The growing need for affordable housing continues to affect individuals, families, and businesses alike. Rising costs and staffing shortages are creating a "survival of the fittest" environment for those seeking and delivering services. Additional details of our request are attached.

The following provides a summary of SEMMCHRA's program accomplishments through 2026, along with planned initiatives for 2027. The average return on investment for each county supported by the SEMMCHRA levy is detailed in the accompanying itemized levy request and varies based on the number of programs and services delivered. Beyond measurable returns, our work has created meaningful housing stability for families across Southeast Minnesota. The average cost of the HRA levy to a taxpayer is less than \$15, making SEMMCHRA's levy among the lowest in the state. We are committed to managing this organization with financial diligence and transparency while striving to deliver premier public service to those in need of affordable housing solutions.

Section 8 – Rental Assistance

SEMMCHRA serves an average of 412 households, with per-household assistance averaging \$8,040 annually. Regional program utilization totals approximately \$3,282,816 each year. The average household income of participating families is \$17,502. Additionally, 68 percent of households in SEMMCHRA's voucher program have been enrolled for ten years or less.

SEMMCHRA applied for and was awarded the Bring It Home Rental Assistance grant and is in the process of setting up the program. The Bring It Home program, enacted by the Minnesota Legislature, is a state-funded program helping cost-burdened, low-income families secure stable housing. SEMMCHRA was awarded \$1,124,454 grant to fund direct rental assistance, administrative fees, and startup costs providing roughly 55 vouchers across Wabasha County,

Goodhue County (excluding City of Red Wing), Winona County (excluding City of Winona), and Dodge County.

Public Housing, Rural Development, Low to Moderate, Senior and Market Rate Housing

The number of people served in 2025 in our rental housing units was 904. The approximate number of elderly or disabled households totaled 436. We served 117 households with children and approximately 240 children in total. The average household income was \$25,102.

Preserving existing housing stock is essential to maintaining affordable housing options. SEMMCHRA continues to pursue local, state, and federal funding opportunities, which often require support from counties and cities to achieve preservation and affordability goals. In addition, SEMMCHRA is actively identifying funding solutions and programs to support necessary property improvements.

Maintaining high-quality facilities across our properties remains a top priority. SEMMCHRA will continue to invest in updates and enhancements through capital improvements, utilizing available funds, leveraged resources, and refinancing when appropriate. In 2025, more than \$630,000 in capital improvements were completed.

Overall, SEMMCHRA pays approximately \$190,000 annually for property taxes on the rental property it owns and operates in the region.

Single-Family Housing Rehabilitation – 8 Cities

SEMMCHRA staff have worked hard to finalize open grants in West Concord/Claremont, Pine Island, Mazeppa, Rollingstone/Altura, Zumbrota, Mantorville, Plainview and Wanamingo . These grants total approximately \$4,258,000. Annual grant writing awards average \$2.2M for our region!

Family Self-Sufficiency (FSS) Education

SEMMCHRA serves 30-50 families annually on the FSS program which enables HUD-assisted families to increase their earned income and reduce their dependency on welfare assistance and rental subsidies.

Please let us know if you have any questions. Thank you for your support through HRA levy.

SEMMCHRA
2027 Preliminary Levy Budget Request
Goodhue County

Total Request: OPTION 1: \$387,558 Total Levy for 2027

The estimated cost of the 2027 request to a taxpayer with a \$350,000 taxable market value is \$16.84.

OPTION 2: \$787,558 Total Levy for 2027 – Option to Fund Housing Trust Fund with additional \$400,000.

The cost to a taxpayer with a \$350,000 taxable market value would be \$34.22.

Uses of Funds:

- \$91,558 for General Fund Expenditures
 - Incorporates staffing and auditor risk mitigation restructuring

- \$196,000 for Community and Housing Development
 - Funding of .22 of FTE
 - Grant writing and administration
 - Goodhue County Housing Trust Fund Administration
 - \$10,000 for Community Development grant match for Rental and Single-Family rehabilitation program leverage
 - \$124,000 Goodhue Housing Development rental assistance and debt coverage

- \$100,000 to \$500,000 – Housing Trust Fund
 - Includes funding for new construction; down payment and emergency housing assistance; and rural housing rehabilitation.

Levy/Funding Additional Information:

- **Return on Levy Investment:** 10-year average is \$1.00: \$2.30 or \$947,000 annually.
- **SEMMCHRA pays property taxes to Goodhue County** of approximately \$54,000 annually.
- **Total HRA levy capacity is approximately \$1,490,018 and 26 percent of this maximum is needed.**

SEMMCHRA

2027 Proposed General Overhead Budget (Levy/Program Funded)

	2027		
	TOTAL General Overhead	Levy	Program
1 Other government Revenue	426,307	426,307	
2 Levy Funds Transferred to Projects	(139,000)	(139,000)	
3 Investment income - unrestricted - (interest income)	113,875		113,875
4 Indirect Cost Reimbursement	131,020		131,020
5 Car Reimbursement	16,850		16,850
6 Copy Reimbursement	5,020		5,020
7 Subordination Fees	400		400
8 Recording Fees	-		-
9 Admin Fees	4,000		4,000
10 Investment income - restricted	6,018		6,018
11 Admin Fee - FSS	-	-	-
12 Housing assistance payments	-	-	-
13 Ongoing administrative fees earned	-	-	-
14 Administrative Fee	-	-	-
15 Housing Assistance Payment	-	-	-
16 Housing Assistance Payment	-	-	-
17 Administrative salaries	(85,714)	(52,971)	(32,743)
18 Audit	(7,950)	(4,913)	(3,037)
19 Management Fee	-	-	-
20 Advertising and Marketing	(1,450)	(896)	(554)
21 Employee benefit contributions - administrative	(44,237)	(27,338)	(16,899)
22 Office Expenses	(68,763)	(42,496)	(26,267)
23 Legal Expense	(10,639)	(6,575)	(4,064)
24 Travel	(4,236)	(2,618)	(1,618)
25 Allocated Overhead	-	-	-
26 Other	(63,047)	(38,963)	(24,084)
27 Tenant services - salaries	-	-	-
28 Relocation Costs	-	-	-
29 Employee benefit contributions - tenant services	-	-	-
30 Tenant services - other	-	-	-
31 Water/Sewer (5%)	(538)	(332)	(206)
32 Electricity (5%)	(3,442)	(2,127)	(1,315)
33 Gas (7%)	(1,250)	(773)	(478)
34 Ordinary maintenance and operations - labor	-	-	-
35 Ordinary maintenance and operations - materials and other	(2,000)	(1,236)	(764)
36 Employee benefit contribution - ordinary maintenance	-	-	-
37 Protective services - other contract costs	-	-	-
38 Protective services - other	-	-	-
39 Property Insurance (12%)	(7,172)	(4,432)	(2,740)
40 Liability Insurance	(5,244)	(3,241)	(2,003)
41 Workmen's Compensation	(10,000)	(6,180)	(3,820)
42 All other Insurance	(9,382)	(5,798)	(3,584)
43 Other general expenses	(29,710)	(18,361)	(11,349)
44 Compensated absences	-	-	-
45 Property Tax/Payments in lieu of taxes	(1)	(1)	(0)
46 Bad debt - tenant rents	-	-	-
47 Interest of Mortgage (or Bonds) Payable	(917)	(917)	-
48 Interest on Notes Payable (Short and Long Term)	-	-	-
49 Extraordinary maintenance	(5,035)	(3,112)	(1,923)
50 Casualty losses- Non-capitalized	-	-	-
51 Portability IN - HAP Payment	-	-	-
52 Ordinary Maintenance and Operations Contracts - Garbage and Trash F	(1,478)	(913)	(565)
53 Ordinary Maintenance and Operations Contracts - Heating	-	-	-

54 Ordinary Maintenance and Operations Contracts - Snow Removal Cont	-	-	-
55 Ordinary Maintenance and Operations Contracts - Elevator Maintenanc	-	-	-
56 Ordinary Maintenance and Operations Contracts - Landscape & Ground	(1,481)	(915)	(566)
57 Ordinary Maintenance and Operations Contracts - Electrical	(225)	(139)	(86)
58 Ordinary Maintenance and Operations Contracts - Plumbing	-	-	-
59 Ordinary Maintenance and Operations Contracts - Extermination Contr	(260)	(161)	(99)
60 Ordinary Maintenance and Operations Contracts - Routine Maintenanc	(1,891)	(1,169)	(722)
61 Ordinary Maintenance and Operations Contracts - Misc Contracts	(1,164)	(719)	(445)
62 All Other	-	-	-
63 Expense Total	(367,226)	(227,296)	(139,930)
64 CASH AVAILABLE FROM OPERATIONS	196,866	121,663	75,203
65 Principal Bond/Loan Payment	(15,103)	(9,333)	(5,769)
66 Operating Transfers	-	-	-
67 WEB TIF DSR Reserve Transfer Out of Operations	-	-	-
68 SF TIF DSR Reserve Transfer Out of Operations	-	-	-
69 CSM TIF DSR Reserve Transfer Out of Operations	-	-	-
70 Payback Interfund Loan from TIFs - Tfr to HTF	-	-	-
71 Loan from Discretionary Reserves	(72,000)	(44,496)	(27,504)
72 GMHF Deferred Loan Payment Fund	-	-	-
73 Transfer To Capital Reserve	(10,000)	(6,180)	(3,820)
74 Vehicle Fund	-	-	-
75 Accrual to Cash Adjustment (TIF intercompany interest)	(100,000)	(61,800)	(38,200)
76 CASH USED FOR FINANCING & RESERVES	(197,103)	(121,809)	(75,293)
78 Total Expenses/Levy Funded/Program Funded	\$(464,329)	\$(287,305)	\$(177,023)

(a) NET General Fund Levy Allocation (rounded):

		<u>2027</u>	<u>2026</u>	<u>Increase %</u>	<u>Increase \$</u>
Dodge	21.7%	62,284	61,863	0.7%	421
Goodhue	31.9%	91,558	90,940	0.7%	618
Wabasha	22.0%	63,257	62,832	0.7%	425
Winona	24.4%	70,206	69,734	0.7%	472
	9740.239187	287,305.42	285,369		

MAXIMUM LEVY CAPACITY - COUNTY	Taxable	SEMMCHRA			2026	Increase %		Increase \$
	Market Value *	Max HRA Levy	Total Request	% of Max				
Dodge	5,423,109,232	1,003,275	90,409	9.0%	89,988	0%	\$	421
Goodhue	8,054,152,586	1,490,018	387,558	26.0%	386,940	0%	\$	618
Wabasha	5,461,960,800	1,010,463	97,757	9.7%	97,332	0%	\$	425
Winona	4,878,225,510	902,472	144,706	16.0%	144,234	0%	\$	472
	23,817,448,128							

MAXIMUM LEVY CAPACITY - RESIDENTIAL			
Dodge	350,000	64.75	5.83
Goodhue	350,000	64.75	16.84
Wabasha	350,000	64.75	6.26
Winona	350,000	64.75	10.38

RESOLUTION NO. _____

RESOLUTION APPROVING PRELIMINARY SPECIAL BENEFIT TAX LEVY OF SOUTHEASTERN MINNESOTA MULTI-COUNTY HOUSING AND REDEVELOPMENT AUTHORITY PURSUANT TO MINNESOTA STATUTES, SECTION 469.033, SUBD. 6, AND APPROVING A BUDGET FOR FISCAL YEAR 2027.

WHEREAS, the Southeastern Minnesota Multi-County Housing and Redevelopment Authority (the "Authority") was created by action of the Boards of Commissioners of Dodge, Goodhue, Wabasha and Goodhue Counties (collectively referred to as the "Counties") pursuant to Minnesota Statutes, Section 469.004; and

WHEREAS, pursuant to such action on the part of the Counties and Minnesota Statutes, Sections 469.001 to 469.047 (the "Act"), the Authority was granted all of the same functions, rights, powers, duties, privileges, immunities and limitations as are provided for housing and redevelopment authorities created for cities under the Act; and

WHEREAS, Section 469.033, subd. 6, of the Act permits the Authority to levy and collect a special benefit tax of up to .0185% of taxable market value upon all taxable property, both real and personal, within the Authority's area of operation; and

WHEREAS, the Authority has requested that the Board of Commissioners of Goodhue County approve the levy of such a preliminary special benefit tax in the amount of \$_____ to be levied upon all taxable market value of taxable property within the Authority's area of operation contained within Goodhue County; and

WHEREAS, the Board of Commissioners of Goodhue County has considered such request by the Authority and believes that consenting to such a preliminary special benefit tax levy by the Authority is in the best interests of Goodhue County and its residents; and

WHEREAS, the Authority is also required pursuant to Section 469.033, subd. 6, of the Act to, in connection with the levy of such a special benefit tax, formulate and file a budget in accordance with the budget procedures of the Counties in the same manner as required of executive departments of the Counties and the amount of the tax levy for the following year shall be based upon that budget and approved by the Counties; and

WHEREAS, the Authority has presented to the Board of Commissioners of Goodhue County a copy of a proposed budget for its operations for fiscal year 2027.

NOW, THEREFORE, be it resolved by the Board of Commissioners of Goodhue County as follows:

Section 1. That the budget for fiscal year 2027 for the operations of the Authority as presented for consideration by the Board of Commissioners of Goodhue County is hereby in all respects approved.

Section 2. That the levy of a preliminary special benefit tax pursuant to Minnesota Statutes, Section 469.033, subd. 6, is hereby consented to with respect to taxes payable in calendar year 2027 in the amount of \$_____ to be levied upon all taxable market value of taxable property within the Authority's area of operation within Goodhue County.

The above resolution was adopted this _____ day of _____, 2026.

GOODHUE COUNTY BOARD OF COMMISSIONERS

Brad Anderson
Board Chair

Attest:

Scott Arneson
County Administrator