



GOODHUE COUNTY MINNESOTA

TO EFFECTIVELY PROMOTE THE SAFETY, HEALTH, AND WELL-BEING OF OUR RESIDENTS

COMMITTEE OF THE WHOLE AGENDA
COUNTY BOARD ROOM
GOVERNMENT CENTER
RED WING, MN

NOVEMBER 6, 2018
10:00 A.M.

(OR IMMEDIATELY FOLLOWING COUNTY BOARD MEETING)

1. SEMMCHRA Budget Review

Documents:

[Goodhue Levy 2018 for 2019 - COW Budget Discussion.pdf](#)

2. New Appraiser Position

Documents:

[Assessor Memo II.pdf](#)

Memorandum

To: Goodhue County Committee of Whole
From: Joe Wheeler, SEMMCHRA Executive Director
Buffy J. Beranek, SEMMCHRA Deputy Director
Date: 10/10/2018
Re: SEMMCHRA Services & Levy

As Goodhue County's Housing and Redevelopment Authority, SEMMCHRA focuses on providing and meeting the needs of the affordable housing & rehabilitation continuum. Our target market is Goodhue County families, veterans, disabled, and elderly individuals at or below 115% of county median income (1-2 person household \$84,200; 3+ person household \$96,830) as well as supporting economic development activities through business/commercial rehabilitation efforts. We accomplish this through three key functions: rental and single-family housing development, affordable housing preservation, and community development.

SEMMCHRA operates federal, state and locally funded programs in Goodhue County. These programs have a ten-year average of bringing in additional revenue to the county of \$829,458. The County's historical average leverage is \$279,045 over that same time period. This represents a return on invest of \$3 for each \$1 invested. This does not reflect the property taxes the HRA pays or the incremental tax base that the HRA has either preserved or increased through their programs. Our programs generate work, promote the use local contractors, and spur economic stimulation which also is not reflected in the calculation.

One of the Federally funded and regulated program is Section 8 rental assistance. In 2017 we served 107 households, with an average household assistance of \$3,972 or \$425,000 county-wide. Of these households, 67% had incomes at or below 30% of county median income. These units are owned and managed by private landlords. Another program funded and regulated Federally that is operated by SEMMCHRA is Public Housing. We have 15 scattered site homes served in Pine Island, Zumbrota, Cannon Falls, and Wanamingo.

SEMMCHRA owns and operates 53 elderly market rate and subsidized units in Cannon Falls, Goodhue, and Kenyon that are subsidized by Goodhue County to keep rents affordable and maintain 1.10 debt service coverage. SEMMCHRA also owns and operates 16 units of elderly market rate housing in Wanamingo. SEMMCHRA was requested by the city to step in and operate the property to reduce costs and increase occupancy. A city levy also subsidizes this property to keep rents affordable, maintain debt service and make capital repairs.

We work across jurisdictional boundaries for the common goal of affordable housing, SEMMCHRA also manages 14 units of elderly and disabled housing in the City of Red Wing on behalf of a non-profit operating in two different counties. An estimated \$500,000 is being leveraged for capital improvements generated through a refinance and MHFA deferred loan program.

Families in subsidized units had an average family income of \$20,454. Without affordable housing, these families would be displaced, homeless, overcrowded or driving a long distance to work. The number of children provided a safe place to call home because of SEMMCHRA housing totaled over 600 in 2018.

Another Federal program administered by the State is the Small Cities Development program. Most recently in 2017, the City of Kenyon was funded for \$655,320 to rehabilitate fifteen owner-occupied houses, twelve

rental housing units, and five commercial properties. Since inception SEMMCHRA has utilized this program in Pine Island, Zumbrota, Dennison, Goodhue, Welch Village and Bellchester and brought to preserve the housing and commercial stock. Since inception Goodhue County has had 16 grants totaling \$5,051,692 in SCDP and \$2,655,986 in Leveraged Funds.

In addition, SEMMCHRA offers affordable lots for sale for working families in the city of Kenyon. These lots are close to the school and local business. These lots offered affordable options for both families and the elderly. Habitat for Humanity even constructed one home. There are fifteen lots available for sale. The County also provides the required levy support for bond payments for the infrastructure and land development.

SEMMCHRA is Goodhue County's advocate for securing state and federal funding when available. We are in the process of developing an application to Minnesota Housing's Rental Rehabilitation Deferred Loan (RRDL) Program to secure \$300,000 to rehabilitate Countryside Way, a 12-unit low-to-moderate income rental townhome development in Kenyon. Funding will be used to complete deferred maintenance, energy efficiency, and health and safety improvements. This project will also leverage approximately \$10,000 in local funds. The same type and level of funding request is also underway for the property managed by SEMMCHRA in the City of Red Wing.

SEMMCHRA will continue to apply for First-Time Homebuyer 30-year mortgages and provide opportunities for working individuals and families to achieve homeownership. In 2017, SEMMCHRA was allocated \$1,176,063.85 for First-Time Homebuyers in Goodhue, Wabasha, and Winona Counties. Eleven (11) loans were made totaling \$1,618,750.00 or 138% of their 2017 allocation. In Goodhue County, eight (8) loans were made to first-time homebuyers in the Cities of Cannon Falls (1), Lake City (2), Pine Island (3), and Zumbrota (2). In 2018, SEMMCHRA was allocated \$1,280,921.00, and to date, 110% of the allocation has been utilized to make eleven (11) loans.

Our goal is to bring available funding that can be used anywhere in Minnesota, back to our service area for our Southeast Minnesota residents! We strive to serve our local residents and provide preference for them where and when our programs legally allow.

PRELIMINARY BUDGET REQUEST USES & OPTIONS

We developed a budget for 2019 with the recognition of the economic issues facing our federal, state and local governments. Following is a list of key items to consider when setting the 2019 HRA levy budget:

- **OPTION 1:** Request amounts preliminarily approved for 2019 : **\$279,190 for historical base HRA programs**; continued funding for the housing trust fund of **\$100,000**; **\$7,500** for emergency housing; **\$15,000** Goodhue County Housing Study; **Total Levy \$401,690, 6.8% increase from 2018**
- **OPTION 2:** If the County desires to keep the funding relative to last year's funding, SEMMCHRA proposes **\$279,190 for historical base HRA programs**; **\$77,500** be allocated to the housing trust fund, **\$7,500** be levied for emergency housing and **\$15,000** for the Goodhue County Housing Study. **Total Levy request would be \$ 379,190, a 0.82% increase.**
- **HISTORY:** 2018 \$376,100; 2017 \$273,990; 2016 \$271,275; 2015 \$268,845; 2014 \$266,350; for both 2013 and 2012 \$269,310; 2011 \$269,123.
- The core HRA levy of \$279,190 is broken into three distinct parts: general fund overhead \$64,900, community development \$11,000, and housing development \$203,290.

- The HRA would also like to continue to fund the housing trust fund for \$100,000. Much discussion occurred around how emergency housing could be incorporated. The HRA supports the initiative and requests that it be separate from the housing trust fund and \$7,500 be levied for the emergency housing and \$15,000 for the Goodhue County Housing Study.

If you have any questions, please feel free to contact either of us at 651-565-2638. Otherwise, we look forward to meeting with you and addressing any questions.



Finance and Taxpayer Services
Goodhue County

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To: Goodhue County Personnel Committee
509 West 5th Street
Red Wing, MN 55066

Date: August 14, 2018

Re: Request to Hire Appraiser I, 2018 Grade 82, Step 1/Step 2

In establishing a long-range plan for meeting the current and future statutory requirements for the Goodhue County Assessor's Office, I am requesting your approval in the hiring of an Appraiser I. The Assessor's Office has seen an increased workload, added levels of complexity, and an unexpected resignation by an appraiser in early 2018. An additional appraiser position would greatly reduce the total number of parcel reviews required by each appraiser on an annual basis and assist the department for an upcoming retirement in 2019.

Appraiser Background

There are approximately 31,095 parcels in Goodhue County along with 900 mobile homes for a total of 6,399 properties that need to be physically visited on an annual basis in order for the County to complete its quintile work as per State Statute. There are currently five appraisers, one of which recently resigned, currently budgeted to complete this baseline work. This equates to approximately 1,279 parcel reviews per appraiser per year. In addition to the quintile work there are an additional 3,700 special parcel work orders for a total of 2,019 parcel reviews per appraiser per year. The hiring of a sixth appraiser would reduce the total number of parcel reviews by **336** per appraiser or from **2,019** down to **1,683** parcel reviews per year. This number is much more manageable and allows the appraiser to provide better customer service with greater accuracy.

Appraiser Workload Analysis

In addition to the annual quintile work that is required by State Statute and a new PRSIM program has been implemented only two years ago. This new system is a great tool extracting data and running reports but also requires significantly more time than in the past due to its complexity and the fact that Minnesota has one of the more complicated property tax systems with over 64 property classifications. In addition, the new system has allowed for a much more detailed level of scrutiny by the State, thus, has resulted in spending additional time completing analysis, reviews, equalization of site, land types, building values and depreciation on all levels. The following is a breakdown of the workload performed for the Calendar Year 2017 for the 2018 Assessment by the five appraisers:

- Completed a quintile review of 7,563 properties assigned to four appraisers in a five-year cycle, with the commercial/industrial appraiser having 701 parcels assigned in a five-year cycle.

GOODHUE COUNTY BOARD OF COMMISSIONERS

RONALD ALLEN
1st District
1713 Siewert Street
Red Wing, MN 55066

BRAD ANDERSON
2nd District
10679 375TH St. Way
Cannon Falls, MN 55009

BARNEY NESSETH
3rd District
41595 Co. 8 Blvd
Zumbrota, MN 55992

JASON MAJERUS
4th District
39111 Co. 2 Blvd
Goodhue, MN 55027

PAUL DROTOS
5th District
1825 Twin Bluff Rd
Red Wing, MN 55066

In addition to the 7,563 parcel visits and entries, they also performed the following 3,700 special reviews for a total of 11,263 parcel reviews and processing or 2,252 per appraiser:

- Processed **160** splits and combinations, that generally take from approximately one hour to up to two days to complete
- Completed **581** Sales Verification calls
- Calculated **119** tax estimate requests
- **528** parcels appealed for 2018 Assessment Local Board of Appeal & Equalization (LBAE) Each appeal requires an explanation, research, and can include on-site reviews.
 - 134 parcels appealed for 2018 Assessment County Board of Appeal & Equalization
 - 19 parcels complex analysis/reviews/valuation estimates
 - 15 Tax Commercial Tax Court Petitions (216 parcels for multiple years)
- Reviewed/processed **2,235** new construction permits (264 of these were roof permits in which work is completed in the system only)
- Reviewed **76** personal property records, such as billboards, cell sites, leased farmland, etc.

Each year the Assessor’s Office is required to comply with the Legislative changes from the recent Session and change the applicable, individual assessment records accordingly. For the last Legislative Session staff had to make changes pertaining to the following classifications:

- Preferred Commercial/Industrial,
- Mobile Home Parks,
- Agricultural-Fractional Homesteads,
- Agricultural Containment Facilities,
- Personal Property, and
- Disabled Veteran’s.

Current Staffing Requirements & Levels

Four Levels of MN Assessor Licenses:

Accreditation	Requirements	Continuing Education Hours
Certified MN Assessor (CMA)	1 year exp. + education	40 CEH, Res & Ag.
Certified MN Assessor – Income Qualified (CMA-IQ)	2 years exp. + education	40 CEH, Com, Res & Ag.
Accredited MN Assessor (AMA)	3 years exp. + education	60 CEH, Com, Res, & Ag
Senior Accredited MN Assessor (SAMA)	5 years exp. + education	60 CEH, Com, Res, & Ag

Current Staffing Credentials:

Title	Certification	Workload
County Assessor	Senior Accredited SAMA	Abstracts, Edits, Linkage, City and New Construction
Senior Appraiser	Senior Accredited SAMA	Commercial, Res, Ag, Special Inquiries
Appraiser III	AMA Accredited	Agriculture & Residential
Appraiser II	CMA-IQ	Residential & Agriculture
Appraiser I	CMA-IQ	Residential & Agriculture
Appraiser I	Open – Vanguard	Residential & Agriculture

Succession Plan

Although not date certain, the Senior Appraiser has mentioned retiring in 2019, which would leave a void in the commercial/industrial side of appraisal work. At this time, we are going to continue the quintile work for the calendar year and then have the Appraiser II be trained in by the Senior Appraiser on commercial/industrial properties at the end of 2018 into 2019 until the retirement occurs. In addition, the new hire for the recent resignation will need to be trained in over the course of several months on residential and agriculture properties, depending on qualifications.

The new Appraiser I position that is being requested would also be trained in on residential and agriculture properties at the beginning of the year, which is critical as others are still being trained in on their new roles as well.

Job Title Description	Duties	2018		2019	
		Fall	Spring	Fall	Spring
County Assessor					
Senior Appraiser - Peggy	Commercial	Chris		Retire?	
Appraiser III - LaVon	Agriculture & Residential				
Appraiser II - Chris	Agriculture & Residential		Laura		
Appraiser I - Chad (backfill)	Residential & Agriculture	Vanguard/Start			
Appraiser I - Laura	Residential & Agriculture			New Hire	
Appraiser I - New Position	Residential & Agriculture		New Hire		
Assessment Specialist I	Linkage, Sales, Splits				
Property Transfer Specialist	Sales, Coding				
Property Transfer Specialist	Sales, Coding				

Due to the staffing shortage in 2018, the Board authorized staff to contract with Vanguard for the appraisal of 668 agricultural properties in the amount of \$22,500 or \$140 per person/hr. Although the properties were reviewed as agreed, staff still had to download and verify their data which took an additional 50% of the overall process time. In addition, staff has been authorized to work overtime through November in order to finish the quintile for 2018, which equated to a total of 320 hours or \$15,520 at an average of \$48.50 per hour. Entry level appraisers generally start out at approximately \$23.24/hr. plus benefits. On average, an in-house appraiser can perform assessments at \$42 per parcel and assist other appraisers with questions and during their time off while contracting out appraisal work costs \$67 per parcel, an annual cost of \$112,761 or an increase of \$41,717.

Staff Recommendation

Again, I ask that you consider the workload within the Assessor's Division of Finance & Taxpayer Services and approve the hiring of an Appraiser I, 2018 Grade 82, Step 2. The additional cost for the new hire is approximately \$71,044, depending on qualifications and benefits. If you have additional questions, please feel free to contact me.