

A **Housing and Redevelopment Authority (HRA)** is a public body intended to redevelop or build additional low-income housing and manage extensive blight or vacant land. HRAs can be formed by a city, county, or as a joint power of multiple counties. Additionally, HRA powers can be granted to an Economic Development Authority to expand their activities.

Forming an HRA is particularly effective for counties that are looking to meet a critical need for housing. Ensuring an adequate housing supply for all residents has spillover effects for the local communities by encouraging worker migration, increasing the tax base, and building the local economy.

FORMATION

HRAs are formed via resolution by the county board. First, a need for an active authority must be established.

There are two criteria that could necessitate an HRAs formation:

- **A significant shortage of housing for low-income citizens.** A shortage of affordable housing may be perpetuated by a lack of available resources from area cities and townships.
- **An abundance of opportunities for redevelopment that cannot be carried out privately.** The extent of blight, number of available opportunities, and cost of redevelopment should all be considered. If the extent is too great for the private market to combat, or a lack of private interest exists, government intervention may be necessary.

LEADERSHIP

HRAs are led by a board of commissioners. Board membership is equal to the number of commissioners within the county, with the option to have two additional commissioners who serve for five years.¹ All members must reside within the area of operation and must be geographically representative of the county.² Most counties appoint one commissioner per district to achieve the required geographic representation. Additional seats can be filled by at-large chair members or reserved for county commissioners. An executive director typically leads the staff and day-to-day operations.

¹ Minn. Stat. § 469.006 Subd. 1

² Minn. Stat. § 469.006 Subd. 1

PROGRAMS

Rental Property

HRAs acquire, develop, and lease property for low-income citizens. Increasing the housing supply is a top priority for HRAs and building new units or converting existing units into livable and affordable residences is the primary focus of an HRA. Property managers and maintenance staff can be a part of the staff to allow the authority to manage the property internally. Units have income requirements or demographic restrictions for renters to ensure access to housing for all citizens.

Federal Programs

HRAs administer federal housing programs for county citizens. Housing Choice Vouchers are often distributed by the area HRA operating as a Public Housing Authority and allow residents to find a unit that meets their needs with rent subsidized by HUD. Many HRAs also operate Public Housing programs that allow residents to live in a unit owned by the HRA with rent based on income. Some HRAs manage these programs for city and neighboring county authorities on a contract basis.

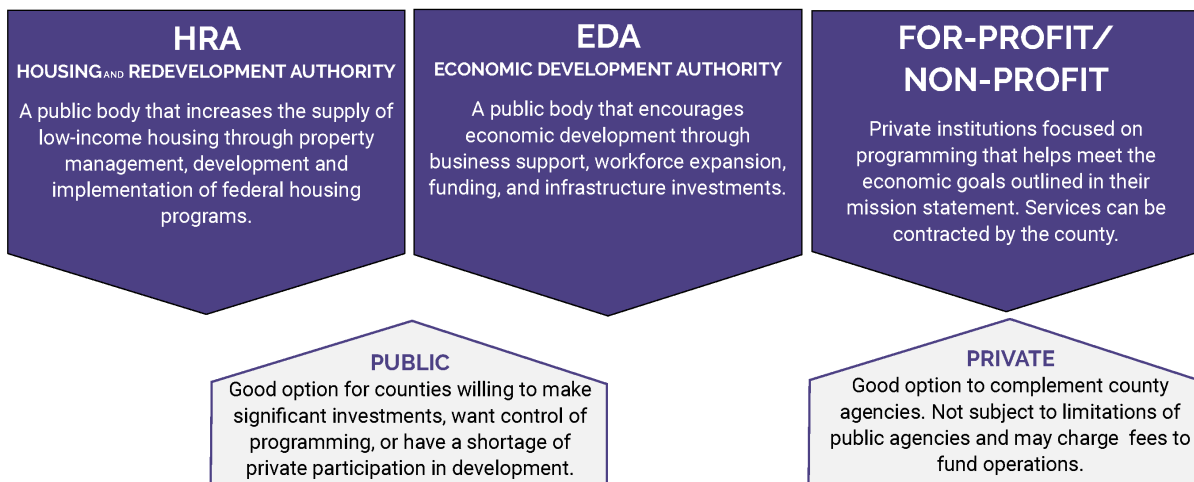
Funding

HRAs offer grants and loans for homeowners and landlords. Additional assistance to low-income homeowners or landlords who prioritize renting to low-income households are offered via grants and zero- or low-interest loans. These can be used for home rehabilitation, accessibility updates, and redevelopment for code compliance and safety. Some programs assist with down payments, closing costs, and mortgage payments for home buyers. Gap or start up financing for development projects are also common.

Assessing

HRAs research, comment on, and offer solutions to housing shortages. An HRA often serves as the first point of contact for all housing concerns in the city. As such, it is recommended to retain an updated assessment of the county’s housing and development needs. Conducting a thorough needs assessment allows the HRA to see where the county is standing – and where it needs to go.

DEVELOPMENT OPTIONS FOR COUNTIES



August 2023