



2025 Housing Trust Fund Annual Report

Access to more housing choices, particularly affordable housing, is Winona's greatest need based on public feedback throughout the Comprehensive Plan process.

The City of Winona established a Housing Trust Fund through City Council action in late 2024 and the ordinance was adopted in January of 2025. Prior to establishing the Housing Trust Fund, a public hearing was held and individuals and groups spoke in favor of this tool offered through Minnesota State legislation.

Community Development Staff prepared a Program Guide based on the Housing Trust Fund Ordinance, both of which outline the details, rules, regulations, and eligible uses of funds.

Next staff brought forth recommendations for revenues to be transferred and committed into the Housing Trust Fund. Past Housing Rehabilitation Fund balances (\$175,949.16) from the 1990's and early 2000's were transferred and committed into the Housing Trust Fund. These funds were then used as leverage in applying for additional funding through Minnesota Housing's Local Housing Trust Fund Grants Program.

The Minnesota State Legislature authorized Statewide Affordable Housing Aid (SAHA) in 2023 which provided payments to counties, cities and Tribal Nations to fund affordable housing projects. The City of Winona approved authorizing SAHA Funds to be transferred and committed into the City of Winona Housing Trust Fund. These funds will be used in future on qualifying projects.

These transfers provided the Housing Trust Fund with a balance of \$530,716.16. A portion of these funds, \$151,698.16 have been used on 18 owner-occupied home rehabilitation projects in the form of deferred loans or grants.

Community Development is administering two owner-occupied rehabilitation programs for low-to-moderate income households, fitting for a community with over half of the homes in city were built prior to 1940. The owner-occupied home rehabilitation programs are:

- Federal Home Loan Bank of Des Moines
- Minnesota Housing's Impact Fund

The rehabilitation programs are designed to assist households who may not have the financial stability to maintain a safe, decent, and affordable home.

The \$151,698.19 spent in 2025, on owner-occupied home rehabilitation projects will be reimbursed by either the Federal Home Loan Bank Des Moines or Minnesota Housing when a project is complete. The reimbursement will be directed in the Housing Trust fund for future affordable housing projects. Reimbursements in 2025 totaled \$99,236.

The 2025 year-end cash balance of the Housing Trust Fund was \$478,253.97.

During the City of Winona Comprehensive Plan 2045, housing was noted as the highest priority need. Below in an excerpt from the plan.

WHAT WE HEARD

- Balanced supply of Housing Choices
- Preserve the Quality, Safety and Character of Existing Homes and Neighborhoods.
- Improve housing equity by mixing housing options within neighborhoods
- **Need for ongoing rehabilitation to improve existing housing quality**
- Opportunities for First-time homebuyers
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The Housing Trust Fund has focused on improving housing by developing programs to maintain and rehabilitate existing homes, the most affordable housing in the City.