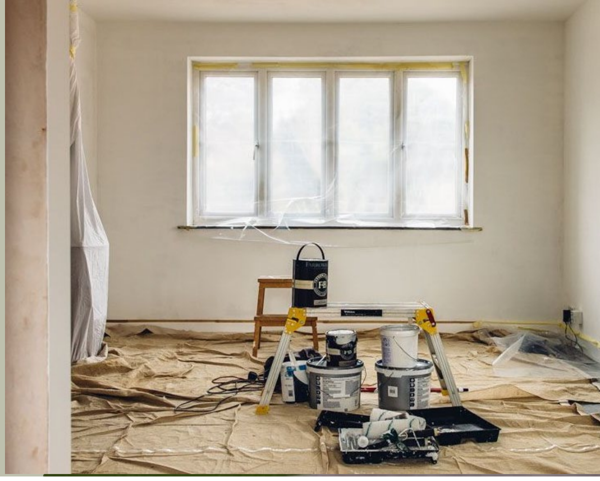
Swift County Housing Funding Resources



Case Study

Swift County, MN

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Project Location
Swift County, MN

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Background

Swift County, located in western Minnesota, has implemented a comprehensive set of housing initiatives designed to strengthen its housing market, preserve existing housing stock, and address the needs of residents across income levels. Recognizing the challenges rural communities face in financing and sustaining housing development, the County has prioritized housing tools that combine financial flexibility with long-term sustainability. Swift County uses a layered system of programs to meet different housing needs, and the strength is how they work together.

The Swift County Housing and Redevelopment Authority (HRA), in collaboration with the County Board and municipal partners, has developed and managed a portfolio of programs that includes establishment of a Local Housing Trust Fund (LHTF), loan and grant programs for homeowner and rental properties, property rehabilitation program and demolition support, Collectively, these initiatives demonstrate a strategic, countywide commitment to housing stability and community reinvestment. Each program serves a distinct role, from preserving existing housing to supporting renters and enabling new development, creating a comprehensive system that can respond to a wide range of local needs.

Funding Programs

Local Housing Trust Fund (LHTF)

The Swift County Local Housing Trust Fund (LHTF) was created to provide a permanent, renewable source of funding to address housing needs across the county. Its primary purpose is to support the production, preservation, and stabilization of affordable and mixed-income housing for moderate-, low-, and very low-income households.

The fund was established in 2020 after county officials identified a need for local housing resources. It receives $50,000 - $150,000 annually from the tax levy and local ethanol plant (CVEC) revenue. It also received $150,000 from the Minnesota Housing Financing Authority (MHFA). The Swift County Housing & Redevelopment Authority (HRA) administers this program. HRA staff approve rehabilitation projects up to $25,000 while new construction requires HRA Board approval. Activities are reported to the County Board to ensure alignment with priorities.

Small Cities Development Program (SCDP)

The Small Cities Development Program is available in designated areas with an active SCDP grant. Cities often apply continuously to have the program available in their city. The Swift County HRA serves as the field administrator for the Small Cities Development Program in Swift County, filling a critical role in managing and delivering these resources to the community.

Minnesota Housing Finance Agency (MHFA) Programs

The Swift County HRA administers a variety of Minnesota Housing programs to assist homeowners in Swift County.

Federal Home Loan Bank Program (FHLB)

The Swift County HRA accesses the Federal Home Loan Bank (FHLB) grant funding through a partnership with Bravera Bank. These funds support low- to moderate-income households, veterans, seniors, and residents with disabilities. The HRA applies for funding to complete owner-occupied rehabilitation projects, requesting a set number of projects. The HRA pays project costs upfront and is reimbursed by FHLB upon completion.

Statewide Affordable Housing Aid (SAHA)

SAHA is a Minnesota state funding program that helps local governments support and preserve affordable housing. It is distributed directly to counties to use for qualifying projects such as rehabilitation, emergency rental assistance, or supportive housing. Swift County HRA has actively leveraged SAHA to support housing stability and rehab initiatives.

Swift County HRA Revolving Loan Program (RLF)

Swift County also administers a Revolving Loan Program designed to help owners with low- and moderate-income (defined as 80% or lower of the area median income) complete urgent, permanent repairs. The program was established in 2014 with an initial $15,000 investment and has since grown to $85,000. It is a sustainable fund with ongoing repayments.

The Swift County Housing and Redevelopment Authority (HRA) layers these funding programs to make a strong impact on housing initiatives in Swift County. The goals of Swift County's programming include:

1. Resident Support
2. Housing Rehabilitation
3. Housing Development and Repositioning

Resident Support

Programs that support low-income residents are administered by the Swift County HRA.

Section 8

The Swift County HRA manages the Section 8 Rental Assistance, a program that helps low income, elderly, handicapped and single individuals pay for monthly rent. The HRA can serve up to 86 households. Participants must be income eligible, and they can choose housing in the private market. The program pays a portion of the participants rent directly to the landlord.

The HRA also looks for assistance to support Section 8 landlords. In 2025, smoke detectors were purchased to be utilized by Section 8 landlords using funds from the Statewide Affordable Housing Aid (SAHA).

Bring it Home

The Swift County HRA was awarded funding through the Bring It Home Minnesota Statewide Rental Assistance program. Bring it Home pays the portion of rent above what the household can afford, with tenants contributing about 30% of their income and the program covering the rest. There is no fixed cap on how long a household can be on the program as long as funding is available.

Bring it Home serves cost burdened renters with incomes at or below 50%AMI, with priority given to those at or below 30% AMI with children. This program serves approximately seven households in Swift County.

Housing Rehabilitation

Owner-Occupied Rehabilitation

The Swift County HRA has secured funding from multiple programs to help homeowners maintain their homes in safe, livable condition, with a focus on serving low- to moderate-income, elderly, disabled, and veteran households. Eligibility is based on factors such as income, property ownership, and occupancy. In addition to securing financial resources, the HRA provides critical staff and administrative support to implement these initiatives.

Local Housing Trust Fund (LHTF)

The Local Housing Trust Fund can be used for Owner-Occupied rehabilitation. The eligible income level is slightly higher than other funding opportunities, enabling more homes to take advantage of this fund.

- *Applicants: Homeowners ≤115% AMI*
- *Uses: Repairs to meet housing standards*
- *Loan: Up to $25,000; 0–25% owner match; 20-yr, 0% deferred loan, fully forgiven if occupied for term*

Minnesota Housing Finance Agency (MHFA) Programs

The Swift County HRA provides Minnesota Housing resources for homeowners in Swift County. The maximum amount for these programs is $37,500 and annual income limits are set by HUD.

- Rehabilitation Loan Program (RLP): Helps low-income homeowners make improvements affecting safety, habitability, energy efficiency, or accessibility.
- Emergency & Accessibility Loan Program: For urgent home repairs or modifications for residents with disabilities.

Federal Home Loan Bank Program (FHLB)

The Federal Home Loan Bank (FHLB) grant funding supports low- to moderate-income households, veterans, seniors, and residents with disabilities. Recent funding rounds have offered up to $35,000 per household. The program is flexible, can be combined with other funding sources, and does not require a homeowner match.

Small Cities Development Program (SCDP)

For areas with an active SCDP, this program provides grants of up to $25,000 for repairs and improvements to owner-occupied homes. Matching fund requirements vary based on the household's income level.

To qualify, homeowners must be low- to moderate-income, reside within the grant's target area, and be current on property taxes and insurance. The funding process includes income and property verification, a home inspection, and the development of a detailed work plan to guide the necessary repairs or improvements.

Swift County HRA Revolving Loan Program (RLF)

The Swift County HRA RLF is available to eligible households that meet income requirements (80% of area median income or below), are current on property taxes, and demonstrate that they are unable to secure conventional financing.

Loans of up to $6,250 are available and are structured with a low interest rate and flexible repayment terms. Borrowers typically repay the loan over seven years at approximately $75 per month, with no prepayment penalty.

Statewide Affordable Housing Aid (SAHA)

SAHA has been employed to fund rehabilitation of owner-occupied homes, enabling the HRA to assist income-eligible residents directly.

Rental Rehabilitation

Many of the funds for Owner-Occupied homes can also be used to rehabilitate rental properties.

Local Housing Trust Fund (LHTF)

The Local Housing Trust Fund can be used for rental rehabilitation. Similar to owner occupied, eligible income level is slightly higher than other funding opportunities, enabling more homes to take advantage of this fund.

- *Applicants: Rental owners with ≥51% tenants ≤115% AMI*
- *Uses: Single- or multi-family rehab*
- *Loan: $25,000 per SF unit; $12,500–$20,000 per MF unit; 20-yr, 0% deferred loan, 50% forgiven if compliant*

Federal Home Loan Bank Program (FHLB)

The Federal Home Loan Bank (FHLB) grant funding supports low- to moderate-income households, veterans, seniors, and residents with disabilities. Recent funding rounds have offered up to $35,000 per household. The program is flexible, can be combined with other funding sources, does not require a owner match, and be used for income-qualifying rental properties.

Small Cities Development Program (SCDP)

SCDP can also be used for single-family rental and multifamily rental rehabilitation if designated in the grant application. For areas with an active SCDP,, this program provides grants of up to $25,000 for repairs and improvements to single family rental or up to $12,500 per unit for multifamily rental. There is a 30% matching fund requirement.

To qualify, tenants must be low- to moderate-income and fair market rental agreements must be met.

Statewide Affordable Housing Aid (SAHA)

SAHA funding has also been applied to rehabilitation projects at its rental properties to improve energy efficiency.

Housing Development & Repositioning

Swift County has set up programs to encourage development and redevelopment. In addition, the Swift County HRA is positioned to lead and coordinate complex housing projects ensuring that important developments move forward that otherwise might not happen.

Local Housing Trust Fund (LHTF)

The Local Housing Trust Fund can be used for new development or redevelopment financing.

- Applicants: Experienced or partnered developers
- Uses: Acquisition, construction, rehab, adaptive reuse, common spaces
- Loan: Covers up to 50% of costs; 20-yr, 0% deferred loan, partial forgiveness
- Requirements: ≥60% units affordable ≤115% AMI, 20% ≤80% AMI; 20-year affordability

Property Rehabilitation Program

The HRA restores vacant, tax-forfeited, donated, or purchased homes using program income from pre-1998 Minnesota Housing Finance Agency Community Rehabilitation Funds. Under the original program requirements, homes may only be resold for the amount invested in rehabilitation.

To date, six homes have been rehabilitated. One has been sold on a contract for deed to a tenant, and the rest are maintained as rentals—providing affordable options while replenishing funds for future projects.

GraMar Courts was purchased by the HRA in 2021 and rehabilitated with a variety of funds including Minnesota Housing Finance Agency, Swift County, Swift County HRA Local Housing Trust Fund, Federal Home Loan Bank and Small Cities Development Rehab Program.

Swift County HRA-owned Rental Properties

Swift County HRA owns and manages a range of properties throughout the county. Its flexible programming allows the agency to quickly act on opportunities and preserve diverse housing options, including market-rate and income-based rentals, single-family homes, townhomes, and contract-for-deed sales.

Some of the properties went through the Property Rehabilitation Program, and then the HRA remained the property owner and manager. The HRA currently owns, manages, and maintains market-rate townhomes and single-family homes in Appleton, Benson, and Murdock. It also owns and operates GraMar Courts in Kerkhoven, a 16-unit multifamily development under the Rural Development 515 program, offering income-based rents.

Demolition Program

For structures that are no longer viable, Swift County operates a Demolition Assistance Program to remove structures that are no longer viable or safe. The program is funded through a cost-sharing model involving the County, municipalities, and property owners, with maximum County contributions. Currently the maximum contributions from the county are up to $750 for ancillary buildings, up to $3,750 for single-family homes, and up to $11,250 for commercial properties.

The County budgets funds for this program as needed, and demand remains steady—typically several demolitions per year across participating communities. Property owners receive reimbursement only after demolition is complete, ensuring accountability and proper use of funds.

The program improves public safety, reduces blight, and prepares sites for future redevelopment. By addressing buildings that cannot be rehabilitated, the County strengthens neighborhood stability and complements its broader housing and revitalization efforts.

Outcomes

Challenges

- Defining clear but flexible LHTF guidelines remains an ongoing administrative challenge.
- High rehabilitation costs require careful evaluation of structural feasibility and long-term community benefit.
- Housing demand continues to outpace available resources, underscoring the need for expanded state and local investment.
- Cost to administer these programs is higher than what is provided by the funding resources so it is subsidized by the county.

What's Been Rewarding?

- In the years 2021-2026, the Swift County HRA completed more than 50 owner-occupied rehabilitation projects for Low to Moderate Income people and supported the development and preservation of 40 rental units. Many new projects are underway and now include commercial rehabilitation projects.
- The LHTF has already preserved 16 affordable units at GraMar Courts in Kerkhoven. Its flexible yet structured guidelines allow Swift County to leverage local, state, and federal resources.
- 15 emergency loans issued, providing critical assistance for essential home repairs.
- Blighted properties that have been removed through the Demolition Program.
- Sustainable, revolving funding models that recycle repayments and property sales into future projects, extending program longevity.
- The Swift County RLF is fulfilling a critical financing gap. To date, 24 revolving loans have been issued, with 11 currently in repayment. The program allows homeowners a flexible funding source to make essential improvements, remain safely housed, and preserve the county's existing housing stock.