



ECONOMIC DEVELOPMENT AUTHORITY

AGENDA SECTION	BUSINESS ITEMS
MEETING DATE	01/05/2026

ITEM:	Discussion on Possible Habitat for Humanity Partnership Projects.		
<i>Presenting Item:</i> CD Director Mitchell Forney			
DEPARTMENT:	Community Development	BY/DATE:	Mitchell Forney, 12/30/25
CORE CITY STRATEGIES:			
<input checked="" type="checkbox"/>	Community that Grows with Purpose and Equity	<input type="checkbox"/>	Engaged, Effective and Forward-Thinking
<input type="checkbox"/>	High Quality Public Spaces	<input type="checkbox"/>	Resilient and Prosperous Economy
<input type="checkbox"/>	Safe, Accessible and Built for Everyone	<input type="checkbox"/>	Inclusive and Connected Community

BACKGROUND

Recently, Community Development staff met with representatives from Twin Cities Habitat for Humanity at the Anoka County Real Estate Summit. During that event, Habitat staff spoke with City staff about potential opportunities within the City of Columbia Heights and expressed interest in completing another project in the community. Following this initial conversation, staff scheduled a follow-up meeting with Habitat for Humanity to discuss potential project concepts and to better understand Habitat’s anticipated development plans for 2026. In conjunction with the City’s goal-setting efforts, staff determined it would be appropriate to bring forward for EDA discussion two properties currently owned by the EDA to evaluate whether either site may be suitable for a Habitat for Humanity project or whether the EDA wishes to pursue alternative redevelopment strategies.

Habitat for Humanity has received Community Development Block Grant (CDBG) funding through Anoka County for an acquisition and rehabilitation project anticipated for 2026. At this time, Habitat does not yet know the location of that project within Anoka County. City staff will continue to monitor opportunities through the City’s time-of-sale program for properties that could align with that funding. The potential projects discussed in this staff report, however, would be separate from that effort. Habitat for Humanity has expressed interest in partnering with the City on a complete tear-down and rebuild project in 2026. Staff is bringing this discussion to the EDA at this time because, should the EDA express interest in moving forward with a Habitat partnership, Habitat could apply for 2026 Anoka County CDBG funding and potentially leverage additional resources to close financing gaps. As part of this discussion, it is important to note that Habitat has indicated any project would likely require gap financing from the City, similar to prior Habitat projects, to address the difference between construction costs and available funding sources.

SUMMARY OF CURRENT STATUS

The EDA currently owns two parcels that have been discussed for redevelopment or future redevelopment. Staff is seeking EDA direction regarding how these properties should be positioned moving into 2026 and potentially 2027.

The first parcel, located at 841 49th Avenue NE, has been in the EDA's portfolio for several years. The property is zoned R-2A, which allows for single-family and two-family residential development, and the lot is approximately 15,000 square feet. Under the existing zoning, the site could accommodate a single-family home, duplex, or twinhome. Previous discussions considered whether higher density development might be feasible; however, the property is surrounded primarily by R-1 zoning and bordered by R-2B zoning. Rezoning the site to a higher density district would likely constitute spot zoning and would not be consistent with zoning code standards or the Comprehensive Plan, which designates the property for low-density residential use. Achieving higher density would require broader rezoning or a Comprehensive Plan amendment, neither of which is currently contemplated. The EDA originally acquired the property due to severe building deterioration and a flooded basement, with the intent of demolition and future redevelopment. The acquisition was funded with General Fund 408 redevelopment funds, allowing flexibility for either market-rate or affordable housing development. When discussing this site with Habitat for Humanity, staff indicated the EDA's interest in something other than a single-family home, and Habitat noted that twinhome development is an option. Habitat for Humanity staff also noted that a twinhome project would likely require greater gap financing than a single-family home.

The second site discussed with Habitat is located at 4510 Taylor Street NE. This property was purchased by the EDA in 2025 and has a lot area of approximately 7,700 square feet. The site is zoned R-2A, which allows for single-family and two-family development; however, the lot size does not meet the minimum requirements for a duplex or twinhome development. Like the first property, this site was acquired using General Fund 408 redevelopment funds and may be used for either market-rate or affordable housing. Staff initially evaluated this site as a potential demonstration additional dwelling unit (ADU) project. However, the lack of alley access and the need to provide all parking from the front of the property present design challenges, but are not necessarily barriers. Habitat for Humanity indicated that they do not typically pursue ADU projects, as their target homebuyers generally cannot support the increased mortgage costs associated with an additional unit and the financing structure is more complex.

In 2025, the EDA applied for and was awarded matching Minnesota Housing Finance Agency (MHFA) grant funds. The EDA contributed \$75,000 from Fund 408 and will receive a \$75,000 match once those funds are expended on eligible affordable housing activities. As part of that application, staff identified that funds could be used for large-scale redevelopment projects or smaller affordable housing initiatives such as a Habitat for Humanity partnership. In addition, the EDA has approximately \$140,000 remaining in its tax increment financing (TIF) housing pool, which has historically been used to acquire property, support redevelopment, and provide gap financing for Habitat projects. Between these funding sources, the EDA has sufficient capacity to partner with Habitat for Humanity without relying on annually budgeted funds.

STAFF RECOMMENDATION

Staff do not have a specific recommendation at this time. Both EDA-owned sites present viable redevelopment opportunities, and a partnership with Habitat for Humanity would align with City and EDA goals related to affordable housing and homeownership. At the same time, the EDA may identify or acquire additional properties in 2026 that could also be candidates for a Habitat partnership. Any Habitat project would likely involve a request for gap financing, and the EDA may wish to discuss whether it is willing to provide such assistance. Staff is seeking EDA input on the future direction of the currently owned parcels and whether pursuing a Habitat for Humanity partnership is a priority for 2026 planning.

ATTACHMENTS:

1. Habitat Single-Family Home Marketing Sheet

2. Habitat Twinhome Marketing Sheet