



400 Wabasha Street North, Suite 400
St. Paul, MN 55102
P: 800.657.3769
F: 651.296.8139 | TTY: 651.297.2361
www.mnhousing.gov

Date: January 15, 2019

To: Representative Alice Hausman, Chair, Housing Finance and Policy Division
Representative Tama Theis, Ranking Minority Lead, Housing Finance and Policy Division
Representative Paul Marquart, Chair, Taxes
Representative Greg Davids, Ranking Minority Lead, Taxes
Senator Torrey Westrom, Chair, Agriculture, Rural Development and Housing Finance
Senator Kari Dziedzic, Ranking Minority Lead, Rural Development and Housing Finance
Senator Roger Chamberlain, Chair, Taxes
Senator Ann Rest, Ranking Minority Lead, Taxes

From: Ryan Baumtrog, Assistant Commissioner, Minnesota Housing

A handwritten signature in blue ink, appearing to read 'R. Baumtrog'.

Subject: Workforce Housing Development Program Report

Pursuant to Minnesota Statutes 462A.39, Subdivision 6, Minnesota Housing is required to report on the projects that receive grants or deferred loans under the Workforce Housing Development Program.

Summary of Program

This program awards funds to small and mid-sized Greater Minnesota communities with workforce market rate rental housing needs. Applicants request funds in the form of a grant or a deferred loan. Among other considerations the program's statute requires vacancy rates to be five percent or less for at least the prior two-year period, one or more businesses to indicate that the lack of available rental housing has impeded their ability to recruit and hire employees, and local match. Currently, the Legislature appropriates \$2 million annually for the program.

Summary of Funding

The application for 2017 funds was released on October 31, 2017. Applications were due back on January 25, 2018. After an internal scoring and review process, five applicants were recommended for and awarded funding. All the projects awards are for new construction.

City	Award Amount	Number of Units
Albert Lea	\$150,000	12
Baudette	\$500,000	24
Duluth	\$180,000	105
Luverne	\$680,000	27
Pelican Rapids	\$563,000	32
	\$2,073,000	100

The application for 2018 funds was released on August 6, 2018 and applications were due on October 11, 2018. After an internal scoring and review process, two applicants were recommended for and awarded funding, for a total amount of \$1,550,000. All the projects awards are for new construction.

City	Award Amount	Number of Units
Alexandria	\$1,000,000	32
Park Rapids	\$550,000	28
	\$1,550,000	60

To date, the program has deployed \$3,623,000 in resources and added 160 new market rate rental units to communities across Greater Minnesota.

Program Resources and Outreach

Minnesota Housing staff has made several program resources available to applicants on the Workforce Housing Development Program [webpage](#), including:

- [Program Guide](#)
- [Frequently Asked Questions \(FAQs\)](#)
- [Application Checklist](#) that includes help text with guidance on individual application items

Minnesota Housing has provided several outreach opportunities, including:

- Minnesota Housing has also partnered with the League of Minnesota Cities to market the program to interested communities.
- In-person information sessions in Thief River Falls and Melrose at an event co-sponsored by the League of Minnesota Cities
- Phone call technical assistance

If you have any questions, please contact Ryan Baumtrog, Assistant Commissioner for Policy at 651-296-9820 or ryan.baumtrog@state.mn.us