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**Date:** January 15, 2021

**To:** Representative Hausman, Chair, Housing Finance and Policy  
Representative Theis, Ranking Minority Lead, Housing Finance and Policy  
Representative Marquart, Chair, Taxes  
Representative Davids, Ranking Minority Lead, Taxes  
Senator Draheim, Chair, Housing Finance and Policy  
Senator Dziedzic, Ranking Minority Lead, Housing Finance and Policy  
Senator Nelson, Chair, Taxes  
Senator Rest, Ranking Minority Lead, Taxes

**From:** Jennifer Leimaile Ho, Commissioner, Minnesota Housing

A handwritten signature in blue ink, appearing to read 'Jennifer Ho', is placed to the right of the 'From:' field.

**Subject:** Workforce and Affordable Homeownership Development Program Report

Pursuant to Minnesota Statutes 462A.38, Subdivision 6, Minnesota Housing is required to report on the projects that receive funding awards under the Workforce and Affordable Homeownership Development Program.

### **Summary of Program**

In the 2019 Legislative Session, the Legislature appropriated base funding of \$500,000 for the Workforce and Affordable Homeownership Development Program. The funding may be used for the development of homeownership opportunities and can be used for development costs, rehabilitation, land development, and residential housing. Eligible program applicants are nonprofit organizations, cooperatives, cities, tribal governments and community land trusts.

### **Funding Processing and Awards**

Minnesota Housing's Board approved funding selections for the Workforce and Affordable Homeownership Development Program in October 2020. Prior to releasing the request for proposals, Agency staff met with stakeholder organizations several times to gather feedback on the types of projects to prioritize. The Agency then received applications for the Workforce and Affordable Homeownership Development Program through the annual Single Family Consolidated Request for Proposals (RFP) process but followed a more accelerated timeline than the Single Family RFP. All proposals were reviewed, scored and ranked based on the Workforce and Affordable Homeownership Development Program scoring and selection criteria, and evaluated for project feasibility, organizational capacity, and community need.

The Agency received and funded three proposals requesting a total of \$355,200, including one proposal from the Twin Cities Metropolitan area requesting \$85,200 and two proposals from Greater Minnesota requesting \$270,000. The remaining \$144,800 of these grant funds that were not awarded in the 2020 RFP round will be made available in next year's funding process.

The table below includes the names of the applicants, the amounts of funding awarded and the purposes for which the funding was awarded.

<b>Applicant</b>	<b>Project Title</b>	<b>Location</b>	<b>Amount Awarded</b>	<b># of Units</b>
Leech Lake Development Corporation	Leech Lake Single Family Homeownership Project – New Construction	City of Cass Lake	\$50,000	2
One Roof Community Housing	One Roof Community Housing Acquisition-Rehab-Resale - Small Communities	Cities of Proctor and Hermantown, and Townships of Midway, Lakewood and Rice Lake	\$200,000	4
Scott County Community Development Agency	Scott County Community Land Trust Development – New Construction	City of New Prague	\$85,200	4
<b>TOTAL</b>			<b>\$355,200</b>	<b>10</b>

**Leech Lake Development Corporation - Leech Lake Single Family Homeownership Project**

Leech Lake Development Corporation (LLDC) will use the funds for the new construction of two single family homes on Leech Lake Reservation-owned land in the City of Cass Lake. LLDC will target households with incomes at or below 80 percent area median income (AMI). The purpose of LLDC is to promote economic development and self-sufficiency for the Leech Lake tribe and tribally-enrolled members. This is a pilot program with the goal to develop a model that can be replicated to increase the housing stock on the reservation and tribal trust land. LLDC will partner with Leech Lake Financial Services to identify homebuyers.

**One Roof Community Housing - One Roof Community Housing Acquisition-Rehab-Resale - Small Communities**

One Roof Community Housing will use the funds to acquire, rehabilitate and resell four units that will be sold through One Roof’s Community Land Trust (CLT) program in Proctor and Hermantown, Midway, Lakewood, and Rice Lake. One Roof will serve households with incomes at or below 80 percent area median income (AMI). One Roof seeks to preserve and create housing opportunities by addressing the aging housing stock in the community where maintenance is becoming a necessity for a substantial portion of properties in the area. This project will address this problem and allow for the homes to remain affordable to low-to moderate income families.

**Scott County Community Development Agency - Scott County Community Land Trust Development**

Scott County Community Development Agency (CDA) will use the funds for the new construction of four single family homes in the City of New Prague. The home will be placed in the newly created Scott County Community Land Trust (CLT). Scott County CLT was created to address the high land costs in Scott County and home value appreciation rates that exceed income growth rates. The CLT model will fill the niche for those homeowners that not only want a home that they can afford, but also have the shared vision of making their home affordable for future generations of homebuyers. The units created through this project will be one the first units added to the CLT’s portfolio. Scott County CDA will target households with incomes at or below 80 percent area median income (AMI). The project will address the local workforce housing needs of the community by increasing the supply of affordable homes.