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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 Dzedizic, 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 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. The current biennial budget for the program is \$4 million.

### **2020 RFP Update**

The application for 2020 funds was released on September 28, 2020. Applications were due back on December 17, 2020. Applications are currently undergoing an internal review process and selections are anticipated to be made at Minnesota Housing's Board of Directors meeting in March.

### **Summary of Funding Selections**

To date, the program has deployed \$7,198,710 in resources and will add 380 new market rate rental units to communities across Greater Minnesota, inclusive of units available for occupancy and units in the development pipeline.

RFP Year	City	Award Amount	Number of Units
2019	Blue Earth	\$400,000	14
2019	Watkins	\$417,400	20
2019	Park Rapids	\$650,000	28
2019	Redwood Falls	\$770,000	30
2019	Long Prairie	\$1,338,310	37
		<b>\$3,575,710</b>	<b>129</b>
2018	Alexandria	\$1,000,000	32
2018	Park Rapids	\$550,000	28
		<b>\$1,550,000</b>	<b>60</b>
2017	Albert Lea	\$150,000	12
2017	Baudette	\$500,000	24
2017	Duluth	\$180,000	96
2017	Luverne	\$680,000	27
2017	Pelican Rapids	\$767,000	32
		<b>\$2,073,000</b>	<b>191</b>
<b>Program Totals</b>		<b>\$7,198,710</b>	<b>380</b>

### Program Resources and Outreach

Several program resources are available 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 provided several outreach opportunities in the past year leading up to the RFP, including:

- Partnered with the League of Minnesota Cities to market the program to interested communities.
- Provided project-specific technical assistance to interested applicants
- Hosted regional housing meetings in St. Peter, Cloquet and Brainerd in February 2020 to market the Workforce Housing development program and other affordable housing resources and programs.

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