

**Date:** January 13, 2023

**To:** Representative Howard, Chair, Housing Finance and Policy  
Representative Johnson, Republican Lead, Housing Finance and Policy  
Representative Gomez, Chair, Taxes  
Representative Davids, Republican Lead, Taxes  
Senator Port, Chair, Housing and Homelessness Prevention  
Senator Lucero, Ranking Minority Lead, Housing and Homelessness Prevention  
Senator Rest, Chair, Taxes  
Senator Weber, Ranking Minority Lead, Taxes

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



**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 appropriations for the program is \$4 million.

### **Request for Proposal Process Update**

The Request for Proposals process for the FY 2022-23 appropriation closed on January 11, 2022. The agency received twenty-three applications for a total request of nearly \$19 million. Minnesota Housing's Board of Directors approved nine projects totaling just over \$4.5 million. Another RFP was not completed in 2022 or planned in early 2023 due to the lack of state funding.

### **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, including:

- Provided project-specific technical assistance to interested applicants
- Co hosted virtual regional housing meetings in Northwest and Northeast Minnesota in January to market the Workforce Housing Development Program.
- Co hosted virtual regional housing meetings in West Central Minnesota in November and Central Minnesota in December to market the Workforce Housing Development Program.
- Presented information on the program at Minnesota Housing Partnerships Central Minnesota Housing Summit in December.
- Provided information on the program at Minnesota Housing Partnerships Housing Opportunity Workshops in September and October.
- Presented information on the program at the Minnesota Real Estate Journal Affordable Housing Summit.

### Summary of Funding Selections

To date, the program has deployed \$12.7 million in resources to add 685 new market rate rental units to communities across Greater Minnesota, inclusive of units available for occupancy and units in the development pipeline. Over 80% of the developments selected are in communities with populations less than 5,000, which is a policy priority for the program. The program also prioritizes smaller size developments.

RFP Year	City	Award Amount	Number of Units
2021	Alexandria	\$499,000	64
2021	Cold Springs	\$495,700	60
2021	Cook County Grand Marais EDA	\$648,000	6
2021	Dassel	\$424,000	20
2021	Ellendale	\$491,000	20
2021	Fosston	\$201,000	9
2021	Pipestone*	<del>\$31,600</del>	<del>2</del>
2021	Plainview	\$1,304,000	43
2021	Warroad	\$499,000	65
		<b>\$4,561,700</b>	<b>287</b>
2020	Granite Falls*	<del>\$99,500</del>	<del>3</del>
2020	Roseau	\$1,582,571	37

2020	Eden Valley	\$329,000	20
		<b>\$1,911,571</b>	<b>57</b>
2019	Blue Earth*	<del>\$400,000</del>	<del>14</del>
2019	Watkins	\$417,400	20
2019	Park Rapids	\$650,000	28
2019	Redwood Falls*	<del>\$770,000</del>	<del>30</del>
2019	Long Prairie	\$1,338,620	37
		<b>\$2,406,020</b>	<b>85</b>
2018	Alexandria	\$1,000,000	37
2018	Park Rapids	\$550,000	28
		<b>\$1,550,000</b>	<b>65</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>\$2,277,000</b>	<b>191</b>
<b>Program Totals**</b>		<b>\$12,706,291</b>	<b>685</b>

\*The funding for these selections were subsequently rescinded.

\*\*Totals do not include rescinded projects.

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)