

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 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 2021 Legislative Session, the Legislature appropriated funding of \$3,750,000 for the Workforce and Affordable Homeownership Development Program for FY 2022-23. 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 (including county community development agencies/housing redevelopment authorities), tribal governments and community land trusts. On-going funding for the program is \$500,000 per biennium.

Funding Processing and Awards

Minnesota Housing's Board of Directors approved funding selections for the Workforce and Affordable Homeownership Development Program in December 2022. The Agency received applications for the Workforce and Affordable Homeownership Development Program through the annual Single Family Consolidated Request for Proposals (RFP) process. All proposals were reviewed, scored and ranked based on the 2022 Single Family RFP scoring and selection criteria, and evaluated for project feasibility, organizational capacity, community need and the Agency's funding priorities.

The Board of Directors selected Workforce and Affordable Homeownership Development funds for two proposals from Greater Minnesota for a total of \$461,000. With these two selections, all appropriated funds for the FY 2022-23 state appropriations have been committed through the 2021 and 2022 RFP rounds for a total of 10 projects that will create and preserve a total of 49 units.

The table below provides information about the awardees, the project, and funding approved from the 2022 Single Family Consolidated RFP.

Awardee	Project Title	Location	# of Units	Funding Type
				Workforce and Affordable Homeownership Development
Three Rivers Community Action, Inc.	Faribault Single Family Project: Large Family Housing	City of Faribault	6	\$ 270,000
Housing and Redevelopment Authority of Itasca County	Itasca County HRA Community Land Trust	City of Grand Rapids	3	\$ 191,000
TOTAL			9	\$ 461,000

Three Rivers Community Action, Inc

Three Rivers Community Action will use the funds to construct six 5-bedroom homes in the City of Faribault. Three Rivers Community Action will serve households with incomes at or below 80 percent area median income (AMI). This project will address the local workforce housing needs of the community and increase the supply of affordable, large and multigenerational homes for low-to moderate income families. The Agency also provided Economic Development Housing Challenge (Challenge) funds for Three Rivers Community Action to provide affordability gap/downpayment and closing costs assistance to the buyers of the six new construction homes.

Housing and Redevelopment Authority of Itasca County

The Housing and Redevelopment Authority of Itasca County (Itasca County HRA) will use the funds to build three new construction homes in the City of Grand Rapids that will be placed in One Roof's community land trust (CLT). Itasca County HRA also received Challenge funds to complete another five units for a total of eight units. Itasca County HRA will serve households with incomes at or below 80 percent area median income (AMI). This project will address the local workforce housing needs of the community, increase the supply of affordable homes and allow for the homes to remain affordable for the long term to low-to moderate income families by placing the homes into the CLT.