

Date: January 15, 2026

To: Representative Howard, Housing Finance and Policy
Representative Igo, Housing Finance and Policy
Representative Gomez, Taxes
Representative Davids, Taxes
Senator Port, Housing and Homelessness Prevention
Senator Lucero, Housing and Homelessness Prevention
Senator Rest, Taxes
Senator Weber, Taxes

From: Jennifer Lemaile Ho, Commissioner, Minnesota Housing



Subject: Annual Workforce Housing Development Program Report

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

Summary of Program

This program awards deferred loans to small and mid-sized Greater Minnesota communities with workforce market rate rental housing needs. 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 matching funds. The current biennial appropriations for the program is \$4 million.

Since 2017 the program has awarded more than \$50 million in resources to build more than 1,500 units in Greater Minnesota. Around two-thirds 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.

Request for Proposal (RFP) Process Update

The most recent RFP was for the FY 2024-25 appropriation which closed in April 2024. The agency received 48 applications requesting funding of nearly \$96 million. Minnesota Housing's Board of Directors approved 27 projects totaling just over \$38.5 million.

The 2025 legislative session appropriated \$4 million for FY 2026-2027. The legislature also amended several provisions in the statute including removing specific criteria regarding 'eligible project area' that limited certain communities (e.g. population less than 500) from being eligible for the program.

In response to these statutory changes and to make other program updates, staff revised the Program Guide which was approved by Minnesota Housing's board of directors in October 2025. The tentative timeline for the 2026 RFP for the \$4 million appropriated for FY 2026-27 is as follows:

March 17, 2026 – RFP materials released

May 28, 2026 - Application due date

August 27, 2026 - Board selection meeting

Program Resources and Outreach

Staff updated all program materials and resources to match the 2025 legislative changes and other program updates in 2025. Select materials are available on the [Workforce Housing Development Program webpage](#).

Minnesota Housing provided several outreach opportunities in the past year, including:

- Provided project-specific technical assistance to interested applicants.
- Presented information on the program at the Affordable Housing Summit in May.
- Hosted housing meetings in Fergus Falls and Waite Park to market the Workforce Housing Development Program.
- Provided information at Southeast Minnesota Together events in April and October.
- Presented information at Minnesota Housing Partnership's Housing Institute in August.
- Provided information on the program to the Ramsey County NEOO Partners Emerging Diverse Developer Cohort in September.

Minnesota Housing will also host a webinar in 2026 ahead of the next RFP launch as well as continue to provide technical assistance to any interest applicants.

Summary of Funding Selections

To date, the program has deployed over \$50.5 million in resources adding over 1,500 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
2024	Aitkin	\$495,000	44
2024	Alexandria	\$3,062,000	64
2024	Atwater	\$360,000	4
2024	Battle Lake	\$495,000	10
2024	Bemidji	\$425,000	6
2024	Chatfield	\$475,000	14
2024	Dawson	\$1,310,000	10
2024	Ellendale	\$168,000	22
2024	Ely	\$1,500,000	37
2024	Faribault	\$487,000	6
2024	Gaylord	\$1,000,000	16
2024	Cook County Grand Marais EDA	\$1,300,000	16
2024	Grand Rapids	\$7,964,000	132
2024	Henderson	\$95,000	4
2024	Hendricks	\$320,000	4
2024	Howard Lake	\$1,230,000	20
2024	Litchfield	\$495,000	60
2024	Mountain Lake	\$1,429,000	12
2024	New Ulm	\$950,000	96
2024	Northfield	\$750,000	8
2024	Owatonna	\$495,000	73
2024	Sandstone	\$3,950,000	31
2024	Wabasha	\$2,950,000	50
2024	Waterville	\$90,000	4
2024	Watkins	\$499,000	12
2024	Winona	\$298,000	14
2024	Winsted	\$3,300,000	62
2024	Zumbrota	\$2,816,000	38

		\$38,540,000	847
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	22
2021	Fosston	\$201,000	9
2021	Pipestone*	\$31,600	2
2021	Plainview	\$1,304,000	43
2021	Warroad	\$499,000	65
		\$3,913,700	289
2020	Granite Falls*	\$99,500	3
2020	Roseau	\$1,582,571	37
2020	Eden Valley	\$329,000	20
		\$1,911,571	57
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	\$1,338,620	37
		\$2,406,020	85
2018	Alexandria	\$1,000,000	37
2018	Park Rapids	\$550,000	28
		\$1,550,000	65
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

	\$2,277,000	191
Program Totals**	\$50,598,291	1,534

*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