

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: Ryan Baumtrog, Assistant Commissioner, Minnesota Housing



Subject: Annual 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 2023 Legislative Session, the Legislature appropriated a total of \$60.5 million for the Workforce and Affordable Homeownership Development Program for FY 2024-25. This funding was appropriated from the Tax Bill (Chapter 64) and the Housing Bill (Chapter 37). For the 2025 RFP, just over \$12.5 million remained from the 2023 Legislative Session. On-going annual funding for the program is back to \$250,000 per year for FY 2026-27.

The funding for the program can be used for the development of homeownership opportunities and can be used for development costs, rehabilitation, land development, and residential housing by eligible program awardees.

Funding Processing and Awards

Minnesota Housing's board of directors approved funding selections for the Workforce and Affordable Homeownership Development Program in December 2025. To leverage the remaining additional state resources from the 2023 legislative session, Minnesota Housing 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 2025 Single Family RFP scoring and selection criteria, and evaluated for project feasibility, organizational capacity, community need and the Agency's funding priorities.

For the RFP, the Agency received 62 single family proposals totaling \$101,620,008. Given available resources, the board of directors approved selections of \$29.3 million for 279 units for homeownership

activities. These programs include the Economic Development and Housing Challenge Program (Challenge), Housing Infrastructure resources as well as the Workforce and Affordable Homeownership Development Program. Specifically, the Workforce and Affordable Homeownership Development Program funded 14 proposals to create and preserve 123 units of housing for a total of \$11.4 million. More details about the 2025 selections can be found on our [website](#).

The table below provides information about the awardees, projects, and funding approved through the 2025 Single Family Consolidated RFP.

				Funding Type
Awardee	Project Title	Location	# of Units	Workforce and Affordable Homeownership Development
Cass Clay Community Land Trust	New Construction	Clay and Wilkin Counties	3	\$414,000
First Homes Properties	Kasson Twin Homes/First Homes	Dodge County	4	\$320,000
Habitat for Humanity of Minnesota, Inc.	Habitat for Humanity of Minnesota Impact Fund 11-affordability gap	48 Counties in Greater MN	10	\$510,000
Housing and Redevelopment Authority of Itasca County	Itasca County HRA – Community Land Trust – Phase 3	Grand Rapids	8	\$674,000
Neighborhood Development Alliance Inc.	Down Payment Assistance	7-County Twin Cities Metro Area	15	\$465,000
North Star Neighbors	CLT Development: 10 Units Bemidji and Warren	Warren and Bemidji	6	\$1,742,898
One Roof Community Housing	Acquisition-Rehab-Resale-Duluth/Small Communities	Carlton, St. Louis, and Lake Counties	10	\$1,950,000
PRG, Inc.	PRG-Mpls-New Home Opportunities	Minneapolis	5	\$1,508,000
Scott County Community Development Agency	Scott County CLT Acquisition/Rehab/Resale	Scott County	4	\$1,084,800

Scott County Community Development Agency	Scott County Community Land Trust Expansion in Partnership with Twin Cities Habitat for Humanity (TCHFH) – Phase 3	Prior Lake	4	\$104,000
Three Rivers Community Action, Inc.	Gap Financing Program	Blue Earth, Brown, Dodge, Faribault, Fillmore, Freeborn, Goodhue, Houston, Le Sueur, Martin, Mower, Nicollet, Olmsted, Rice, Sibley, Steele, Wabasha, Waseca, Watonwan and Winona counties.	19	\$370,500
Twin Cities Habitat for Humanity, Inc.	Twin Cities Habitat for Humanity, 2025 SAAG Open Market Program	7-County Twin Cities Metro Area	20	\$920,000
Twin Cities Habitat for Humanity, Inc.	Scattered Site Acquisition/Rehabilitation 2025	7-County Twin Cities Metro Area	10	\$860,000
Twin Cities Habitat for Humanity, Inc.	2025 New Construction - Scattered Sites	7-County Twin Cities Metro Area	5	\$505,000

Cass Clay Community Land Trust – New Construction

Funds will be used to build homes and provide affordability gap loans to homeowners in Clay and Wilkin counties. The applicant will serve households at or below 115% AMI. CCCLT entered into an agreement with Wilkin County to bring “forever affordable” homeownership to residents. CCCLT’s new construction strategy empowers buyers to select homes that align with their family size, accessibility needs and neighborhood preferences. They design their approach to reflect the needs of diverse populations and prioritize single-level, ADA-compliant homes to accommodate individuals with disabilities and seniors who wish to age in place. Recognizing the needs of larger and multigenerational households, their new builds often feature three to four bedrooms.

First Homes Properties – Kasson Twin Homes/First Homes

Funds will be used to build homes in Dodge County. The applicant will serve households at or below 80% AMI. First Homes will build new slab-on-grade twin homes designed to support Kasson’s senior and

workforce population. All homes will be added to First Homes' community land trust to preserve affordability.

Habitat for Humanity of Minnesota, Inc. - Habitat for Humanity of Minnesota Impact Fund 11- affordability gap

Funds will be used to provide downpayment and closing cost assistance in Aitkin, Beltrami, Benton, Blue Earth, Carlton, Cass, Chippewa, Chisago, Clay, Clearwater, Crow Wing, Dodge, Douglas, Faribault, Goodhue, Houston, Hubbard, Isanti, Itasca, Kanabec, Kandiyohi, Lake, Le Sueur, Lyon, Martin, McLeod, Meeker, Morrison, Nicollet, Olmstead, Otter Tail, Pine, Polk, Redwood, Renville, Rice, Saint Louis, Sherburne, Sibley, Stearns, Steele, Swift, Wabasha, Wadena, Wahtonwan, Waseca, Winona and Wright counties. The applicant will serve households at or below 80% AMI. Habitat MN will provide affordability gap subsidy for its downpayment and closing cost assistance programs to help low-income households purchase homes. Habitat MN will provide each family accessing this affordability gap subsidy with homeowner advising before closing, as well as for one year after purchasing their home.

Housing and Redevelopment Authority of Itasca County – Itasca County HRA – Community Land Trust – Phase 3

Funds will be used to build homes in Grand Rapids. The applicant will serve households at or below 80% AMI. Itasca County HRA will build new construction units at the former Forest Lake School site where 16 units have already been built or are under construction from previous phases. The lots for this phase are being heavily discounted to the Itasca County HRA via the Grand Rapids Economic Development Authority. The HRA will manage the selections process for each home, with preference given to homebuyers living or working in Itasca County, first-generation homebuyers, households facing displacement and underserved households.

Neighborhood Development Alliance Inc. - Down Payment Assistance

Funds will be used to provide downpayment assistance in the Twin Cities metropolitan area. The applicant will serve households at or below 80% AMI. NeDA prioritizes serving borrowers with credit barriers, as well as first-time homebuyers, and uses a clearly defined set of eligibility criteria to ensure that potential homebuyers are income qualified, first-time homebuyers, and mortgage ready. NeDA fills gaps in the current market by providing both financial assistance and homebuyer education and counseling. To reach their target market, they pair multilingual homebuyer resources with flexible DPA funding. This model empowers families to make informed decisions and build equity in both practice and outcomes.

North Star Neighbors – CLT Development: 10 New Homes in Bemidji and Warren

Funds will be used to build homes in Warren and Bemidji. The applicant will serve households at or below 80% AMI. North Star Neighbors will construct new homes with a focus on providing affordability and accessibility to the local workforce and multigenerational families. Homes will be placed in the community land trust to preserve long-term affordability.

One Roof Community Housing - Acquisition-Rehab-Resale-Duluth/Small Communities

Funds will be used to acquire, rehabilitate and resell homes in Carlton, St. Louis and Lake counties. The applicant will serve households at or below 80% AMI. One Roof will use grant funds from this award to reduce the purchase price of these properties and place them in their Community Land Trust (CLT) to preserve long-term affordability. Rehabilitation will range from moderate to major modifications. This may include new windows, doors, updates to kitchens and bathrooms, new flooring, roofing, siding, and other similar repairs. One Roof plans to work primarily in Duluth and the surrounding communities of Cloquet, Hermantown, Proctor, Two Harbors and Wrenshall, but will consider other locations within the target area.

PRG, Inc. – PRG-Mpls-New Home Opportunities

Funds will be used to build homes in Minneapolis. The applicant will serve households at or below 80% AMI. PRG's proposal is designed to address vacant infill lots and increase the supply of quality, affordable homeownership opportunities for lower-income families, particularly families of color.

Scott County Community Development Agency - Scott County CLT Acquisition/Rehab/Resale

Funds will be used to acquire, rehabilitate and resell homes in Scott County. The applicant will serve households at or below 80% AMI. The Scott County CDA will acquire and rehabilitate single-family homes. The homes have not been acquired to date, and the specific location of the homes will depend on availability of homes on the market. Through the acquisition, rehabilitation and resale of existing homes, the CDA will ensure that properties are safe, move-in ready, and free of immediate capital needs for buyers. Homes are placed in the community land trust upon sale to an income qualified buyer. Long-term affordability is preserved through resale restrictions, which require that each home be resold to income-qualified buyers.

Scott County Community Development Agency - Scott County Community Land Trust Expansion in Partnership with Twin Cities Habitat for Humanity (TCHF) – Phase 3

Funds will be used to provide affordability gap to qualified homebuyers in Prior Lake. The applicant will serve households at or below 80% AMI. Scott County CDA will provide downpayment subsidy for homes to be built in partnership with Twin Cities Habitat for Humanity. This is the third and final phase of this development, with other homes either sold or under construction. These homes will be placed the Scott County Community Land Trust, with a ground lease and right of first refusal enacted to ensure long-term affordability.

Three Rivers Community Action, Inc. – Gap Financing Program

Funds will be used for downpayment assistance and closing cost loans in Blue Earth, Brown, Dodge, Faribault, Fillmore, Freeborn, Goodhue, Houston, Le Sueur, Martin, Mower, Nicollet, Olmsted, Rice, Sibley, Steele, Wabasha, Waseca, Watonwan and Winona counties. The applicant will serve households at or below 80% AMI. Three Rivers will provide deferred, forgivable loans to qualified homebuyers. Three Rivers targets their downpayment assistance to households of color and immigrant households.

Twin Cities Habitat for Humanity Inc. – Twin Cities Habitat for Humanity, 2025 SAAG Open Market Program

Funds will be used to provide affordability gap loans to homebuyers in the Twin Cities metropolitan area. The applicant will serve households at or below 80% AMI. TC Habitat will fund forgivable loans to open market homebuyers. They provide extensive coaching to prospective homebuyers to prepare them for success. The Open Market program increases homeownership access in suburban areas that have historically been unavailable to lower income buyers, and the goal of the program is to reduce the homeownership gap for households of color.

Twin Cities Habitat for Humanity Inc. - Scattered Site Acquisition/Rehabilitation 2025

Funds will be used to acquire, rehabilitate and resell homes in the Twin Cities metropolitan area. The applicant will serve households at or below 80% AMI. Typical rehabilitation work includes required lead and asbestos abatement or encapsulation and radon mitigation; replacing components in need of repair, including siding, windows, carpentry, flooring, doors and more; providing EnergyStar appliances, plumbing, HVAC, electrical, weatherproofing, roof repair, and accessibility modifications as needed.

Twin Cities Habitat for Humanity Inc. - 2025 New Construction - Scattered Sites

Funds will be used to build homes in the seven-county Twin Cities metropolitan area. The applicant will serve households at or below 80% AMI. TC Habitat will build homes at sites scattered throughout the metro region. They have already secured multiple lots and are actively pursuing three more. They anticipate using the funds to serve the communities of Maplewood, St. Paul, Minneapolis, White Bear Lake and Roseville, among others. TC Habitat focuses on helping Black, Indigenous and households of color, large families, families with children, and people with special needs obtain access to safe, stable and affordable places to live.