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# FY25 Arrowhead Economic Opportunity Agency Program Report

As required by Laws of Minnesota, chapter 120, article 1, subd. 3 (hh)  
January 30, 2026

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As required by Minnesota Statute 3.197: This report cost approximately \$298.45 to prepare, including staff time, printing, and mailing expenses.

Upon request, this material will be made available in an alternative format such as large print, Braille, or audio recording. Printed on recycled paper.

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## Legislative History

Laws of Minnesota 2024, chapter 120, article 1, section 2, subdivision 3 (hh), authorized a Direct Appropriation of \$500,000.00 to the Arrowhead Economic Opportunity Agency (AEOA), “for the purposes of expanding workforce development opportunities in the region.” This was a onetime appropriation.

Laws of Minnesota 2025, 1<sup>st</sup> special session, chapter 6, article 3, section 5 modified the appropriation to the AEOA [Note: the strikethrough removes that language and the underlined portions are newly added]:

“(hh) \$500,000 the second year is from the workforce development fund for a grant to Arrowhead Economic\_Opportunity Agency ~~for the purposes of expanding workforce development opportunities in the region. This is a onetime appropriation.~~ a revolving fund for acquiring and rehabilitating tax-forfeited properties for owner-occupied workforce housing. Housing funded with this grant must be affordable to the local workforce.”

AEOA is required to provide the Commissioner of the Department of Employment and Economic Development (DEED) with the following information:

- Program expenditures
- Other public or private funding sources
- Number of people employed to carry out the purposes of the grant
- Number of homes acquired, rehabilitated, and sold

## Arrowhead Economic Opportunity Agency Overview

AEOA’s Second Chance Homes are tax-forfeited homes conveyed by the county to the city in which the property is located. The city then conveys the properties to AEOA’s program. The program is designed to have the homes acquired through this process go through a full-scale rehabilitation that is completed by local licensed contractors within Minnesota alongside AEOA’s staff. Participants in the organized youth program may also participate in the work of rehabilitating the homes and work alongside the contractors. AEOA is overseeing the work completed by the participants in their youth program in collaboration with the Iron Range Resources and Rehabilitation Board (IRRRB). Upon full rehabilitation of the homes acquired, the homes will be sold as workforce housing to first-time home buyers. The proceeds from the sale of the homes will be recaptured to support the continued operation of this program.

### Geographic Area(s) to be served

Northeast Minnesota

### Collaborations and Partnerships

The IRRRB provided \$250,000 to cover the gap financing portion. AEOA will hire a variety of independent contractors through the program.

### Staffing for the Project

AEOA will have a Housing Director to direct the project and for program oversight. Two crew supervisors will lead and oversee project rehabilitation. Four skilled laborers will work with the crew supervisors on the rehabilitation of the homes.

### Evaluation

AEOA will provide information on the use of grant money, including:

- Number of people employed
- Wage and benefit information for those employed
- Number of homes acquired
- Number of homes rehabilitated
- Number of homes sold to owner occupants

Data will be tracked for each individual home acquired for this program including the number of contractors, workers, and AEOA staffing.

## Program Results in FY25

### Outcomes

AEOA used the following measurable outcomes to evaluate the success of the program. All measurable outcomes are self-reported. As the legislation for AEOA’s appropriation was amended in the 2025 legislative session, the reporting period is from 7/1/25 – 10/31/2025.

**Table 1. FY25 Results**

Metric	Results
Number of homes acquired	4
Number of homes completed (rehabilitated)	0
Number of workers employed	7
Wage and benefits for those employed	Skilled Labor Wage: \$45/hour Carpenters Wage: \$51.17/hour
Number of application submitted for home purchase	0
Number of homes sold to owner occupants	0

### Total Expenditures

AEOA developed a budget for FY25-FY27. Amounts shown below are current as of November 2025.

**Table 2. Total Expenditures**

Cost Category	Allocated Amount	Total Expenses/Reimbursements
Administration:	\$47,500.00	\$12,202.98
Grants	\$427,500.00	\$118,721.78
<b>Total:</b>	<b>\$475,000.00</b>	<b>\$130,924.76</b>