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**Date:** January 15, 2020

**To:** Representative Alice Hausman, Chair, Housing Finance and Policy Division  
Representative Tama Theis, Ranking Minority Lead, Housing Finance and Policy Division  
Representative Paul Marquart, Chair, Taxes  
Representative Greg Davids, Ranking Minority Lead, Taxes  
Senator Torrey Westrom, Chair, Agriculture, Rural Development and Housing Finance  
Senator Kari Dziedzic, Ranking Minority Lead, Rural Development and Housing Finance  
Senator Roger Chamberlain, Chair, Taxes  
Senator Ann Rest, Ranking Minority Lead, Taxes

**From:** Ryan Baumtrog, Assistant 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. This is one of several programs that develop and preserve rental housing in Greater Minnesota.

### **Summary of Program**

This program awards funds to small and mid-sized Greater Minnesota communities with 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 program prioritizes communities with a population less than 5,000. The program also incentivizes developments in designated Opportunity Zones. Currently, the Legislature appropriates \$2 million annually for the program.

### **2019 RFP Update**

The application for 2019 funds was released on October 28, 2019. Applications were due on January 10, 2020. Applications are being reviewed by staff with selections anticipated in March 2020.

## Summary of Funding

Applications undergo an internal review process, scoring and approval by Minnesota Housing's Board of Directors. To date, the program has committed \$3,623,000 in resources for 160 new rental units in communities across Greater Minnesota. All of the awards have been for new construction.

RFP Year	City	Award Amount	Number of Units
2018	Albert Lea	\$150,000	12
2018	Baudette	\$500,000	24
2018	Duluth	\$180,000	105
2018	Luverne	\$680,000	27
2018	Pelican Rapids	\$563,000	32
		<b>\$2,073,000</b>	<b>100</b>
2017	Alexandria	\$1,000,000	32
2017	Park Rapids	\$550,000	28
		<b>\$1,550,000</b>	<b>60</b>
<b>Program Totals</b>		<b>\$3,623,000</b>	<b>160</b>

## Program Resources and Technical Assistance/Outreach

Minnesota Housing staff makes several program resources available to applicants 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 staff provided several outreach opportunities, including:

- Minnesota Housing has partnered with the League of Minnesota Cities to market the program to interested communities.
- In-person summary sessions in Thief River Falls, Perham, Waite Park, Sleepy Eye, and Spring at events co-sponsored by the League of Minnesota Cities
- In-person technical assistance sessions in North Branch and Mankato
- Participation in the Southeast Minnesota Together Housing Forums in Northfield and Spring Valley
- Phone call technical assistance

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)