3 bills, 3 three ways to bring more housing to Greater Minnesota

This legislative session, the Greater Minnesota Partnership and the Coalition of Greater Minnesota Cities have teamed up to support three bills that aim to encourage construction and increase the availability of housing across Greater Minnesota.

Greater Minnesota Fix-Up Fund

Allocates $5 million in state funding to establish a new program to provide grants of up $200,000 to assist cities in rehabilitating dilapidated housing. Grants would help cities preserve their existing housing stock by renovating neglected or run-down houses or buildings.

Greater Minnesota Housing Public Infrastructure Grant Program

Allocates $2.5 million in state bonding to create a grant program for public infrastructure needed to increase housing availability. Under the program, cities could receive a grant of up to $16,000 per single-family lot or $50,000 per multi-family lot to help provide sewer, water, roads or other critical infrastructure needed to expand or increase available housing lots.

Greater Minnesota Workforce Housing Development Fund

Allocates $6 million to this existing grant program administered by the Minnesota Housing Finance Authority and also makes the program more useable for Greater Minnesota communities by allowing grants of up to 50% of the project costs, as opposed to the current requirement that grants must not exceed 25% of the cost.

For more information on housing or other economic development issues that impact Greater Minnesota, please visit greatermncities.org or gmnp.org or contact GMNP Executive Director Scott McMahon at scott@gmnp.org.

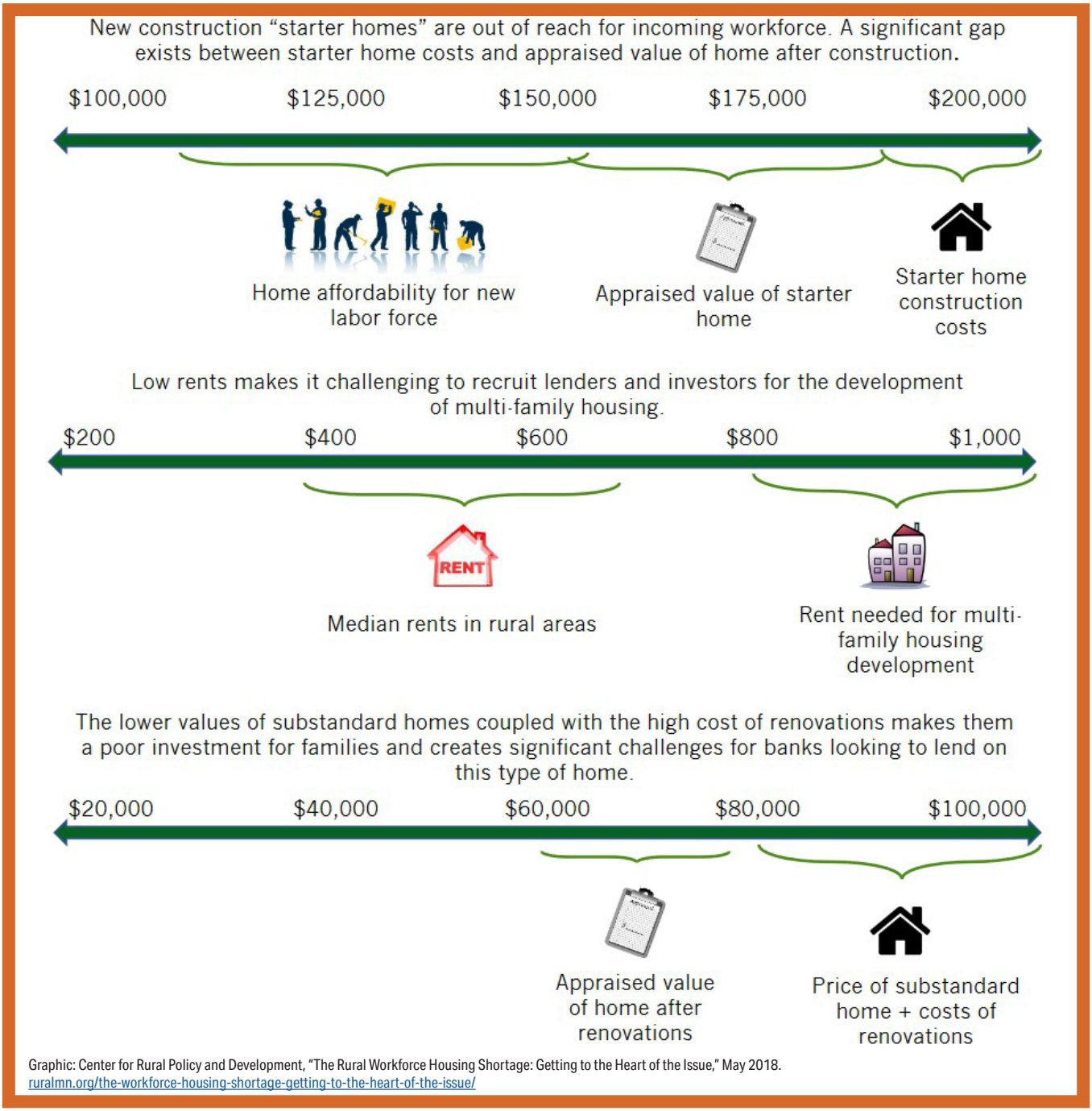
Created for the Greater Minnesota Partnership and Coalition of Greater Minnesota Cities by Flaherty & Hood, P.A. 1/26/2021.

Simply put, the housing market in Greater Minnesota is broken.

Greater Minnesota is home to many businesses that provide good wages and are looking to hire. However, employers frequently run into a roadblock when trying to hire: there is nowhere for their employees to live. The main problem is availability—Greater Minnesota simply does not have enough housing stock to accommodate workers and their families.

In Greater Minnesota, a typical new worker—a teacher or nurse, factory worker or small business owner—earns too much money to qualify for most income-based housing programs, but does not make enough to afford to build a new home in a community that does not have any available housing. Even if they can afford to build a new house, the appraised value of the home is typically lower than the cost of construction, so they cannot access the financing necessary to build it.

A similar situation exists in the rental market. The amount of rental income needed to finance a new multi-family housing development is higher than the median rent in many Greater Minnesota communities.



Graphic: Center for Rural Policy and Development, "The Rural Workforce Housing Shortage: Getting to the Heart of the Issue," May 2018.
ruralmn.org/the-workforce-housing-shortage-getting-to-the-heart-of-the-issue/