

NCSHA 2015 Annual Awards Entry Form

(Complete one form for each entry)

Deadline: Wednesday, June 10, 2015

Visit ncsha.org/awards to view the Annual Awards Call for Entries.

Instructions: Type entry information into the form and save it as a PDF. Do not write on or scan the form. If you have any questions contact Matt Cunningham at mcunningham@ncsha.org or 202-624-5424.

Fill out the entry name *exactly* as you want it listed in the program.

Entry Name: _____

HFA: _____

Submission Contact: (Must be HFA Staff Member) _____ **Email:** _____

Please provide a 15-word (maximum) description of your nomination to appear on the NCSHA website.

Use this header on the upper right corner of each page:

HFA: _____

Entry Name: _____

Select the appropriate subcategory of your entry and indicate if you are providing visual aids.

Communications	Homeownership	Legislative Advocacy	Management Innovation
Annual Report	Empowering New Buyers	Federal Advocacy	Financial
Creative Media	Encouraging New Production	State Advocacy	Human Resources
Promotional Materials and Newsletters	Home Improvement and Rehabilitation		Operations
			Technology
Rental Housing	Special Needs Housing	Special Achievement	Are you providing visual aids?
Encouraging New Production	Combating Homelessness	Special Achievement	Yes
Multifamily Management	Housing for Persons with Special Needs		No
Preservation and Rehabilitation			

The Need – Lack of housing was limiting economic growth

Successful economic growth is dependent on the availability of a talented workforce. In order to have a thriving economy that encourages business growth and economic opportunities, working Minnesotans need housing options. With increased local economic development, the demand for affordable workforce housing intensifies. Although this may diminish with economic down-cycles, the demand for a skilled workforce does not go away. Small local workforce shortages can become critical regional challenges and ultimately a statewide economic imperative for us and many of our HFA colleagues as well. We believe the Housing & Job Growth Initiative is an innovative and replicable solution.

Engaging communities

The City of Jackson Minnesota is a prime example of the challenges that small communities with large employers are experiencing in the State of Minnesota. The shortage of affordable workforce housing in Jackson first came to our attention during outreach for our Housing and Community Dialogues. The Housing Dialogues are events that engage a broad cross section of stakeholders in sub-regions around the state to better understand community needs and to engage in a tactical conversation about how local efforts can better tap into and align state resources (*See attachment 1*). The agenda for the dialogues is based on extensive outreach and conversations with local leaders to determine the most pressing issues and concerns in the community. This in turn motivates a broad array of stakeholders to be active participants in articulating the problems that communities are facing, and see themselves as critical parts of developing solutions.

The Housing Dialogues create a forum for discussion and problem solving. The format allows us to present data about the state of the local housing market, demographic trends, and economic data, focused on the issue areas that community members have chosen as their priority issues. We understand, however, that the higher level view of housing needs does not necessarily reflect the lived experience of communities around the state. We then have a local perspectives panel talk about their experience in working with their community on issues related to housing and community development. Along with telling the story of their work, the panel can react to the data and ground-truth the information based on their own experience, giving us a more contextualized understanding of local housing needs. Hearing directly from local developers, community members, city officials, and employers gave us a much greater understanding of the importance and urgency of workforce housing in Jackson.

From an economic development perspective, it would be easy to overlook Jackson, Minnesota. A town of 3,299 people, Jackson represents less than a hundredth of one percent of the population of Minnesota. However, the town of Jackson has a booming local economy. AGCO, Last Deck, HitchDock, Pioneer, and TSE all have major manufacturing facilities in Jackson creating more jobs in the community than people. With additional major investments by AGCO, the local economy is expected to grow. However, the lack of available housing for people at any income level creates major challenges for both employers and for the community. While stop-gap measures such as temporary labor and bussing plans ensure that manufacturing has not slowed down, local elected officials, AGCO leadership, the public schools, and the local businesses all have an interest in ensuring that people who work in Jackson also have the opportunity to live in Jackson.

At the Housing and Community Dialogue we discussed the unique challenges facing Jackson with a broad group of community stakeholders and were able to delve into potential solutions, as well as strategize about the resources that would be necessary to meet local needs. While local employers, the city, community based non-profits, and philanthropy were all willing to see themselves as necessary to

create solutions, we recognized that targeted resources were necessary from the state level to address what was becoming a critical problem.

The Solution – A new initiative called The Housing and Job Growth Initiative

Based on outreach and engagement with communities like Jackson, and sensing that there was a significant unmet need for more production of rental housing for the workforce of Greater Minnesota, Minnesota Housing created the Housing and Job Growth Initiative.

The Housing and Job Growth Initiative was an attempt to meet the needs of households who were not served by some of the traditional funding sources for affordable housing development, but were not able to pay the rents that would support market rate development. We used this initiative to encourage development in areas where historically lower rents can't support construction of market rate housing, as well as areas where there were affordability needs above tax credit income limits. The true innovation of the initiative was the targeting to articulated community needs and the flexibility of the funding to adapt to different market and community conditions.

The initiative dedicated an additional \$10 million in 30 year interest free loans to housing located in job growth areas for which an employer or consortium have made a meaningful contribution, to allow growing communities to address critical housing shortages.

Eligible applicants had to show that they had low vacancy rates plus documented job growth or long commutes. Additionally, the applicants had to show that the development was part of a cooperatively developed plan that engaged stakeholders from a variety of sectors to meet broader community development goals.

The need for the initiative was based not only on what we were hearing from individual communities, but also based on data analysis on market conditions in Minnesota's job centers. Research showed that to address the shortage of rental housing, 77 workforce housing communities in **(See Map -- Attachment 2)** Minnesota need approximately 4,500 to 7,500 additional apartments in properties with 5+ units. This initiative helps meet the workforce housing needs of the State of Minnesota, with a broader goal of stimulating housing markets in areas that have not seen recent development.

The success of this initiative depended on resources and relationships. In order to make this project possible we needed both local support for the initiative and political will to fund the initiative. Because this initiative was created to meet community needs that were articulated in individual meetings and our Housing and Community Dialogues, we were able to develop a passionate constituency for greater investment in affordable workforce housing development. The constituency was able to raise the profile of the issue that communities were facing with policy makers. Additionally, we were able to develop relationships with communities and employers to leverage local dollars.

While the Housing and Job Growth Initiative is a new program, it builds on a successful history of the Economic Development Housing Challenge program (Challenge). Challenge has been in existence since the late 1990s and has been an important tool for encouraging the production of affordable housing and incentivizing employer and other non-state financial contributions with an eye toward community economic prosperity. This proven track record helped us raise the value proposition with policy makers, and ensured that we could point to previous successes when working with local communities and employers.

In order to ensure that we were making wise investments in the economic prosperity of Minnesota communities, Minnesota Housing worked with the Department of Employment and Economic Development to identify and target the areas where job expansion is contemplated, analyze the need for additional workforce housing due to both pent up demand and growing workforce needs, and promote the availability of the program funds with local employers and developers in targeted areas.

We also utilized ground level outreach strategies including individual targeted meetings with high priority workforce housing communities, and events like our Housing and Community Dialogues to create awareness of the opportunity for targeted workhouse housing investment.

The Result – Nearly 500 rental units in strategic locations across the state

The Housing and Job Growth Initiative has played a critical role in the production of new rental housing throughout the state. The initiative contributed to the development of more than 500 rental housing opportunities in towns as small as Roseau and as large as Minneapolis. For a community like Jackson, however, the true success is not based on what we do statewide, but what we were able to do for the town.

Street E Townhomes in Jackson is currently under construction. The Housing and Job Growth initiative leveraged \$220,000 in direct employer contributions in addition to tax credits, tax increment financing, local and national philanthropic dollars, and innovative debt structuring. The development will serve working families on all points of the housing spectrum including homes for people who have experienced homelessness to market rate units that are available to families with moderate wage earners. The Street E development is a reflection of the needs expressed in the current housing study, and in addition to some single family developments that we are supporting, will go a long way to ensuring that people who work in Jackson also have the chance to make Jackson their home.



Housing and Community Dialogues

Housing and Community Dialogues are a partnership between Minnesota Housing, USDA Rural Development, Greater Minnesota Housing Fund, and local community stakeholders. The goal of these dialogues is to share information across organizations, communities, and sectors in a way that catalyzes action on the local level and informs change on the state level.

By taking a sub-regional, cross sector approach, we strive to have actionable discussions about specific community housing challenges with a broad range of points of view.

Upcoming Dialogues

FERGUS FALLS/DETROIT LAKES/MOORHEAD AREA

May 9, 2014

WINONA AREA

May 21, 2014

VIRGINIA/HIBBING AREA

October 1, 2014

BEMIDJI AREA

October 2, 2014

AUSTIN AREA

November 5, 2014

How to Get Involved

- **Help set the agenda** – Housing and Community Dialogues only work if we have cross sector input from local community leaders. We want to hear from you!
- **Promote the event** – Local business and community stakeholders are in the best position to know who should be at the table in order for conversations to move to action. Your relationships will get people who might not otherwise attend to think about how housing impacts their area.
- **Share your stories** – As a statewide agency, we have a wealth of data at our fingertips. However, we depend on local presenters to share beyond the data into what they are seeing and experiencing in local communities.
- **Sign on as a supporter** – Having local organizations sign on as supporters further solidifies the local nature of the discussion.
- **Be part of the discussion** – You are an important part of the community. Come, participate in the discussion, and work with us to craft solutions.

Questions? Contact Margaret Kaplan, Community Development Director, at 651.296.3617 or margaret.kaplan@state.mn.us.



Meeting Greater Minnesota's Workforce Housing Needs

The Economic Development and Housing Challenge Fund (Challenge Fund) is well suited to meet the housing needs of workforce communities across the state. Nearly all working households in these communities fit income guidelines for this flexible, proven and feasible affordable housing program.

What is the housing need?

In our recovering Minnesota economy, we have shortages of all types of housing and households are paying too much. In 2014, nearly 575,000 Minnesotans were cost burdened, paying more than 30% of their income for housing.

In many Greater Minnesota communities jobs are plentiful but employers are having a difficult time recruiting and retaining employees because of this housing shortage. Historically lower rents in Greater Minnesota can't support construction and operating costs, leaving a gap that makes traditional financing difficult.

What is Workforce Housing?

- Affordable to the local workforce
- Within 10 miles of a city with job growth
- Within 10 miles of a long commute community
- Includes both rental and homeownership

How many new rental units are needed?

4,500-7,500 additional rental units are needed to bring the vacancy rate from 2.5% to 4.0-5.0% in the 77 communities with workforce housing needs (see map).

Characteristics of our workforce communities

\$27,000 Typical renter household income

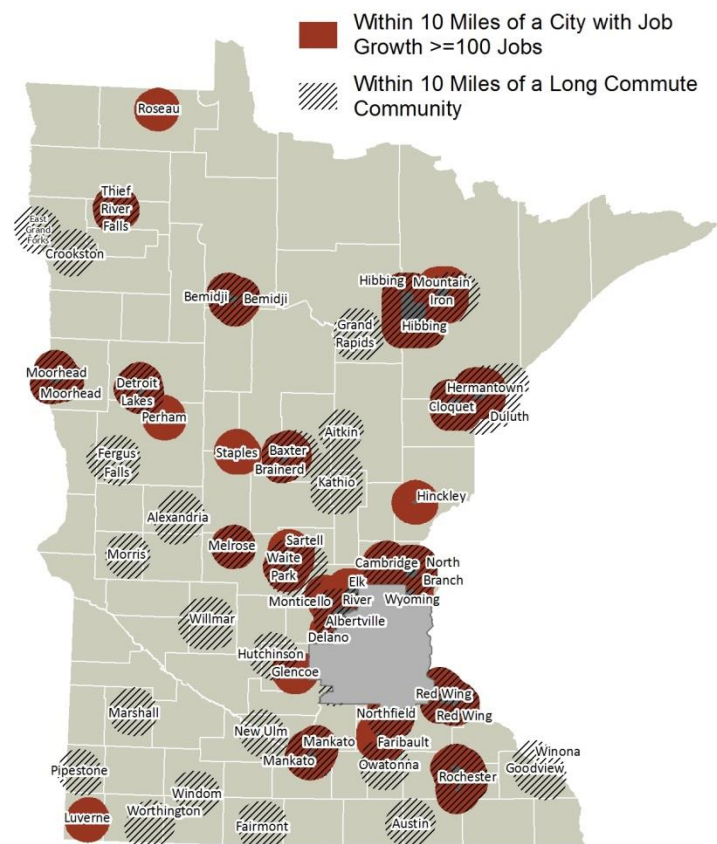
\$59,400 Challenge Fund renter household income limits

\$68,000 Typical homeowner household income

\$86,000 Challenge Fund homeowner household income limits

94% Typical new jobs in workforce communities with wages below \$58,000

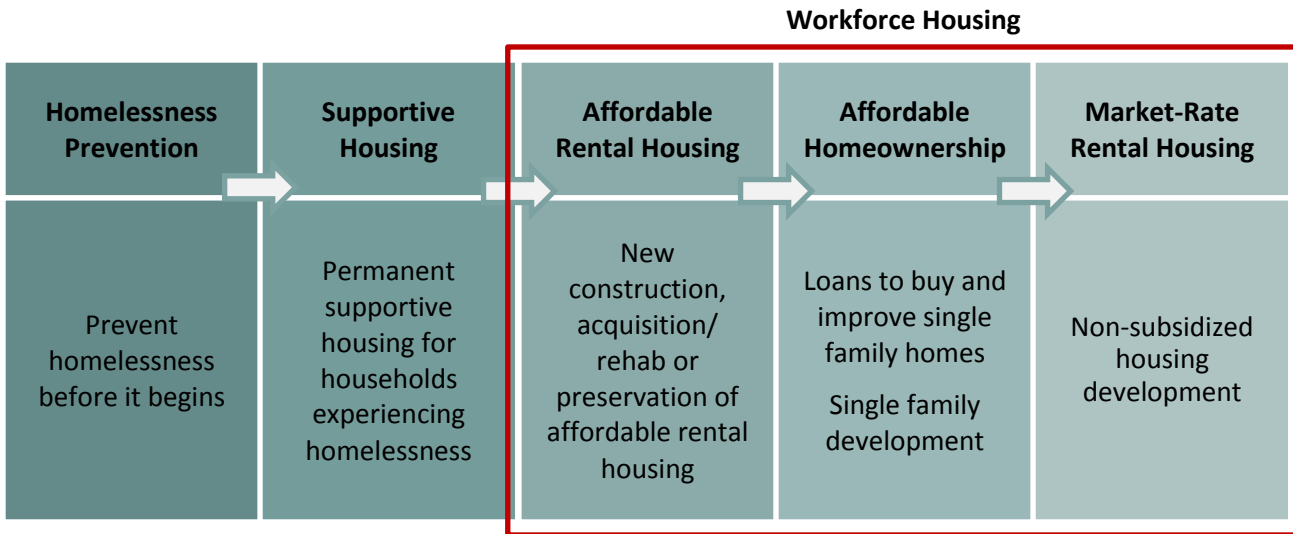
Minnesota's Growing Workforce Communities



The Challenge Fund: The Right Fit for Workforce Housing

As demonstrated by the median household income of the workforce and the median wage of new jobs, affordable housing is a necessary and significant subset of workforce housing.

The Challenge Fund provides grants or loans for construction, acquisition, rehabilitation or permanent financing; interest rate reduction; refinancing and gap financing. It provides the infrastructure to serve the vast majority of these working households through both affordable rental and homeownership options.



The Challenge Fund is: **flexible, proven, affordable and feasible.**

- **Flexible** – Since 1999, the flexibility of Challenge Fund has helped us meet the variety of workforce housing needs across the state. In the last biennium it supported a wide variety of developments including:
 - mixed income new construction in Roseau and Richfield,
 - land trust developments in Worthington and Jackson,
 - single family ownership in Thief River Falls, and
 - large family units in Austin.

Each of these developments meets a locally identified need and has a connection to thousands of jobs and strong support of local communities and employers.

- **Proven** – The Challenge Fund can quickly allocate funding to provide housing solutions without creating a new program. Every dollar approved during the 2015 legislative session can be awarded within six months of the legislative session. The first Governor’s Housing and Job Growth Initiative utilized the Challenge Fund and awarded \$10 million over the last two years to ensure that job growth is not hindered by a lack of housing. The initiative is leveraging employer contributions, philanthropic dollars, and direct investment from local communities around the state.
- **Affordable** – 94% of all jobs in each of the 77 communities identified on this map meet the income threshold for the Challenge Fund. Using this resource ensures the housing development is affordable to the local workforce for many years to come. Given limited dollars, the priority must be given to those with the greatest need and an emphasis for public funding should be placed on the affordable end of the workforce housing spectrum.
- **Feasible** – The Challenge Fund would help fix the housing problem, not create unintended consequences. It leverages other resources and incents employers and local government contributions to make the per unit cost reasonable and it doesn’t restrict access to other sources of financing.

WORKFORCE HOUSING

The Need

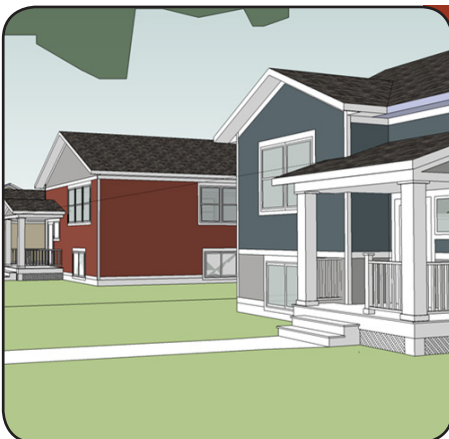
Employers and communities throughout the state have told us they need housing to support their growing workforce. Governor Dayton's Housing and Job Growth Initiative has invested \$10 million over the last two years to ensure that job growth is not hindered by a lack of housing. The initiative is leveraging employer contributions, philanthropic dollars, and direct investment from local communities around the state.

The flexibility of the Housing and Job Growth Initiative allows us to fund projects that fit local needs. These include mixed income new construction in Roseau and Richfield, historic rehab mixed income development in Duluth, land trust developments in Worthington and Jackson, single family ownership in Thief River Falls, and mixed use development in Minneapolis. Each of these developments has a connection to thousands of jobs and strong support of local communities and employers.

Our Commitment

2013-14 Housing and Job Growth Initiative Funding:

- **10** Greater Minnesota projects (5 multifamily; 5 single family)
- **4** Metro projects (all multifamily)
- Total of **664** units over two years (383 units in 2014)



Example: Building a Better Neighborhood - Thief River Falls

- **Administrator:** City of Thief River Falls
- **Units:** 5 new construction single family units
- **Affordability:** Incomes less than \$85,300
- **Highlights:** With very low vacancy rates, long commute times and more than 100 open positions at one employer alone, the need for affordable workforce housing is key to the continued economic health of Thief River Falls. This project leverages employer contributions from the city, Holmark Homes, and Digi-Key, as well as Housing and Job Growth Initiative funds. In addition to the 24 units of rental housing we funded last year through this initiative, these homes will support economic growth in Thief River Falls.
- **Minnesota Housing Investment:** \$1,050,270



2014 WORKFORCE HOUSING RECOMMENDATIONS

The following projects will receive funding under the Housing and Job Growth Initiative from the 2014 Request for Proposals.

Project Name	Total Units	Developer Name	City
Nettleton Apartments	50 rental	Sherman Associates LLC	Duluth
Broadway Flats	103 rental	Rose Development, LLC and Lupe Development Partners, LLC	Minneapolis
Mill City Quarter	150 rental	Eagle Iron Partners	Minneapolis
Northgate Apartments	36 rental	LWO Development, LLC	Owatonna
BROWNStone	35 rental	Model Cities of St Paul, Inc	Saint Paul
Building a Better Neighborhood	5 single family	City of Thief River Falls	Thief River Falls
Workforce Housing - Partnership CLT	4 single family	Southwest Minnesota Housing Partnership	Worthington and Jackson
Total Units	383		