

DEED Awards \$2.87 Million for Housing Projects in Greater Minnesota

This round of funding was awarded for new market-rate rental developments in Worthington, Warroad, Glenwood and Lutsen.

"Businesses in some parts of the state are struggling to expand because of scarce housing resources," said DEED Commissioner Shawntera Hardy. "This program encourages new housing projects that will help companies attract employees while at the same time making it easier for workers to find housing close to their jobs."

In order to be approved for funding, projects must be located in areas where the average vacancy rate for rental housing has been 5 percent or less for at least two years. In addition, one or more businesses in the project area that employ at least 20 workers must provide a written statement that a lack of workforce housing is hurting their ability to recruit and hire workers.

Workforce housing generally is described as housing that is needed in a community that has more job opportunities than available workers because there aren't enough places to live.

The following projects were approved for funding:

City of Worthington, \$868,000

The funding will assist Northland Development Group in building 72 apartments. The total development cost is \$6.5 million. The DEED funding will cover 13 percent of the cost of the project. Worthington has a large workforce housing shortage and a rental vacancy rate of 2.4 percent. JBS, Worthington schools and Sanford Health are major employers in the community. The city, county and school district are abating taxes over five years to contribute \$434,236 to the project.

City of Warroad, \$935,000

Kuepers Architects & Builders plans to invest \$3.7 million to build 29 apartments. DEED funding will cover 25 percent of the project cost. Workforce housing is very limited in the community, where the rental vacancy rate is 2.1 percent. Marvin Windows employs more than 2,000 people in Warroad. The William S. Marvin Fund is contributing \$200,000 toward the project, while the city, county and school district are abating taxes to contribute \$203,743.

City of Glenwood, \$737,600

D.W. Jones is building a 32-unit apartment building in the west-central Minnesota city. The total project cost is \$4.8 million, with DEED funding covering 15 percent of that amount. Glenwood lacks workforce housing for a growing employment base that includes Fast Global Solutions, Glacial Ridge Health Systems and Clyde Machines. The city, county and school district are abating taxes to contribute \$421,942 toward the project, while the local housing and redevelopment authority is contributing \$100,000 and donating the site.

Cook County/Grand Marais Economic Development Authority (EDA), \$325,359

The funding will help One Roof Community Housing build 16 rental units in Lutsen. DEED funding will cover about 12 percent of the project's \$2.7 million cost. Many businesses in the area have said their ability to grow is limited by a lack of workforce housing. In addition to seasonal employees, full-time year around employment in the region includes Lutsen Resort, Lutsen Ski Area, Bluefin Bay, Caribou Highlands Lodge and Cook County. The EDA is contributing \$140,000, and local tax abatement proceeds will support a \$1.6 million loan. In

addition, the Iron Range Resources and Rehabilitation Board may contribute \$250,000 and the Greater Minnesota Housing Fund may loan \$100,000.

DEED is the state's principal economic development agency, promoting business recruitment, expansion and retention, workforce development, international trade and community development. For more details about the agency and its services, visit the [DEED website](#) or follow us on [Twitter](#).