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Bill offers solution to workforce housing shortage in Greater Minnesota

ST. PAUL—A bill that aims to spur the development of much-needed workforce housing in Greater Minnesota was introduced today at the Minnesota Legislature.

[SF 785](#), authored by Sen. Michael Goggin (R-Red Wing), and [HF 1020](#), authored by Rep. Rod Hamilton (R-Mountain Lake), creates a 40 percent tax credit as an incentive to encourage developers, investors and local businesses to support the construction of middle-income housing in Greater Minnesota. The proposal, which the Greater Minnesota Partnership (GMNP) helped develop, is designed to jumpstart workforce housing development in communities that are ready and able to grow now.

“The lack of available housing for middle-income workers and their families is one of the biggest barriers to economic growth in Greater Minnesota,” said Ann Goebel, president of the GMNP. “We thank Sen. Goggin and Rep. Hamilton for introducing legislation that finally provides a solution to this longstanding problem.”

Goebel noted that many rural communities are well-positioned for growth, but financing issues and construction costs stymie the development of workforce housing. Numerous employers in Greater Minnesota are looking to hire for good-paying positions, yet they struggle to attract and retain workers because there is nowhere in the community for them to live.

“The jobs are there, but what good is a job if you don’t have a roof over your head at night?” Goebel said. “Some employers even bus in workers from far outside their communities, but the fact of the matter is that people want to live in the community where they work.”

There are several programs that assist low-income residents in obtaining housing, but many Greater Minnesota residents earn too much money to qualify for them. SF 785/HF 1020 has a restriction on construction costs, but not income — which allows it to efficiently target the construction of housing for individuals who are not served under existing state or federal housing programs.

Although the need for market-rate housing is evident, developers have thus far been reluctant to build in Greater Minnesota, a problem that SF 785/HF 1020 aims to correct.

“This tax credit would give investors the incentive they need to venture outside of the Twin Cities and into Greater Minnesota,” Goebel said. “Our businesses and communities need more housing—and they need it quickly. This bill helps make that happen.”

The Greater Minnesota Partnership is a nonprofit corporation devoted to advocating for state economic development policies and resources that benefit Greater Minnesota. Its members consist of businesses, chambers of commerce, economic development authorities, cities and nonprofit organizations from throughout Greater Minnesota. For more information about the GMNP, please visit gmnp.org.

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