

## HF 3210/SF 3232

### Creating a new workforce homeownership model

Cooperative manufactured housing infrastructure grant program

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- **What problem is this program trying to solve?** Minnesota is suffering a historic shortage of affordable single-family homes. Worse yet, our state's racial homeownership gap is "one of the worst in the nation", according to the Minneapolis Federal Reserve. Factory built homes represent a high-quality, energy-efficient, and low cost solution for affordable workforce homeownership. However, many cities do not consider this type of housing due to a lack of resources for infrastructure and misconceptions regarding its quality.
- **What does this program do?** This bill would establish a pilot program to fund the municipal infrastructure costs of new affordable, factory-built resident-owned cooperatives. Funded through general obligation bonds, the program would cover up to half of the municipal costs, with the other portion funded by required local matching dollars.
- **Why the need for his incentive?** As stated above, municipalities are reluctant to invest in non-traditional forms of housing due to an unfamiliarity with the infrastructure needs and housing type. This seeks to incentivize cities to innovate and build new affordable workforce neighborhoods.
- **Who benefits?** Minnesota residents, taxpayers, and municipalities. This would incentivize new homeownership development at a fraction of the per-unit cost of rental or traditional single-family construction, thereby saving the state resources. In turn, cities would expand their tax base and Minnesotans who are currently priced out of the homeownership market will be able to build equity and place roots in our state
- **What does this cost?** The total proposed funding for the program is \$10 million.