Fully Fund the Challenge Program
Meeting the Housing Needs of Minnesota Workers

As the state’s major resource to create housing for families across a wide range of incomes, the Challenge Fund is essential in advancing workforce housing development that helps communities grow and sustain their economies.

Meeting local needs

The Challenge Program is Minnesota Housing’s most versatile funding source. Used in Greater Minnesota and the metro area, it can create or rehabilitate ownership or rental housing, including mixed-income housing with market-rate units.

Local communities, with the help of developers, need maximum flexibility in assembling a broad range of financing tools to ensure projects will be successful. Challenge funds can be readily paired to leverage other dollars.

Serving Minnesota workers

More than 1 in 4 Minnesota households pay more than they can afford for housing. The vast majority of Minnesotans in need of housing — and the fastest growing jobs in the state’s workforce — are well served by the Challenge program.

The median wages for the top six fields with the most job openings projected by 2024 in Minnesota earn well within the income limits for the Challenge Program (approx. $89,000 for homeowners and $62,000 for renters). These jobs include:

- Retail salespeople
- Registered nurses
- Food prep and serving workers
- Personal care aides
- Cashiers

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<tr>
<th>Top In-Demand Jobs in Minnesota (with projected growth by 2024)</th>
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<td>![Graph showing annual median income for various jobs]</td>
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- More than 2/3 of Minnesota renter households earn less than $50,000 / year.
- More than 1/2 of Minnesota owner households earn less than $75,000 / year.
A proven program

The Challenge Program has proven highly effective in advancing housing projects that meet the diverse needs of communities across the state.

In 2015 and 2016 alone, the Challenge Program contributed to the development of 498 multifamily units and 696 single family units — providing stable, affordable housing to support a productive workforce.

The Challenge Program is widely used — and oversubscribed. In 2016 alone, 56 projects requesting $177 million in deferred loans did not get funded.

Working in Greater MN

Since 2013 Challenge funds have advanced projects throughout the state — from Jackson to St. Peter to Thief River Falls — addressing needs in communities seeing significant shortages in workforce housing.

Leveraging additional dollars

Local communities, with the help of developers, need maximum flexibility in assembling a broad range of financing tools to ensure projects are successful. By pairing workforce housing funds with resources for rent- or income-restricted apartments, the Challenge Program leverages federal funding and private dollars to meet community housing needs.

Now more than ever, we must FULLY FUND the Challenge Program, an effective, widely used program with a proven track record of addressing workforce housing shortages in Greater Minnesota.

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