



REQUEST FOR COUNCIL ACTION

AGENDA DATE: December 18, 2023

AGENDA ITEM: Consider adopting a resolution authorizing an application to the Minnesota Department of Iron Range Resources Housing Grant Program.

PREPARED BY: Rob Mattei, Director of Community Development

BACKGROUND:

The Grand Rapids Economic Development Authority (GREDA) and the City of Grand Rapids are working with Oppidan, Inc., a Minnesota housing developer, to plan for their development of a 4-story, 132-unit workforce housing project on a GREDA owned 15-acre site.

The city of Grand Rapids is experiencing significant growth. Several companies are opening new facilities or expanding existing facilities in the city and expect to create upwards of 500 jobs in the coming years. ASV/Yanmar is expanding their existing facility and is planning to add hundreds of new jobs in the next five years. L&M Fleet Supply estimates the addition of 50 jobs with the build out of their warehouse/distribution facility. Lastly, the IRRR and the City are working with a business planning to purchase the Ainsworth site to build out a new cannabis cultivation, manufacturing, and distribution facility that could create between 300-400 jobs.

In addition to that projected economic growth, the city is also facing a detrimental lack of housing supply. Rental vacancy, across the market is 0% and there are no new rental housing projects under construction or in planning today, outside of Oppidan's 132-unit project. The businesses that are expanding their footprint in Grand Rapids cannot be successful in growing their workforce without an influx of housing supply in the coming years. Oppidan's project will help meet the needs of the growing workforce.

However, the project has a sizeable gap in its capital stack and cannot move forward without subsidy. The City of Grand Rapids, alongside Oppidan, will pursue grant funding from the Minnesota Workforce Housing Development Program and from the IRRR Housing Fund. This grant request seeks a contribution towards the project in the amount of \$750,000.

REQUESTED COUNCIL ACTION:

Make a motion to adopt a resolution authorizing an application to the Minnesota Department of Iron Range Resources Housing Grant Program.