

TO: HONORABLE MAYOR AND CITY COUNCIL.

**FROM: LAURA QUALEY, ECONOMIC DEVELOPMENT &
BOB HAWLEY, GOODHUE COUNTY HABITAT FOR
HUMANITY**

**SUBJECT: GREATER MINNESOTA SMALL CITIES (TIER II
CITIES) HOUSING AID GRANT PROGRAM
APPLICATION**

MEETING

DATE: JANUARY 20, 2026

BACKGROUND.

Goodhue County Habitat for Humanity is seeking a partnership with the City of Cannon Falls to jointly apply for the Greater Minnesota Small Cities (Tier II) Housing Aid Grant Program from Minnesota Housing. This grant is available to Small Cities (Tier II), which is for populations of 10,000 or less, located outside of the seven-county metro area for affordable housing projects.

This opportunity is for Goodhue County Habitat for Humanity to seek \$75,000 of the \$1,125,000 state appropriations available for the lot preparation or construction costs of an affordable home built in Cannon Falls for an eligible family.

No matching funds are required for this grant and it is paid as a reimbursable grant. If selected, the City of Cannon Falls would be the receiving fiscal agent of the funds and Habitat for Humanity would then provide receipts up to \$75,000 to the City as proof to seek reimbursement from the State.

Applications are due January 23, 2026 and awards will be announced in May 2026; contracts will be executed Summer of 2026; first annual report would be due to Minnesota Housing by December 1, 2026 and the grant contract agreement ends 4 years after the contract date (Est. Summer 2030).

REQUESTED COUNCIL ACTION.

Staff respectfully requests a motion from the Council to approve submission of the Greater Minnesota Small Cities (Tier II) Housing Aid Grant Program Application.