

# StarTribune Editorial

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## Worker housing

### *Marshall model worth noting*

Look southwest to Marshall for the latest example of cooperative, Minnesota-style problem solving. That's where the Schwan Food Co. just made a \$1.5 million contribution to a project that by 2009 will build 270 new housing units, most of them affordable by Schwan's employees.

It's a fine display of enlightened self-interest and hometown boosterism on the part of a major employer. Fast-growing Schwan's employs about 2,500 people at its corporate headquarters, many of them earning less than \$12 an hour. Those wages make home ownership difficult in a town in which the average house is selling for more than \$100,000. Attracting and keeping a stable workforce at Schwan's meant doing something about Marshall's shortage of affordable housing.

Schwan's housing donation puts it in good company. In 30 outstate communities where median wages have been lagging and median house prices climbing, employers have been contributing to the construction, rehabilitation or financing of housing that the local workforce can afford. The donations range in size from a few thousand dollars from Main Street merchants to \$7 million from the Mayo Clinic for Rochester's First Homes project, which is on target to produce 875 new housing units by 2005.

Such community-building philanthropy by Minnesota businesses deservedly gets headlines. But it ought not obscure the rest of the story: In Marshall and elsewhere,

new housing is not going up with corporate funding alone. Federal, state and local governments are also at the table. In Marshall, tax-increment financing provided by the city is adding \$1.12 million.

The Greater Minnesota Housing Fund, a nonprofit agency formed jointly by the McKnight and Blandin foundations in 1996, is providing \$1 million more. The housing fund got the project rolling, leveraging the other contributions.

Said Warren Hanson, the housing fund's CEO: "As great as employer contributions are, they are not at the same scale as what the public is able to do through its tax policies, its grants, its bonding authority, its regulations, to produce affordable housing." He can be proud of the \$16 million he has raised from employers. But in the same time span, Minnesota cities and the state government have contributed more than \$100 million — and Blandin and McKnight, his fund's organizational parents, have themselves put up \$60 million — for housing.

Three legs — public, nonprofit and private — support a lot that is worth doing in Minnesota. When the Legislature saws one of those legs shorter, whole enterprises teeter. Greater effort by the nonprofit and private sectors can stabilize things, and should be commended. But any legislator who thinks that because Schwan's is doing more for affordable housing, government can do still less, is thinking wrong.