Greater Minnesota Small Cities (Tier II Cities) Housing Aid Grant Program

Community Need Methodology

Last Updated: December 2025

Community Need Methodology

Community Need for housing aid is determined by evaluating whether eligible Tier II cities have a large share of cost burdened[1] households and a large share of households with household incomes less than $75,000. Each measure of Community Need is evaluated and scored separately and worth a maximum of 15 points per measure. Tier II cities are analyzed and scored in comparison to other Tier II cities in their region.

Large Share of Cost Burdened Households (up to 15 Points)

The first category evaluating a Tier II city's need for housing aid is the share of all households in that city that are cost burdened by housing costs (rent/mortgage, taxes, insurance, and utilities). A cost burdened household spends 30% or more of its income on housing.

Tier II cities are evaluated for cost burden in comparison to other Tier II cities in their region. The regional comparison helps to account for differences in cost burden found across the state. All applicants fall into one of four scoring tiers, with the highest tier earning the maximum 15 points.

- **Scoring Tier 1 (15 Points):** The top 25% (highest quartile) of communities in the region — those with the highest percentage of cost-burdened households.
- **Scoring Tier 2 (11 Points):** The next 25% (second highest quartile) of communities — those with slightly lower but still high percentages of cost-burdened households.
- **Scoring Tier 3 (7 Points):** The next group of 25% (third highest quartile) — communities with a moderate percentage of cost-burdened households.
- **Scoring Tier 4 (3 Points):** The bottom 25% (lowest quartile) of communities — those with the lowest percentage of cost-burdened households.

Table 1 provides a Community Need scoring breakdown by region and community. Data Source: 2023 5-Year American Community Survey Estimates.

Large Share of Households with Incomes Less Than $75,000 (up to 15 Points)

The second category evaluating a Tier II city's need for housing aid is the share of all households in the city that has a household income of less than $75,000. This criterion identifies cities that may not have a large share of cost burdened households but do have a large share of households that may not have incomes to support an unforeseen expenditure jeopardizing their housing and/or financial stability.

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[1] Cost burden is defined as spending 30% or more of household income on housing costs (rent/mortgage, taxes, insurance, and utilities). Data Source: 2023 5-Year American Community Survey (ACS) Estimates.

Tier II cities are evaluated for having a large share of households with incomes less than $75,000 in comparison to other Tier II cities in their region. The regional comparison helps to account for differences in household income found across the state. All applicants fall into one of four scoring tiers, with the highest tier earning the maximum 15 points.

- **Scoring Tier 1 (15 Points):** The top 25% (highest quartile) of communities in the region that have the largest share of all households with household incomes less than $75,000.
- **Scoring Tier 2 (11 Points):** The next 25% (second highest quartile) of communities that have the largest share of all households with household incomes less than $75,000.
- **Scoring Tier 3 (7 Points):** The next group of 25% (third highest quartile) that have the largest share of all households with household incomes less than $75,000.
- **Scoring Tier 4 (3 Points):** The bottom 25% (lowest quartile) of communities that have the largest share of all households with household incomes less than $75,000.

Table 1 provides a Community Need scoring breakdown by region and community. Data Source: 2023 5-Year American Community Survey Estimates.

Figure 1: Regional Map

Table 1: Community Need Scoring *(Sorted Alphabetically by Region and City Names)*

Region / City	Cost Burden Tier	Incomes < $75,000 Tier	Community Need Total	Region / City	Cost Burden Tier	Incomes < $75,000 Tier	Community Need Total
Central				Genola	11	7	18
Albany	7	7	14	Gilman	7	7	14
Albertville	7	3	10	Grasston	7	7	14
Aldrich	7	15	22	Greenwald	3	11	14
Annandale	7	11	18	Grey Eagle	7	11	18
Askov	15	15	30	Hackensack	15	15	30
Avon	3	3	6	Hanover	7	3	10
Backus	3	15	18	Harding	11	11	22
Baxter	15	7	22	Harris	11	3	14
Becker	7	3	10	Henriette	7	15	22
Belgrade	7	11	18	Hewitt	3	11	14
Bena	3	15	18	Hillman	3	7	10
Bertha	3	15	18	Hinckley	15	15	30
Bock	11	7	18	Holdingford	3	7	10
Bowlus	7	7	14	Howard Lake	7	3	10
Boy River	3	15	18	Ironton	7	11	18
Braham	15	15	30	Isanti	11	3	14
Breezy Point	11	3	14	Isle	11	11	22
Brook Park	15	11	26	Jenkins	7	7	14
Browerville	15	15	30	Kerrick	3	11	14
Bruno	15	15	30	Kimball	11	7	18
Buckman	7	3	10	Lake Henry	3	3	6
Burtrum	15	15	30	Lake Shore	11	3	14
Cass Lake	7	11	18	Lastrup	3	7	10
Center	7	3	10	Lindstrom	3	3	6
Chickamaw Beach	7	3	10	Little Falls	15	15	30
Chisago	15	3	18	Long Prairie	11	11	22
Clarissa	3	15	18	Longville	15	15	30
Clear Lake	3	3	6	Manhattan Beach	15	15	30
Clearwater	7	7	14	Maple Lake	11	7	18
Cokato	15	7	22	Meire Grove	3	7	10
Cold Spring	11	7	18	Melrose	11	11	22
Crosby	11	15	26	Menahga	11	11	22
Crosslake	15	7	22	Milaca	15	11	26
Cuyuna	11	7	18	Montrose	7	3	10
Deerwood	15	15	30	Mora	11	11	22
Delano	11	3	14	Motley	7	15	22
Denham	7	7	14	New Munich	3	3	6
Eagle Bend	3	15	18	Nimrod	3	3	6
East Gull Lake	3	3	6	Nisswa	11	3	14
Elmdale	11	3	14	Ogilvie	15	11	26
Elrosa	7	7	14	Onamia	15	15	30
Emily	11	7	18	Paynesville	3	7	10
Federal Dam	15	15	30	Pease	11	11	22
Fifty Lakes	11	7	18	Pequot Lakes	7	7	14
Finlayson	11	11	22	Pierz	15	11	26
Flensburg	7	3	10	Pillager	3	11	14
Foley	11	11	22	Pine City	15	11	26
Foreston	3	3	6	Pine River	15	15	30
Fort Ripley	3	15	18	Princeton	11	11	22
Freeport	3	3	6	Quamba	15	15	30
Garrison	15	15	30	Randall	11	15	26

Region / City	Cost Burden Tier	Incomes < $75,000 Tier	Community Need Total	Region / City	Cost Burden Tier	Incomes < $75,000 Tier	Community Need Total
Remer	15	15	30	Chisholm	7	11	18
Rice	3	3	6	Cohasset	7	3	10
Richmond	7	11	18	Coleraine	15	7	22
Riverton	3	7	10	Cook	11	11	22
Rock Creek	7	3	10	Cromwell	15	7	22
Rockford	3	7	10	Deer River	15	15	30
Rockville	7	3	10	Effie	7	11	18
Roscoe	15	11	26	Ely	15	11	26
Royalton	7	7	14	Eveleth	11	11	22
Rush City	15	11	26	Floodwood	15	15	30
Rutledge	7	15	22	Gilbert	11	7	18
Sandstone	15	11	26	Grand Marais	11	3	14
Sauk Centre	15	11	26	Hill	15	15	30
Sebeka	11	15	26	Hoyt Lakes	3	3	6
Shafer	11	3	14	International Falls	3	7	10
Sobieski	7	7	14	Iron Junction	15	15	30
South Haven	7	3	10	Keewatin	11	11	22
Spring Hill	3	7	10	Kettle River	3	11	14
St. Anthony	3	7	10	Kinney	11	11	22
St. Augusta	3	3	6	La Prairie	7	3	10
St. Joseph	11	7	18	Leonidas	15	15	30
St. Martin	7	7	14	Littlefork	3	7	10
St. Rosa	11	7	18	Marble	3	7	10
St. Stephen	3	3	6	McGrath	15	15	30
Stacy	15	7	22	McGregor	15	15	30
Staples	11	15	26	McKinley	3	7	10
Sturgeon Lake	3	7	10	Meadowlands	7	15	22
Swanville	3	11	14	Mizpah	3	7	10
Taylors Falls	15	11	26	Moose Lake	11	7	18
Trommald	11	15	26	Mountain Iron	3	3	6
Upsala	11	11	22	Nashwauk	7	7	14
Verndale	3	15	18	Northome	3	7	10
Wahkon	15	15	30	Orr	3	3	6
Waite Park	15	11	26	Palisade	15	11	26
Walker	15	15	30	Proctor	11	3	14
Waverly	3	3	6	Ranier	3	3	6
West Union	15	11	26	Rice Lake	11	3	14
Willow River	7	11	18	Scanlon	7	3	10
Wyoming	7	3	10	Silver Bay	7	3	10
Zimmerman	11	3	14	Squaw Lake	7	11	18
Northeast				Taconite	11	3	14
Aitkin	15	11	26	Tamarack	3	11	14
Aurora	3	15	18	Tower	7	11	18
Babbitt	7	11	18	Two Harbors	11	7	18
Barnum	15	7	22	Virginia	11	11	22
Beaver Bay	7	15	22	Warba	7	15	22
Big Falls	15	15	30	Winton	11	15	26
Bigfork	15	15	30	Wrenshall	3	3	6
Biwabik	11	3	14	Wright	15	3	18
Bovey	3	7	10	Zemple	3	3	6
Brookston	7	15	22	**Northwest**			
Buhl	7	7	14	Ada	11	3	14
Calumet	7	15	22	Akeley	15	11	26
Carlton	11	7	18	Alvarado	11	3	14

Region / City	Cost Burden Tier	Incomes < $75,000 Tier	Community Need Total	Region / City	Cost Burden Tier	Incomes < $75,000 Tier	Community Need Total
Argyle	7	3	10	Shelly	15	11	26
Badger	11	7	18	Shevlin	3	7	10
Bagley	11	7	18	Solway	3	3	6
Baudette	11	3	14	St. Hilaire	7	3	10
Bejou	11	15	26	St. Vincent	3	11	14
Beltrami	3	3	6	Stephen	7	3	10
Blackduck	15	15	30	Strandquist	7	15	22
Borup	3	15	18	Strathcona	15	3	18
Brooks	3	7	10	Tenstrike	15	7	22
Clearbrook	15	7	22	Thief River Falls	11	7	18
Climax	11	15	26	Trail	15	15	30
Crookston	15	11	26	Turtle River	7	3	10
Donaldson	15	15	30	Twin Valley	7	11	18
East Grand Forks	15	3	18	Viking	3	3	6
Erskine	15	15	30	Warren	7	11	18
Fertile	11	7	18	Warroad	11	11	22
Fisher	7	3	10	Waubun	15	7	22
Fosston	15	15	30	Williams	11	15	26
Funkley	15	15	30	Wilton	11	11	22
Gary	3	3	6	Winger	7	11	18
Gonvick	11	11	22	Southeast			
Goodridge	11	15	26	Adams	3	3	6
Greenbush	11	7	18	Alden	7	7	14
Grygla	3	7	10	Altura	7	11	18
Gully	7	15	22	Amboy	7	7	14
Hallock	7	7	14	Arlington	11	11	22
Halma	3	15	18	Bellechester	11	11	22
Halstad	7	7	14	Blooming Prairie	11	15	26
Hendrum	15	11	26	Blue Earth	11	11	22
Holt	3	11	14	Bricelyn	11	15	26
Humboldt	3	15	18	Brownsdale	15	7	22
Karlstad	7	7	14	Brownsville	15	11	26
Kelliher	11	3	14	Butterfield	3	15	18
Kennedy	3	7	10	Byron	7	3	10
Lake Bronson	7	15	22	Caledonia	11	7	18
Lancaster	7	3	10	Cannon Falls	3	11	14
Laporte	3	11	14	Canton	11	11	22
Lengby	7	11	18	Ceylon	11	15	26
Leonard	3	11	14	Chatfield	3	3	6
Mahnomen	11	15	26	Claremont	15	7	22
McIntosh	15	11	26	Clarks Grove	7	7	14
Mentor	7	11	18	Cleveland	11	3	14
Middle River	3	7	10	Cobden	3	15	18
Nevis	11	11	22	Comfrey	7	11	18
Newfolden	3	3	6	Conger	3	11	14
Nielsville	15	15	30	Courtland	3	3	6
Oklee	15	3	18	Dakota	3	3	6
Oslo	3	3	6	Darfur	3	15	18
Park Rapids	15	15	30	Delavan	3	15	18
Perley	7	7	14	Dennison	15	15	30
Plummer	3	3	6	Dexter	7	7	14
Red Lake Falls	7	7	14	Dodge Center	3	3	6
Roosevelt	3	11	14	Dover	7	3	10
Roseau	11	7	18	Dundas	11	3	14

Region / City	Cost Burden Tier	Incomes < $75,000 Tier	Community Need Total	Region / City	Cost Burden Tier	Incomes < $75,000 Tier	Community Need Total
Dunnell	3	15	18	Lewisville	3	11	14
Eagle Lake	7	3	10	Lonsdale	15	3	18
Easton	7	7	14	Lyle	3	11	14
Eitzen	7	11	18	Mabel	11	11	22
Elba	7	7	14	Madelia	7	3	10
Elgin	3	7	10	Madison Lake	11	3	14
Elkton	7	15	22	Manchester	15	15	30
Ellendale	11	7	18	Mantorville	3	3	6
Elmore	15	15	30	Mapleton	7	3	10
Elysian	11	3	14	Mapleview	15	15	30
Emmons	3	15	18	Mazeppa	15	3	18
Evan	15	15	30	Medford	3	3	6
Eyota	7	3	10	Millville	3	7	10
Fountain	11	7	18	Minneiska	11	7	18
Freeborn	7	15	22	Minnesota	15	11	26
Frost	3	7	10	Minnesota Lake	15	15	30
Gaylord	15	11	26	Montgomery	11	7	18
Geneva	11	11	22	Morristown	15	7	22
Gibbon	7	15	22	Myrtle	15	15	30
Glenville	11	15	26	Nerstrand	15	3	18
Good Thunder	7	7	14	New Auburn	15	7	22
Goodhue	15	15	30	New Prague	15	3	18
Goodview	7	7	14	New Richland	3	11	14
Granada	7	11	18	Nicollet	11	7	18
Grand Meadow	3	11	14	Northrop	7	11	18
Green Isle	15	7	22	Odin	11	15	26
Hammond	7	15	22	Ormsby	15	11	26
Hanska	11	15	26	Oronoco	7	3	10
Harmony	11	15	26	Ostrander	3	11	14
Hartland	7	11	18	Pemberton	15	15	30
Hayfield	11	7	18	Peterson	11	7	18
Hayward	11	15	26	Pine Island	3	3	6
Heidelberg	3	3	6	Plainview	15	7	22
Henderson	7	7	14	Preston	7	11	18
Hokah	15	11	26	Racine	7	3	10
Hollandale	15	15	30	Rollingstone	11	3	14
Houston	15	15	30	Rose Creek	3	7	10
Janesville	11	7	18	Rushford	15	7	22
Kasota	3	11	14	Rushford Village	7	3	10
Kasson	15	3	18	Sargeant	3	15	18
Kellogg	7	7	14	Sherburn	3	11	14
Kenyon	7	11	18	Skyline	11	3	14
Kiester	15	15	30	Sleepy Eye	11	11	22
Kilkenny	3	11	14	Spring Grove	15	11	26
La Crescent	7	7	14	Spring Valley	11	7	18
La Salle	3	15	18	Springfield	15	15	30
Lafayette	3	3	6	St. Charles	7	3	10
Lake City	7	15	22	St. Clair	3	3	6
Lake Crystal	3	3	6	St. James	11	11	22
Lanesboro	3	7	10	Stewartville	7	7	14
Le Center	15	7	22	Stockton	7	3	10
Le Roy	15	15	30	Taopi	3	3	6
Le Sueur	15	7	22	Trimont	15	11	26
Lewiston	7	3	10	Truman	15	15	30

Region / City	Cost Burden Tier	Incomes < $75,000 Tier	Community Need Total
Twin Lakes	15	15	30
Utica	3	3	6
Vernon Center	7	7	14
Wabasha	7	11	18
Waldorf	15	15	30
Walters	7	15	22
Waltham	3	7	10
Wanamingo	3	3	6
Waseca	15	11	26
Waterville	15	7	22
Welcome	11	15	26
Wells	11	11	22
West Concord	11	3	14
Winnebago	11	11	22
Winthrop	11	11	22
Wykoff	3	11	14
Zumbro Falls	11	3	14
Zumbrota	11	7	18
Southwest			
Adrian	7	3	10
Alpha	3	3	6
Appleton	11	15	26
Arco	7	15	22
Atwater	11	7	18
Avoca	3	11	14
Balaton	15	11	26
Barry	3	15	18
Beardsley	3	7	10
Beaver Creek	15	3	18
Bellingham	11	11	22
Belview	11	11	22
Benson	15	11	26
Bigelow	7	3	10
Bingham Lake	11	3	14
Bird Island	3	3	6
Biscay	7	3	10
Blomkest	3	15	18
Boyd	3	7	10
Brewster	3	7	10
Brownton	11	3	14
Buffalo Lake	15	11	26
Canby	11	11	22
Cedar Mills	15	11	26
Chandler	7	3	10
Clara	15	11	26
Clarkfield	7	11	18
Clements	15	15	30
Clinton	7	7	14
Clontarf	3	3	6
Correll	7	11	18
Cosmos	11	11	22
Cottonwood	7	3	10
Currie	11	15	26
Danube	7	7	14

Region / City	Cost Burden Tier	Incomes < $75,000 Tier	Community Need Total
Danvers	3	3	6
Darwin	11	7	18
Dassel	15	7	22
Dawson	7	7	14
De Graff	3	11	14
Delhi	3	15	18
Dovray	3	15	18
Dundee	3	15	18
Echo	11	7	18
Eden Valley	11	11	22
Edgerton	3	7	10
Ellsworth	11	11	22
Fairfax	11	11	22
Florence	3	15	18
Franklin	15	7	22
Fulda	7	7	14
Garvin	3	11	14
Ghent	15	3	18
Glencoe	11	7	18
Graceville	15	11	26
Granite Falls	11	7	18
Grove	11	11	22
Hadley	3	3	6
Hanley Falls	3	7	10
Hardwick	15	15	30
Hatfield	15	3	18
Hazel Run	3	3	6
Hector	7	11	18
Hendricks	7	11	18
Heron Lake	3	7	10
Hills	7	3	10
Holland	7	3	10
Holloway	11	15	26
Ihlen	3	15	18
Iona	11	11	22
Ivanhoe	7	15	22
Jackson	11	7	18
Jasper	15	15	30
Jeffers	15	15	30
Johnson	3	15	18
Kandiyohi	7	3	10
Kenneth	15	15	30
Kerkhoven	15	3	18
Kinbrae	15	15	30
Kingston	3	3	6
Lake Benton	11	11	22
Lake Lillian	11	11	22
Lake Wilson	3	11	14
Lakefield	11	11	22
Lamberton	7	7	14
Lester Prairie	3	3	6
Lismore	7	15	22
Litchfield	11	11	22
Louisburg	3	11	14

Region / City	Cost Burden Tier	Incomes < $75,000 Tier	Community Need Total	Region / City	Cost Burden Tier	Incomes < $75,000 Tier	Community Need Total
Lucan	15	15	30	Watkins	15	11	26
Luverne	7	3	10	Watson	15	15	30
Lynd	11	3	14	Westbrook	11	15	26
Madison	15	11	26	Wilder	15	15	30
Magnolia	7	15	22	Wilmont	3	7	10
Marietta	11	15	26	Windom	11	3	14
Maynard	11	15	26	Winsted	15	7	22
Milan	7	7	14	Wood Lake	7	7	14
Milroy	11	11	22	Woodstock	3	15	18
Minneota	7	3	10	West Central			
Montevideo	15	7	22	Alberta	7	3	10
Morgan	11	7	18	Ashby	11	3	14
Morton	15	7	22	Audubon	15	7	22
Mountain Lake	11	11	22	Barnesville	7	3	10
Murdock	7	7	14	Barrett	7	11	18
Nassau	7	7	14	Battle Lake	15	15	30
New London	15	7	22	Bluffton	11	3	14
Odessa	15	15	30	Brandon	3	7	10
Okabena	3	3	6	Breckenridge	11	11	22
Olivia	15	11	26	Brooten	15	15	30
Ortonville	11	15	26	Browns Valley	7	15	22
Pennock	7	3	10	Callaway	11	11	22
Pipestone	11	7	18	Campbell	3	3	6
Plato	7	3	10	Carlos	7	7	14
Porter	7	11	18	Chokio	7	11	18
Prinsburg	3	3	6	Clitherall	7	15	22
Raymond	11	7	18	Comstock	3	3	6
Redwood Falls	15	7	22	Cyrus	3	11	14
Regal	3	3	6	Dalton	3	15	18
Renville	7	3	10	Deer Creek	7	11	18
Revere	11	15	26	Dent	15	11	26
Round Lake	3	11	14	Dilworth	15	3	18
Rushmore	15	15	30	Donnelly	7	3	10
Russell	3	11	14	Doran	15	7	22
Ruthton	7	15	22	Dumont	3	3	6
Sacred Heart	3	7	10	Elbow Lake	11	15	26
Sanborn	3	11	14	Elizabeth	11	11	22
Seaforth	15	3	18	Erhard	7	7	14
Silver Lake	3	3	6	Evansville	15	11	26
Slayton	7	7	14	Farwell	7	15	22
Spicer	15	3	18	Felton	11	7	18
St. Leo	15	7	22	Forada	15	7	22
Steen	7	15	22	Foxhome	3	7	10
Stewart	15	11	26	Frazee	7	15	22
Storden	3	3	6	Garfield	3	7	10
Sunburg	15	15	30	Georgetown	15	11	26
Taunton	15	15	30	Glenwood	15	11	26
Tracy	11	7	18	Glyndon	7	3	10
Trosky	15	7	22	Hancock	3	7	10
Tyler	7	7	14	Hawley	11	3	14
Vesta	7	3	10	Henning	15	15	30
Wabasso	7	11	18	Herman	11	15	26
Walnut Grove	11	15	26	Hitterdal	15	15	30
Wanda	3	3	6	Hoffman	15	11	26

Region / City	Cost Burden Tier	Incomes < $75,000 Tier	Community Need Total
Kensington	7	15	22
Kent	3	15	18
Lake Park	11	7	18
Long Beach	7	3	10
Lowry	7	7	14
Millerville	3	7	10
Miltona	15	7	22
Morris	11	7	18
Nashua	3	15	18
Nelson	15	15	30
New York Mills	11	11	22
Norcross	3	3	6
Ogema	11	11	22
Osakis	11	11	22
Ottertail	7	3	10
Parkers Prairie	11	15	26
Pelican Rapids	7	7	14
Perham	11	15	26
Richville	15	11	26
Rothsay	3	3	6
Sabin	7	3	10
Sedan	3	15	18
Starbuck	15	7	22
Tintah	3	15	18
Ulen	15	11	26
Underwood	11	3	14
Urbank	7	7	14
Vergas	11	3	14
Villard	15	11	26
Vining	3	3	6
Wadena	15	15	30
Wendell	3	7	10
Westport	11	3	14
Wheaton	11	11	22
Wolf Lake	3	7	10
Wolverton	3	11	14

Questions

Please direct questions to the designated contact for this RFP: Colleen Meier, Program Manager, Local Government Housing Programs, via the Program's dedicated email address: Tier2cities.mhfa@state.mn.us.

All questions and answers will be posted to Minnesota Housing's Local Government Housing Programs webpage.

For updates about this RFP, sign up to receive Local Government Housing Programs eNews.