



March 11, 2021

Dear Rep. Fue Lee, Chair, and Members of the House Capital Investment Committee,

Metro Cities submits this letter in support of additional state funds to meet the range of locally identified housing needs in the metropolitan region.

Housing infrastructure bonds and general obligation bonds, as included in Rep. Hausman's HF 1634, provide funds that address a variety of housing types. Cities in the metropolitan region apply for state resources which are administered by Minnesota Housing every year. The demand far outstrips available funding. Cities with shovel-ready projects are turned away each funding round, meaning city-supported housing developments must wait another year to apply again. With the metro region projected to gain over 700,000 new residents by 2040, state support is essential to meet the housing needs of Minnesotans who struggle to pay for their homes. Metro Cities supports flexibility in the structure of HIB funds to meet different affordability levels and local housing needs.

City officials recognize that a variety of housing opportunities are crucial to the economic and social well-being of individual communities and the region. Local efforts to support construction of safe, quality homes for current and future residents are wide ranging. City activities that support housing can range from policies (planning and zoning, code enforcement, rental licensing, inspections), to financial (land sales, building sewer and water and transportation infrastructure, reducing fees, local housing trust funds, TIF, and abatement). These municipal supports assist taxpayers, the private market, and state investments in developing and preserving homes.

State funding is a major and necessary component for the provision of housing. Current resource levels are insufficient to meet the needs in the metropolitan region and across the state. We encourage the legislature to include significant housing dollars in its capital investment bill this session.

Respectfully,

A handwritten signature in black ink that reads "Charlie Vander Aarde". The signature is written in a cursive, flowing style.

Charlie Vander Aarde
Government Relations Specialist – Metro Cities