



March 12, 2024

Chair Mike Howard
Housing Finance & Policy
473 State Office Building
Saint Paul, Minnesota 55155

Re: H.F. 4555, Maintenance of effort condition for receipt of local affordable housing aid imposed

Dear Chair Howard and Housing Finance & Policy Committee members:

We write in support of H.F. 4555, which modifies Local Affordable Housing Aid created by the Governor and legislature in the 2023 Session to provide further clarity on key provisions.

Local Affordable Housing Aid is a new model for dedicated, predictable investments in housing initiatives; it provides an amazing opportunity for cities and counties in the metropolitan area to enact creative housing solutions to support the health, wellbeing and economic futures of families and children. MHP has been an advocate for statewide sustainable, predictable funding for affordable homes for decades, and strongly supports this model.

MHP appreciates the clarifications to Local Affordable Housing Aid provided via H.F. 4555, provisions which answer questions we have heard from cities, counties, developers, and advocates about qualified projects and acceptable use of funds. In particular:

- MHP supports the addition of a definition of maintenance of effort, ensuring that Local Affordable Housing Aid funding increases city and county investments in housing, and clarifying the conditions for receiving aid.
- MHP also supports the addition of provisions clarifying that funds can be used to support operations, management, and supportive services of non-profit housing providers, for the purpose of ensuring families do not lose housing and those who are unhoused have access to available and affordable homes. Cities and counties reviewing this new funding source have requested the greatest flexibility possible in how they may support individuals with homes and related services; this new language further clarifies qualifying projects, including financial support to non-profit housing providers.

Thank you for the opportunity to comment on H.F. 4555.

Sincerely,

Libby Murphy
Director of Policy