

April 8, 2024

Representative and Chair Aisha Gomez
3229 Minnesota Senate Building
Saint Paul, MN 55155

Chair Gomez and House Tax Committee Members,

Thank you for the opportunity to share concerns regarding HF4555 (Howard), and its inclusion of a minimum local spending requirement as a condition of receiving Local Affordable Housing Aid (LAHA).

The Minnesota Inter-County Association's (MICA) represents fifteen of Minnesota's larger and faster growing counties, including four suburban and eleven Greater Minnesota counties.

We recognize the essential need for increased investment in housing and related support services, and that the intent of the Local Affordable Housing Aid enacted last session was to increase spending on this essential need. We have appreciated Chair Howard's willingness to meet and consider adjustments to the bill as introduced, including the proposed A-2 Amendment. We remain concerned, however, that imbedding minimum local spending levels into statutes will limit local flexibility to manage budgets, particularly in times of budget downturns. State imposed MOEs have often proved increasingly difficult to administer as time passes and state and local budget priorities adjust to new circumstances. As the legislation is further considered, we respectfully request the legislature not impose statutory minimum spending levels, and if imposed, add a sunset date after which the minimum levels would cease. In particular, minimum spending levels should not apply in the event of any state aid reductions.

Additionally, we appreciate the expansion of 'qualifying projects' to include funding support services. Often, those services are provided directly by county staff, or require additional county effort such as to expand housing assistance, infrastructure, or support services. We encourage allowing LAHA funds to be used to support such direct county expenditures.

Thank you again, Chair Gomez and committee members for your consideration of these concerns, and Chair Howard for your willingness to meet and to continue discussing this legislation.

Sincerely,



Matt Massman, *Executive Director*
Minnesota Inter-County Association