



March 1, 2022

**Re: Support for resources to help address housing and emergency shelter needs in Minnesota cities.**

Chair Lee and members of the House Capital Investment Committee:

The League of Minnesota Cities appreciates the opportunity to voice our support for legislation that provides much needed state resources to assist Minnesota cities in addressing local housing needs across the housing spectrum. The capital investment resources authorized in HF 3244 (Hausman) for Housing Infrastructure Bonds (HIBs) and General Obligation Bonds (GO) are crucial in bolstering the state-local partnership to provide new and preserve existing affordable housing options in cities across the state. The general fund resources appropriated in HF 3090 (Gomez) will support local efforts in addressing homelessness and housing instability in communities by providing additional state funds to expand capacity and existing shelters and secure new facilities that will lead to more emergency shelter capacity.

Cities are concerned about the lack of shelter capacity and affordable housing opportunities across Minnesota and understand that state and local governments as well as private entities all have a role to play in addressing housing needs in our communities. Minnesota cities are innovating and accomplishing much to address needs across the housing spectrum with the limited tools and resources at their disposal in response to some the challenges brought on by market forces outside of city control.

However, the need across the state for the creation and preservation of affordable housing opportunities necessitates an increase in state resources to build more housing and preserve existing housing. The \$400 million authorization of HIBs and \$100 million in GO Bonds called for in HF 3244 will increase the number of diverse affordable housing opportunities that are constructed and preserved as well as provide the resources needed to make progress on a substantial backlog of repairs necessary to preserve and rehabilitate public housing. HF 3244 also adds the financing of more deeply affordable units as an eligible use for HIBs, which are often the hardest units to construct and preserve. When paired with an increased appropriation in HIBs as a resource, allowing HIBs to be utilized for housing that is affordable to households with incomes at or below 50 percent of area median income is an important addition to the list of eligible HIB uses.

Additionally, the \$75 million in one-time funding for emergency shelter facilities grants will provide critical resources to cities who are working diligently to address housing instability by ensuring that all residents have access to stable housing. State assistance in the local response to homelessness by assisting cities in their efforts to add additional emergency shelter capacity by acquiring new facilities and expanding capacity at existing facilities is an important step in addressing homelessness and housing instability in communities across the state.

Please join us in support of HF 3244 and HF 3090. Thank you for your consideration

Sincerely,

A handwritten signature in black ink that reads 'Daniel Lightfoot'.

Daniel Lightfoot  
Intergovernmental Relations Representative  
League of Minnesota Cities