

April 4, 2023

RE: Bring it Home Rental Assistance & Metro Sales Tax (HF2335)



Dear Chair Gomez and members of the Tax Committee

House bill 2335 is a historic investment across the housing continuum that will move the state forward.

Beacon Interfaith Housing Collaborative supports this bill. Beacon is a non-profit that creates homes for those with the lowest income, maintains quality housing, and organizes so all people have a home. We are also a lead organization in the Bring it Home Minnesota campaign.

We applaud the inclusion of rental assistance envisioned by the Bring it Home, Minnesota campaign (HF11). Rental assistance is one of the primary solutions to the housing crisis that our state urgently needs. Over 214,600 Minnesota renter households sacrifice necessities like food and healthcare daily because they cannot afford rent. Housing instability impacts individuals and families, seniors and children, employers and employees in every part of the state.

Rental assistance requires ongoing funding, and we support your creative solution of funding it through a metro-wide $\frac{1}{4}$ sales tax. This new funding source will create more than 3,000 new vouchers in the metro that are desperately needed, plus fund the construction of new homes through local government aid. A direct funding stream for housing and rental assistance is essential to address the housing crisis.

Every tax is a trade-off between costs and benefits. The sales tax cost will be spread out across all the metro residents, while the tax will direct assistance toward households that need it the most. The average voucher holder receives \$1,000 monthly through the voucher, much more than they will pay in tax. This voucher also stops them from experiencing homelessness and receiving more expensive services. Hennepin County currently spends \$5,500 per family per month on shelter.

It is financially worth everyone in the metro paying a little more to stabilize and keep housed the residents who most need it.

These new vouchers will be a transformational first step in creating a Minnesota rental assistance program that can someday serve everyone who needs it.

Thank you,

Ben Helvick Anderson
Vice President of Policy and Organizing
Beacon Interfaith Housing Collaborative