



March 9, 2021

Re: Support for state resources to help address housing needs in Minnesota cities.

Chair Hausman and members of the House Housing Finance and Policy 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 across the state in addressing local housing needs. The resources authorized in HF 979 (Olson) for the Economic Development and Housing Challenge Program and HF 528 (Howard) for Local Housing Trust Fund state match funding will help bolster local affordable housing efforts across the state and provide more affordable housing opportunities across the housing continuum.

Cities are concerned about the lack of 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 the affordable housing needs in our communities. Minnesota cities are innovating and accomplishing much with the limited tools and resources at their disposal to address some the challenges brought on by market forces.

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 substantial increase in investment called for in HF 979 to provide \$22.425,000 fiscal years 2022 and 2023 for the Economic Development and Housing Challenge Program will increase the number of units constructed and preserved to grow workforce housing stock across the state and support local economic growth.

Additionally, the \$10 million in one-time state match funding for Local Housing Trust Funds will incentivize local investment and jumpstart the creation of trust funds as an important tool to address unique housing needs in cities across the state. Local Housing Trust Funds can be utilized in many ways to address locally identified housing needs and can be created to serve the needs of any city in Minnesota by providing a consistent, dedicated revenue stream at the local level for housing. Additional tools at the state and local level will be crucial to address the affordable housing issues that Minnesota cities face across the state.

Please join us in support of HF 528 and HF 979. 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