



April 1, 2022

Dear Chair Marquart and Members, House Taxes Committee:

Metro Cities, representing the shared interests of cities across the seven-county metropolitan area, appreciates the opportunity to comment on HF 3588 - Vang, that would create an affordable housing market value exclusion.

Metro Cities recognizes the significant needs for affordable housing across the metropolitan region, and the association supports strong state investments for new housing development, as well as funding for housing preservation and rehabilitation. Affordable housing and housing affordability require a strong state and local partnership, and significant state and federal support. Cities also play limited but important roles in the provision of housing that include planning, zoning, local infrastructure, and the packaging of financial incentives.

Metro Cities appreciates additional tools aimed at advancing housing but is concerned that HF 3588 puts the responsibility on local property taxpayers to provide supports that are traditionally a state function and responsibility. Local taxes are levied to pay for a range of basic public services, and a fifty percent exclusion as proposed in the bill would have significant implications for local taxes and budgets. Metro Cities' policies generally oppose shifting responsibility for state programs and objectives onto local property taxpayers.

Metro Cities acknowledges opt-in provisions in the bill that were not in a prior version and that provide additional local-level considerations. However, we are concerned that the bill asks cities to contribute financially at a level that is significant locally but still does not meet the scale required to address state or regionwide affordable housing needs. Metro Cities encourages the Legislature to consider appropriating significant state funds for affordable housing and improved housing affordability as tax, capital and spending bills are considered this session. Thank you for your consideration.

Respectfully,

Charlie Vander Aarde  
Government Relations Specialist  
Metro Cities