

April 3, 2024

Representative Mike Howard
Chair of the Committee on Housing Finance and Policy

Re: HF 4169 — Hassan: Minneapolis; affordable housing funding provided, and money appropriated.

Dear Housing Finance and Policy Committee members,

The City of Minneapolis supports HF 4169, which provides the Minneapolis Public Housing Authority (MPHA) with a one-time appropriation of \$35 million to rehabilitate, preserve, equip, and repair more than 700 deeply affordable family housing units. Access to affordable housing is vital for the wellbeing of all residents of Minneapolis, as we know that safe, secure, and sustained affordable housing is a critical foundation for stability in all areas of life.

There is a major need for this type of housing in Minneapolis, as evidenced by the Housing Authority's recent highwater mark of more than 7,500 people on its waitlist for deeply affordable and/or public family housing. More than 80 percent of those on the waitlist are households of color. To help address this unmet need, last year MPHA commenced the construction of its *Family Housing Expansion Project*—a new 84-unit modular built, deeply affordable family homes. The project comprised of 26 two- and 58 three-bedroom units in fourplexes and sixplexes on 16 sites across Minneapolis.

Preserving this critical portfolio of deeply affordable family housing is a top priority. The portfolio's current backlog of capital needs stands at \$33 million. If left unaddressed, the need becomes \$70 million by 2034. Currently, the agency is committing more than \$2 million annually into capital repairs into the portfolio, but that investment is insufficient to address the portfolio's needs. If left to only MPHA's annual contribution, over the next 10 years, the portfolio of homes will end up in far worse condition than they are today and in jeopardy of becoming uninhabitable.

This proposed investment would transform deeply affordable family housing in Minneapolis for a generation. With the \$35 million investment, the agency would complete work over a four-year span, covering both today's capital backlog and future capital needs while driving towards portfolio self-sufficiency by the end of the four-year deployment window.

Thank you for your time and thoughtful consideration of this important and historic piece of legislation.

Yours truly,



Mayor Jacob Frey
City of Minneapolis



Council President Elliott Payne
City of Minneapolis