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March 16, 2023

Representative Dave Lislegard
451 State Office Building
Saint Paul, MN 55155

Chair Lislegard and members of the House Property Tax Division:

On behalf of the membership of the Greater Minnesota Partnership, which includes businesses, local governments, chambers of commerce, and nonprofits, from throughout Greater Minnesota, I am pleased to submit this letter of support of support for HF1285.

One of the biggest economic development challenges we face in Greater Minnesota is building housing to support our workforce. As you can see from the attached report, Greater Minnesota is suffering from market failure in our housing industry. For single family homes, the cost to produce a new house is more than what that house will appraise for. And for multi-family rental properties, the rents that our market can support are too low to finance the construction of new units. In order for new housing to be built, in almost every one of our communities, the project will require financial assistance from the state or the local government.

While there are significant programs at the state level, and tools at the local level, the vast majority of resources are targeted at building new income-restricted housing, including Housing TIF. Unfortunately, the biggest need in Greater Minnesota is housing that supports our workforce – workers and families who have good jobs and good income, but cannot access appropriate housing because they make too much to qualify for income-restricted programs, but fall victim to the realities of our housing market failure.

The change included in HF1285, which expands the ability of local governments in Greater Minnesota to use Housing TIF to address the full-spectrum of housing needs in our communities, will be an important tool for our local communities to address their local housing needs. It will be an important tool to build the housing that our families need. And it will be an important tool to support job creation and expansion in Greater Minnesota.

With gratitude,

Scott H. McMahon
Executive Director

*The Greater Minnesota Partnership advocates for public policies and investments
that stimulate prosperity throughout Greater Minnesota.*