

House Housing Finance and
Policy Committee
473 State Office Building
St. Paul, MN 55155



Dear Chair Howard and Members of the Committee,

March 12, 2024

The Metropolitan Consortium of Community Developers (MCCD) is an association of nonprofit community development organizations and Community Development Financial Institutions (CDFIs) committed to expanding the wealth and resources of communities through housing opportunities and economic development initiatives. MCCD's mission to build strong and stable communities can only be achieved by addressing the harms and inequities that have shaped housing and economic development policies at every level of government. These policies have prevented Black, Indigenous and People of Color (BIPOC) and other communities from achieving housing stability, accessing capital, and building generational wealth.

We ask that you support HF 4555 to ensure that the Metro Sales and Use Tax for Housing is used effectively to address the metro's housing needs. This bill makes the following clarifications that are critically needed:

- Cities and counties receiving funds should maintain their locally funded housing expenditures at a level that is consistent with previous commitments. MCCD believes it is crucial that local governments continue to invest in housing, in addition to the new funds from the tax.
- Funds from the tax can be used to finance property operations, security services, and management of financially distressed residential properties. The purpose of the tax is to address the full continuum of housing needs, including preserving existing affordable housing units. Without financing the operations of affordable housing properties, we risk losing thousands of affordable units over the next year and a half.
- Proceeds from the tax can be used to fund supportive services or staff for supportive services providers for supportive housing.

These clarifications are critical to ensuring that the proceeds from the tax can be used flexibly to address each counties' unique housing needs, and we would appreciate the committee's support of HF 4555.

Thank you for your time and consideration. MCCD and our members would like to make ourselves available for any additional information to best help inform your decisions. Please reach out to Kelly Law, Senior Policy and Field Building Advisor at MCCD, 612-814-0760 or klaw@mccdmn.org, should you need any further information now or throughout the legislative session.

Sincerely,

Elena Gaarder

Elena Gaarder
Chief Executive Officer, MCCD