



March 1, 2023

Dear Chair Howard and Members of the House Housing Finance and Policy Committee,

Metro Cities, representing the shared interests of cities across the seven-county metropolitan area, appreciates the opportunity to comment on HF 1419 – Howard, that would establish a state aid for local housing needs.

There are significant needs for affordable housing across the metropolitan region, and Metro Cities supports strong state investments for new housing development, as well as housing preservation and rehabilitation. Affordable housing and housing affordability require a strong state and local partnership, and significant state and federal support.

The housing development market in many parts of the region is cyclical, and housing construction is largely a market-based activity. Cities 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 the flexibility in HF 1419 that allows cities to transfer housing aid into a local housing trust fund. Additionally, other outlined uses in the bill allow cities flexibility to respond to local housing needs.

Metro Cities supports robust funding for affordable housing and improved housing affordability as bills are considered this session, including the aid proposed in HF 1419.

The statutory placement for the aid program is proposed to be in the local government aid statute, M.S. 477A, which provides for general purpose aid. Given that this aid is specifically directed to housing, Metro Cities would encourage the committee to consider placing the aid with statutes that have direct nexus to housing funding.

Thank you for your consideration of this letter.

Respectfully,

A handwritten signature in black ink that reads "Ania McDonnell". The signature is written in a cursive, flowing style.

Ania McDonnell
Government Relations Specialist
Metro Cities