



February 17, 2022

Dear Members of the House Housing Finance Policy Committee:

The League of Minnesota Cities, Coalition of Greater Minnesota Cities, Minnesota Association of Small Cities, Metro Cities, and Municipal Legislative Commission support HF 2880-Hausman, the Comprehensive Housing Spectrum Act. Cities currently innovate and provide support with limited resources to preserve, attract, and develop a mix of housing stock that meets the unique needs of their communities, but a state-local partnership is crucial if we are to address the state's housing challenges in a comprehensive way.

We believe that robust state resources and policies that bolster local efforts are proven housing solutions. HF 2880 takes a comprehensive approach grounded in four important key principles:

Address the full spectrum of housing from NOAH preservation to new market rate homeownership:

- HF 2880 includes \$50 million in FY 2023 for grants and loans to qualified owners of Naturally Occurring Affordable Housing (NOAH) that would support the most cost-effective way to provide housing affordable opportunities to residents by preserving the homes we have.
- HF 2880 includes state resources supporting the construction, acquisition, and preservation of housing stock throughout the spectrum with additional funding for Housing Infrastructure Bonds, Economic Development and Challenge Fund Grant Program, public housing rehabilitation, and Local Housing Trust Fund state matching grants.

Support local innovation when cities are addressing housing needs in their communities:

- Many cities are doing their best to attract development, including using taxpayer dollars to provide water and sewer infrastructure for homes. HF 2880 would provide resources to help cities with the cost of providing this necessary and costly infrastructure for workforce housing in Greater Minnesota cities where it is has proven difficult to attract residential development.

Provide incentives to support city efforts that meet diverse local housing needs:

- Cities continue to innovate, to employ local resources, and to advance policy that supports affordable development and preservation. HF 2880 seeks the state's support by creating a housing cost reduction incentive program to reimburse cities that provide incentives for developers who build affordable single- and multi-family units.

Provide community-specific solutions to address housing needs across various cities throughout Minnesota:

- While other housing policy proposals focus only on one aspect of the housing spectrum, HF 2880 provides resources that are flexible and deployable across the entire state. One example is that the bill would allow a city to take a more active role in development when the market fails to build needed homes to support growing local economies.

Thank you for the opportunity to provide comments on HF 2880, the Comprehensive Housing Spectrum Act. We look forward to continuing working with the legislature to address housing challenges impacting our cities.

Sincerely,

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