



DEDICATED TO A STRONG GREATER MINNESOTA

May 7, 2025

**Re: S.F. 2298 – Housing Omnibus Bill**

Dear Chairs Igo, Howard, Port, and Members of the Conference Committee,

On behalf of the Coalition of Greater Minnesota Cities (CGMC), which represents over 100 cities across Greater Minnesota, we wanted to offer our comments on your respective Housing Omnibus bills. Given the state's current fiscal budget constraints, we thank both the House and Senate for including funding for essential housing programs in their respective bills. As described below, we are particularly supportive of the House's level of investment over the next biennium and urge the Conference Committee to adopt their approach.

**Funding for Infrastructure and Other Housing Needs**

We thank the chairs of both the House and Senate Housing Committees for including funding for the **Greater Minnesota Housing Infrastructure Program**. In most communities throughout Greater Minnesota, it is more expensive to build a home than it can be rented or sold for, and infrastructure costs contribute to that market failure. This program will help bridge that gap, and we are very appreciative of the support. We hope that the Conference Committee adopts the House's level of funding.

The House also increased funding for the **Workforce Housing Development program** by \$10 million for FY26. In Greater Minnesota, the need for workforce housing is high, and these additional resources would facilitate the construction of much-needed residential units. We also appreciate the House's FY26 increase in funding for the **Challenge program** to assist with the development of more affordable housing. We urge the Conference Committee to adopt both of these proposals.

Finally, we strongly support the inclusion of \$100 million in **Housing Infrastructure Bonds**, which will help our communities meet their housing challenges. We urge that this provision be included here or in a bonding bill.

**Amendment to State Housing Tax Credit**

We appreciate the Senate's inclusion of policy language that will allow projects receiving funding from the **Workforce Housing Development Program** to combine those resources with funds raised through the **State Housing Tax Credit Program** (lines 12.3 – 17.5). This change will allow more resources to be dedicated to workforce housing throughout the state. Please include this in your final bill.

**Local Actions to Support Housing**

The House version also contains language directing the Minnesota Housing Finance Agency (MHFA) to award up to 5 additional points to projects located in jurisdictions that meet criteria aimed at promoting housing. We appreciate the efforts of both House co-chairs to work with us on refining the language to alleviate our concerns about its potential impacts on Greater Minnesota. Even more importantly, we appreciate their understanding of our larger concerns about how the MHFA's criteria overall impact communities in Greater Minnesota and their suggestion of language to help mitigate those concerns.

We also believe that how the MHFA develops and implements this scoring regime is important. We appreciate that the House language directs the MHFA to engage with local government groups such as the CGMC. That work will be very important going forward, and we are anxious to work with the agency and other stakeholders to ensure the best implementation possible. In addition, we hope to work with the chairs from both bodies to continue to monitor and assess the overall implementation of the MHFA programs and the impact on Greater Minnesota.

Our communities are working diligently to support and attract additional housing development, and the resources appropriated in this bill will help further that work. We welcome the chance to work with you to continue to address housing challenges in Greater Minnesota and thank you for this opportunity to weigh in on this bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Bradley Peterson". The signature is fluid and cursive, with the first name "Bradley" written in a larger, more prominent script than the last name "Peterson".

Bradley Peterson, Executive Director  
Coalition of Greater Minnesota Cities

A handwritten signature in black ink, appearing to read "Elizabeth Wefel". The signature is written in a cursive style, with the first name "Elizabeth" being more legible than the last name "Wefel".

Elizabeth Wefel  
Coalition of Greater Minnesota Cities