



June 21, 2021

Members of the House Housing Finance and Policy Committee,

On behalf of the 835 member cities of the League of Minnesota Cities, we thank you for the opportunity to submit comments as the committee considers First Special Session, HF 4, the omnibus housing finance and policy bill agreement.

Housing Appropriations: Article 1

Economic Development & Challenge Fund Grant Program

The League supports the \$2.8 million one-time funding increase in FY 22-23 (Art. 1, Sec. 3) for the Economic Development & Challenge Fund Grant Program. Additional funding for this flexible program will result in more housing projects being completed and will positively impact local economic development that comes with adequate affordable housing options for the local workforce.

Workforce Housing Development Program

The League appreciates the provision of \$2 million in base level funding (Art. 1, Sec. 3) over the next biennium for the Workforce Housing Development Program. This program is critical in assisting small to mid-size communities in Greater Minnesota with locally identified workforce housing needs.

Manufactured Home Park Infrastructure Grants

The League supports the one-time \$1.75 million funding increase in FY 22-23 (Art. 1, Sec. 3) for Manufactured Home Park Infrastructure Grants. Increased funding will assist more manufactured home park communities in addressing critical infrastructure improvements with grant resources that often leverage support from local municipalities.

Workforce Homeownership Program

The League supports the one-time \$3.25 million funding increase in FY 22-23 (Art. 1, Sec. 3) for the workforce and affordable homeownership development program that provides grants to eligible applicants, including cities, for the development of workforce and affordable homeownership projects.

Owner-Occupied and Rental Housing Rehabilitation

The League appreciates the inclusion of base level funding over the next biennium (Art. 1, Sec. 3) for the Owner Occupied and Rental Housing Rehabilitation programs. Preservation of existing affordable housing stock, both rental and owner-occupied, is a critical component of addressing needs across the housing continuum.

Local Housing Trust Fund State Matching Grants

The League supports the inclusion of \$1 million in one-time funding (Art. 1, Sec. 3) to provide resources for Local Housing Trust Fund matching grants to support existing trust funds and bolster the development of new local housing trust funds across the state. Local Housing Trust Funds serve as an important and flexible tool for cities to address housing needs.

Housing Policy: Article 2

Rehabilitation Loan Amount Increase

The League supports the language in Art. 2, Sec. 7 that increases the maximum rehabilitation loan amount from \$27,000 to \$37,500. This increase will make available more resources for qualifying homeowners seeking to rehabilitate and preserve their homes.

Bonding Provisions: Article 4

Housing Infrastructure Bonds

The League strongly supports the authorization for issuance of \$100 million in housing infrastructure bonds (Art. 4, Sec. 1). Additional bonding resources for housing will continue to support efforts across the housing continuum and bolster local efforts to address locally identified housing needs.

Omitted Items

Preemption of city zoning and land use authority and comprehensive plan changes

The League appreciates the omission of any policy language that broadly preempts the ability for cities to respond to locally identified housing needs. Omitting language that sought to preempt local zoning authority by limiting planned unit develop (PUD) conditions and prohibit certain architectural design standards reinforces that cities are in the best position to address local zoning and response to local needs. The omission of this language avoids a one-size-fits-all approach that would eliminate the uniqueness of our communities.

Naturally Occurring Affordable Housing Program

While the League recognizes the constraints of a limited budget target, we are disappointed that the one-time appropriation for the creation of a naturally occurring affordable housing program to assist with preservation efforts is not included in the bill. This program would have helped ensure existing naturally occurring affordable housing units remain available to individuals and families with incomes at or below 60 percent of area median income.

Thank you for your consideration of our positions on the above provisions in the First Special Session, HF 4, the omnibus housing finance and policy bill agreement.



Daniel Lightfoot
Intergovernmental Relations Representative
League of Minnesota Cities