

March 4, 2024

Representative Michael Howard, Chair, Housing Finance and Policy Committee
473 State Office Building
St. Paul, MN 55155

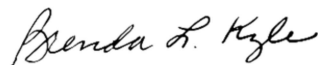
Dear Chair Howard and Committee Members:

On behalf of the 1,700+ members and affiliates of the St. Paul Area Chamber, who represent more than 3 million employees and their families, we would like to express our concern with H.F. 3350, which would limit rent increases in senior housing projects using low-income housing tax credits (LIHTC).

Though the City of Saint Paul's rent stabilization ordinance has had negative impacts on housing starts and multifamily real estate transactions, even our ordinance does not go so far as to place limits on LIHTC units. The City Council recognized that LIHTC units are already subject to federal guidelines and a local rent increase limitation would only cause confusion and disrupt investment in affordable housing.

As the committee is aware, Minnesota is short 131,000 housing units. Under your committee's leadership, Minnesota made a historic investment in housing production and affordability last session. Most of these resources still need to be deployed. Capital investors operate in a national and international ecosystem of assessed risk. Even the limited units included in this bill would put the State of Minnesota into the risk pool and stifle investments in housing development. Thank you for your consideration of our position.

Respectfully,



B Kyle President & CEO
St. Paul Area Chamber

CC: Representative Zack Stephenson

