

June 16, 2021

Chair Marquart  
597 State Office Building  
St. Paul, MN 55155

Chair Nelson  
95 University Ave W  
St. Paul, MN 55155



[www.mhponline.org](http://www.mhponline.org)

2446 University Ave W, Suite 140  
Saint Paul, MN 55114-1740

p: 651-649-1710  
800-728-8916  
f: 651-649-1725

RE: Housing Investments in the Omnibus Tax Bill

Dear Chair Marquart, Chair Nelson, and Members of the Tax Conference Committee,

This year's tax bill establishes new, ongoing investments in homelessness prevention and affordable homes. Additionally, property tax provisions support local housing needs and make existing development tools more flexible.

**Thank you for establishing and funding the Affordable Housing Trust Fund at \$10 million annually.**

Minnesota's lack of affordable homes impacts everyone, everywhere across our state. Housing production is not keeping up with demand and the loss of affordable homes is accelerating. The Affordable Housing Tax Credit is an opportunity to invest in a program intended to spur creativity and incentivize broader public participation. We fully endorse innovative public private partnerships like this one to ensure an adequate supply of housing to Minnesotans across income levels.

Too many youths and families are bearing the consequences of our broken housing system. \$20 million annually in the Local Homeless Prevention Aid is a value statement and **we applaud lawmakers for envisioning a Minnesota in which no child experiences homelessness.**

Additionally, **we thank the committee for providing temporary tax relief to affordable housing providers.** Escalating valuations on affordable housing means the Class 4d tax rate is not providing the benefit originally intended. Property tax relief is critical to ensuring affordable housing providers can maintain affordable rents and reinvest in their properties so that residents have access to safe, decent homes. We look forward to working with lawmakers, Minnesota Housing, and the Department of Revenue as they study the impacts of a more significant rate reduction.

We are pleased to see lawmakers support Local Housing Trust Funds. Allowing some cities to direct increment generated by a housing TIF district to be transferred to an affordable housing trust fund will **help these cities flexibly and uniquely address their housing needs.**

Thank you,

A handwritten signature in black ink that reads "Anne Mavity".

Anne Mavity, Executive Director