



Chair Ginny Klevorn
Minnesota House: State and Local Government Committee
581 State Office Building
St. Paul, MN 55155

RE: HF4010 - Residential in Commercial Zones Initiative

Dear Chair Klevorn and members of the House State and Local Government Committee,

Housing is a critical issue across the state, and the St. Cloud area is no different. The region's largest employers - health care, education, and manufacturing - have identified housing as a critical issue for their employees and organizations. The lack of housing in our communities has caused housing prices to increase at a pace that is not sustainable.

Building more housing of every type at every income level is critical to St. Cloud's success. To draw people to our community, we must have places for people to live. **HF 4010** makes it easier to create homes where people want to live.

Creating mixed use spaces that are economically resilient, culturally vibrant, and walkable is essential to attracting new residents and employees to our community. Surveys of Central Minnesota show that 70% of millennials want to live in walkable, urban areas. Blending housing and commercial activity and creating more mixed-use spaces is how we create those areas.

Mixed use spaces also help ensure our downtowns are resilient to changing economic conditions. Downtowns that are doing well today mix housing, commercial and recreational activities. Downtowns that are struggling are those that zone strictly for commercial.

Creating vibrant, livable communities is what helps increase our tax base, increase land values, provide more efficient use of existing public infrastructure, reduce sprawl, and enhance livability of neighborhoods. Multifamily housing in commercial districts is good for the tax base as it brings people closer to services and amenities they need and want. Apartments, while taxed at a different rate than commercial properties, are highly valuable properties that generate significant new tax revenue. The people living in these apartments spend money in the community and support school levies. These uses also more creatively and efficiently prevent shifting property tax burdens of undervalued properties and land onto existing homeowners and renters.

Given the scope of Minnesota's housing shortage, this is a critical piece of the puzzle that will enable communities to address their housing challenges. **The scale of this shortage requires state action like HF 4010.**

Thank you,

Dave Kleis, Mayor