



March 3, 2025

RE: H.F. 1548

Chair Igo and members of the Housing Finance and Policy committee,

Minnesota Housing Partnership (MHP) writes in support of H.F. 1548. Local Housing Trust Funds (LHTF) are a consistent, flexible resource for housing within a local jurisdiction. LHTFs enable communities to prioritize development that maximize benefit to the local community. From big to small, rural to metro, LHTFs can serve the housing needs of communities of all types and sizes.

Minnesota has seen a steady increase in LHTFs to provide homebuyer assistance, preserve homes, build new homes, create deeper affordability, and provide housing stability. MHP has provided direct community development services to numerous rural communities to establish LHTFs and published the LHTF MN manual. LHTFs are critical tools to addressing Minnesota's housing needs. LHTFs give communities flexibility to respond to local community needs.

In 2017, the Minnesota Legislature defined a LHTF in law, providing clarity to assist local jurisdictions with housing investments. Between 2022 and 2023, the legislature appropriated \$4.8 million in matching funds to incentivize the creation of more trust funds. The Local Affordable Housing Aid and Statewide Affordable Housing Aid programs allow communities to "spend" funds by transferring funds into a LHTF, allowing communities more time to plan and execute.

H.F. 1548 will allow housing and redevelopment authorities (HRAs) to establish a LHTF. With more and more legislation allowing communities to transfer resources to a LHTF, MHP believes it makes to include HRAs in the enabling legislation.

Minnesota Housing Partnership (MHP) expands housing and community development opportunity for those most impacted by economic and racial disparities by leading collaborative work to promote systems change and grow equitable development capacity. For more than 30 years, MHP has accomplished this mission by producing data-informed research, advocating for equitable housing policy, and providing community development services across the US.

Thank you for your attention and your work on behalf of the State of Minnesota.

Sincerely,

Libby Murphy
Director of Policy