



March 15, 2022

Dear Chair Marquart and Members, House Taxes Committee:

Metro Cities, representing the shared interests of cities across the seven-county metropolitan area, appreciates the opportunity to comment on HF 3982 – Howard, that would establish a state aid for local housing needs.

There are significant needs for affordable housing across the metropolitan region, and the association supports strong state investments for new housing development, as well as funding for housing preservation and rehabilitation. Affordable housing and housing affordability require a strong state and local partnership, and significant state and federal support.

The housing development market in many parts of the metropolitan region is cyclical and housing construction is a market-based activity. Cities play limited but important roles in the provision of housing that include planning, zoning, local infrastructure, and the packaging of financial incentives. Metro Cities appreciates the flexibility in the bill that would allow cities to transfer housing aid into a local housing trust fund to respond to private sector and nonprofit development proposals. Additionally, other outlined uses in the bill allow cities flexibility to respond to local housing needs.

The statutory placement for the aid program is proposed to be in the local government aid statute, M.S. 477A. Metro Cities supports local government aid for cities and also its purpose as a general aid. Given that the housing aid is specifically directed to housing, Metro Cities would suggest the committee consider placing the aid with other statutes that also have direct nexus to housing funding and will continue to work with the author and committee on this suggestion.

Metro Cities supports robust funding for affordable housing and improved housing affordability as capital and spending bills are considered this session, including the aid proposed in HF 3982. Thank you for your consideration.

Respectfully,

Charlie Vander Aarde
Government Relations Specialist
Metro Cities