



May 8, 2025

Re: SF2298 (Igo)

Dear Chairs Port, Igo, Howard and Conferees,

On behalf of the Greater Minnesota Partnership (GMNP), an organization focused on expanding economic prosperity in Greater Minnesota, I wanted to provide feedback on the respective Housing Omnibus bills. We continue to be enthusiastic about the level of funding contained in the House bill and urge the Committee and legislative leaders to follow the House's lead when investing in housing over the next biennium. Communities throughout Greater Minnesota have consistently identified that housing is critical to their communities' success. Housing provides a foundation for stability, well-being, and opportunity for Minnesotans, impacting everything from health and education to economic mobility. A secure, affordable home allows individuals and families to thrive, access better jobs, and contribute positively to their communities. Affordable housing also helps communities attract and retain key businesses.

I also wanted to provide additional feedback on several key items in the Housing Omnibus bills:

- Both the House and Senate bills funded the **Greater Minnesota Housing Infrastructure Program**; with ongoing resources provided in the Senate bill and a significantly higher level of funding included in the House bill. These resources are crucial to closing the housing cost gap in Greater Minnesota and we urge the Conferees to include funding for this critical program as you negotiate a final bill. As multiple testifiers in both Committees shared, the cost to construct a unit of housing is more expensive in Greater Minnesota than our communities can support in rent or mortgages and these investments will help to close that gap.
- The House bill also includes an increase of \$10 million in FY26 for the **Workforce Housing Development Program**. This program will also continue to support economic vitality in Greater Minnesota communities, and we urge you to include additional resources for this program in the final bill.
- Additionally, the House bill included a FY26 increase for the **Challenge program**. This program is a flexible source of state housing funding that can assist in the development of affordable housing that will benefit local economies in Greater Minnesota and additional resources for the program should be included in a final bill.
- The House bill also authorizes \$100 million in **Housing Infrastructure Bonds**. These resources would also assist Greater Minnesota communities to meet their housing challenges and should be included in the final bill here or in a bonding package.
- I additionally wanted to share our appreciation for the **policy language** found at 17.3 - 17.5 in the Senate bill that will allow projects receiving funding from the Workforce Housing Development Program to couple those resources with funds raised through the **State Housing Tax Credit program**. This policy change will allow community members and businesses to contribute resources toward their

city's housing needs through the State Housing Tax Credit program in support of needed workforce housing and should be included in the final bill.

- Finally, at GMNP, our members are focused on cross-sector collaboration and innovative solutions to the housing shortages in Greater Minnesota communities. Thank you again to the House members for working with us on the language at 12.24 -13.23 **"Local actions to support housing"** in the House bill. This language provides incentives for Minnesota Housing's competitive development programs when located in communities that have ordinances and zoning with specified elements around housing development and affordability. This language is a welcome approach to changing local housing policies.

Our communities are working diligently to support and attract the development of additional housing, and this bill will help further that work. We welcome the chance to work with you to continue to address housing challenges in Greater Minnesota and thank you for this opportunity to weigh in on this bill.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Danielle', with a long, sweeping horizontal line extending to the right.

Danielle Dannen, Executive Director
Greater Minnesota Partnership