

Rep. Michael Howard
Chair, Housing Finance and Policy Committee
473 State Office Building
St. Paul, MN 55155



Dear Chair Howard and Committee members:

We are writing in strong support of Governor's recommendation (**HF2335/SF2566**) for \$40 million one-time investment in the Workforce Housing Development Program, 462A.39.

Housing is the number one impediment to our community's stabilization, growth and general economic development. Our needs include home ownership, multifamily rental units, senior housing, units for our disabled residents, and both full-time and seasonal workforce.

Our excellent broadband and terrific quality of life attracts new residents with financial resources; this drives up home values. More than half of our housing stock is used as second homes and over ten percent of year-round homes are used as short-term rentals. Since the COVID-19 pandemic, the median sale price for single family homes has increased by 80%, over \$150,000 per home to \$400,000. Given the median household income of \$60,000, many residents are becoming cost-burdened from housing.

Over 90% of the land in the County is publicly owned forest and park land, leaving little for development. Much that remains is either already developed, has ledge rock or wetlands, is on a steep slope or is dedicated for drainage into Lake Superior. These increase the cost of infrastructure and stormwater management. Given these factors, along with our geographic isolation and harsh climate, the cost of construction is well above many areas in the state and renders Cook County one of the most difficult places to build in the country.

Cook County projects are not eligible for many of the programs that provide public funds in support of housing. Grand Marais is our only legally organized City and the only place offering public infrastructure, but we have housing needs in centers of commerce in our townships and in rural areas that do not qualify for programs that require municipal water and sewer.

Community leaders have worked diligently to meet our housing needs. Public and private partnerships have resulted in development of 60 units of workforce housing. Nevertheless, a 2022 housing needs analysis projects that we need over 500 new units in the next four years. In November 2021 the County Board created a Housing and Redevelopment Authority ("HRA") to increase our capacity to tackle this challenge. Since its inception, the HRA has been actively pursuing funding and developers and working with local and regional partners to set the table for development.

We appreciate the many and complex housing needs facing Minnesotans. The Workforce Housing Development Program is a key tool for rural communities like Cook County to address these needs. Thank you for your support.

Sincerely,

A handwritten signature in cursive script that reads "Linda Jurek".

Linda Jurek
Executive Director
Cook County Chamber of Commerce

A handwritten signature in cursive script that reads "Jason Hale".

Jason Hale
Executive Director
Cook County HRA