

April 10, 2019

Chair Carlson and Members of the Ways and Means Committee:

I write to provide feedback on HF1151, the Omnibus Housing Finance Bill.

In my first few months on the job, I've had the opportunity to travel throughout the state. Regardless of where I go and with whom I speak, one thing has become clear: we need more housing. We need more housing available at all income levels, for all types of households, everywhere in Minnesota. In fact, we need over 50,000 additional homes to address the current shortage, particularly for households who earn less. In the next decade, we need over 300,000 new homes just to keep pace with growth. The private market and existing tools take care of some of that, but what is required is a 50% increase in production over the status quo. The private market cannot and will not do this without state investment.

As you are all aware, the Governor's revised budget made adjustments to his recommendations for nearly every state agency. Minnesota Housing was an exception because housing is foundational to everything we do. Whether it's supporting economic growth in greater Minnesota, creating housing stability for children going to school, or closing the homeownership gap, meeting the housing needs of more Minnesotans ensures that the investments we make as a state go as far as possible.

I'm aware the budget target for the Housing Policy and Finance committee matched the Governor's, and we appreciate the inclusion of his recommendation for Homework Starts with Home. Funding this proven program in the base will allow resources to reach more areas of the state, and stabilize more families and children in school. Given the committee heard a number of funding requests that weren't part of the Governor's budget, I'm glad to see there's still some overlap in other programs, such as Challenge, FHPAP, Bridges, Local Housing Trust Funds, and Homeownership Capacity Program.

In my brief time in this role, I've heard from my counterparts in other states that I "got the good one." That is, the way we do our work at Minnesota Housing is looked to as a model for the entire country. Much of our success is due to our partnership with the legislature, which allows us to reach people we otherwise wouldn't. I look forward to continuing this strong partnership and working with you in the remaining weeks of session to create an outcome that will meet the housing needs of more Minnesotans.

Sincerely,



Jennifer Leimaile Ho
Commissioner