



February 16, 2022

RE: H.F. 2880

Dear Chair Hausman and House Housing Finance and Policy Committee Members,

Minnesota Housing Partnership supports several of the provisions in H.F. 2880. The bill includes funding for several programs that MHP believes are critical to producing and preserving more homes and expanding access and opportunity to more families. MHP urges lawmakers to:

- **Invest \$500 million in bonds for housing** (Sec. 4. & Sec. 16.). \$400M in Housing Infrastructure Bonds will create and preserve over 2,500 units and \$100M in General Obligation Bonds will rehab an estimated 1,000 units of public housing, which provides some of the most affordable housing to Minnesotans throughout the state;
- **Expand Housing Infrastructure Bond eligible use to include deep affordability** (Sec. 4. lines 6.9 - 6.14). There is a severe shortage of housing that is available and affordable to households at or below 50 percent of area median income. This proposed new use will provide housing opportunities for households currently experiencing cost burden, housing instability, and homelessness, which disproportionately impacts Minnesota's most marginalized communities, especially Black, Indigenous, and other people of color (BIPOC);
- **Appropriate \$10 million for Local Housing Trust Funds (LHTF) state match** (Sec. 17.). These funds will help incentivize communities to create LHTFs and enhance existing investments. LHTFs are a creative and useful tool for communities to harness dedicated funds for housing. LHTFs offer local governments nearly unlimited flexibility to create programs and outcomes to address local community needs. Local governments across the state are turning to LHTFs as part of a broader solution towards strategic, cost-effective, long-term, and partnership-driven housing investments.
- **Prioritize Naturally Occurring Affordable Housing (NOAH)** (Sec. 14.). The loss of NOAH homes destabilizes families and communities. While we appreciate the proposed investments in NOAH, MHP will continue to work with committee members to secure funding beyond what is proposed in this bill.
- **Increase investments to the Challenge Fund Program** (Sec. 13.). The Challenge Fund is a flexible source of needed gap funds for multifamily and single-family development. As the cost of materials and labor have risen in the past several years, it is imperative lawmakers adequately fund this oversubscribed program.

Additionally, in our work to provide direct technical assistance to communities throughout Minnesota and our convening of Greater Minnesota developers, we are keenly aware of the need for the infrastructure funds proposed in this bill.

Lastly, we are intrigued by several new provisions that would provide local jurisdictions with more resources and policies to spur the production and preservation of more homes. We look forward to working with committee members and Chair Hausman to further explore these provisions.



Thank you for the opportunity to comment on H.F. 2880,

Libby Murphy
Director of Policy
Minnesota Housing Partnership