



February 17, 2022

RE: Support for HF2880, Comprehensive Housing Spectrum Act

Dear Chair Hausman and members of the House Housing Finance Policy Committee:

On behalf of the Greater Minnesota Partnership—a collaboration of businesses, local governments, nonprofits, chambers of commerce, and colleges and universities focused on advocating for economic prosperity in Greater Minnesota—I write today to express our support for the housing provisions included in HF2880.

Housing, or the lack of adequate housing throughout Greater Minnesota, is one of our greatest economic development challenges. While Greater Minnesota has thousands of available jobs — with good wages — and can offer a high quality of life and a lower cost of living, the housing shortage makes it difficult for our employers to attract, recruit, and retain our necessary labor force. This has a negative impact on our businesses and communities, as well as on the economies of our regions and the state.

As an organization representing private and public leaders from across Greater Minnesota, one of the things we know is that housing issues vary from community to community. As a result, the potential solutions to housing issues also vary from community to community. While Minnesota is one state, one-size-fits-all solutions are not the answer. The power of HF2880 is that it recognizes the complexity of the issue and provides local communities with the flexibility and tools needed to address their individual housing needs, whether it is affordable, workforce, or senior housing, single family or multi-family.

While there are many provisions in HF2880 that will have a positive impact in Greater Minnesota, I want to call to your attention the Greater Minnesota Housing Infrastructure Grant program outlined in Section 1. Throughout our communities, the biggest housing issue is the lack of available workforce housing for the first-year teacher, a new nurse, a new worker with a manufacturer. Too often, these workers earn too much money to qualify for state income-restricted programs, but they do not have enough cash to build their own home and cannot secure financing because the house that costs \$250,000 to build only appraises at \$200,000. This program would provide grants to local governments to help cover the cost of public infrastructure needed for new workforce housing development, which will help decrease the production cost for the developer and thereby reduce the purchase price for the family, bringing the final cost more inline with what the local market will support. This program will have a significant impact on the ability to address one of Greater Minnesota's biggest housing and economic development issues.

Thank you for the opportunity to provide our comments on HF2880, and we look forward to working with the committee this session to address Greater Minnesota's housing needs.

With gratitude,

A handwritten signature in blue ink that reads "Scott H. McMahon".

Scott H. McMahon
GMNP Executive Director