



March 24, 2022

Re: Support for HF 443 – State assistance to preserve Naturally Occurring Affordable Housing

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

The League of Minnesota Cities appreciates the opportunity to voice our support for legislation that provides much needed state resources to assist Minnesota cities across the state in preserving Naturally Occurring Affordable Housing (NOAH). Preservation of existing affordable housing stock is the most cost-effective way to provide affordable housing options and is a critical part of the housing spectrum in a city. The \$50 million in one-time funding authorized in HF 443 (Howard) to provide loans or grants to help preserve NOAH properties is a crucial first step in bolstering the state-local partnership to mitigate tenant displacement and ensure that these units remain affordable to residents. Statewide, our communities are losing more multi-family and single-family NOAH housing stock each year than are preserved and emerging housing trends including corporate investor purchasing of single-family housing stock will only exacerbate the loss of NOAH.

Cities are concerned about the lack of affordable housing opportunities across Minnesota and understand that state and local governments as well as private entities all have a role to play in addressing the affordable housing needs in our communities. Minnesota cities are innovating and accomplishing much with the limited tools and resources at their disposal to address some the challenges brought on by market forces. This includes working to prevent the elimination of NOAH properties

However, the need across the state for the preservation of affordable housing opportunities necessitates an increase in state resources to not only build more housing but preserve existing affordable housing. The \$50 million called for in HF 443 will increase the number of units preserved and will mitigate the painful displacement of residents that often happens when NOAH properties are sold to investors.

Please join us in supporting state assistance in HF 443 to increase NOAH preservation efforts

Sincerely,

A handwritten signature in black ink that reads 'Daniel Lightfoot'. The signature is written in a cursive style with a large initial 'D' and 'L'.

Daniel Lightfoot
Intergovernmental Relations Representative
League of Minnesota Cities