



February 1, 2023

**Re: Support for resources to help address housing needs in Minnesota cities.**

Chair Howard 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 in addressing local housing needs across the housing spectrum. The capital investment resources authorized in HF 302 (Howard) for Housing Infrastructure Bonds (HIBs) and General Obligation Bonds (GO) are crucial in bolstering the state-local partnership to provide new and preserve existing affordable housing options in cities across the state.

Cities are concerned about the lack of shelter capacity and 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 housing needs in our communities. Minnesota cities are innovating and accomplishing much to address needs across the housing spectrum with the limited tools and resources at their disposal in response to some the challenges brought on by market forces outside of city control.

However, the need across the state for the creation and preservation of affordable housing opportunities necessitates an increase in state resources to build more housing and preserve existing housing. The \$750 million authorization of HIBs and \$250 million in GO Bonds called for in HF 302 will increase the number of diverse affordable housing opportunities that are constructed and preserved as well as provide the resources needed to make progress on a substantial backlog of repairs necessary to preserve and rehabilitate public housing. Additionally, when paired with an increased appropriation in HIBs as a resource, allowing HIBs to be utilized for housing that is affordable to households with incomes at or below 50 percent of area median income is an important addition to the list of eligible HIB uses.

Please join us in support of HF 302. Thank you for your consideration

Sincerely,

A handwritten signature in black ink that reads 'Daniel Lightfoot'.

Daniel Lightfoot

Intergovernmental Relations Representative

League of Minnesota Cities