



February 23, 2021

**Re: Support for community reinvestment and general fund resources to address housing needs in Minnesota cities.**

Chair Draheim and members of the Senate Housing Finance and Policy Committee:

The League of Minnesota Cities appreciates the opportunity to voice our support for legislation that provides much needed resources to programs that assist Minnesota cities across the state in addressing local housing needs. The resources authorized in SF 1071 (Dahms) and SF 1083 (Koran) will help bolster local affordable housing efforts across the state and provide more affordable housing opportunities across the housing continuum. The increase in grant amounts for rehabilitation loans outlined in SF 1002 (Duckworth) will provide more resources for low- and moderate-income homeowners seeking to rehabilitate and preserve their homes.

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. Cities across Minnesota are innovating and accomplishing much with the limited tools and resources at their disposal to address some the challenges brought on by market forces.

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 substantial increase in investment called for in SF 1071 to provide \$22.425,000 fiscal years 2022 and 2023 for the Economic Development and Housing Challenge Program will increase the number of units constructed and preserved to grow workforce housing stock across the state and support local economic growth. Additionally, the \$3 million in base funding for fiscal years 2022 and 2023 for the Manufactured Home Park Infrastructure grant program in SF 1083 will assist more manufactured home park communities in addressing critical infrastructure improvements with grant resources that often leverage support from local municipalities.

Lastly, the prioritization of community reinvestment is key to addressing housing preservation needs. By increasing the maximum rehabilitation loan amount to \$40,000, SF 1002 will make available more resources for qualifying homeowners seeking to rehabilitate and preserve their homes.

Please join us in support of SF 1071, SF 1083, and SF 1002. 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