



February 23, 2021

Re: Resources to address housing issues in Greater Minnesota cities.

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

The League of Minnesota Cities appreciates the opportunity to provide comments on our support for more resources to address housing issues in Greater Minnesota cities and the importance of the state-local partnership to address locally identified housing needs.

Cities in Greater Minnesota share many of the same housing needs as metro communities. However, Greater Minnesota communities often have vastly different market conditions for housing that can necessitate priorities that vary from metropolitan areas. While local communities in Greater Minnesota are focusing on local efforts to attract development and encourage growth, assistance is often needed from state and federal resources to construct and rehabilitate housing stock that can support local economic growth.

A key priority for Greater Minnesota cities is attracting sufficient housing stock that can support a growing workforce. However, the economics of constructing single-family and multi-family housing developments in Greater Minnesota communities often makes attracting private development difficult. To help local efforts in attracting development to support the local workforce, the Workforce Housing Development Program is a critical resource that leverages local resources to assist with the development of workforce housing. To date, the program has supported the addition of 380 new rental units across communities in Greater Minnesota.

We strongly urge the support of robust funding for this program and believe that an increased grant amount from 25% to 50% of the project cost outlined in SF 752 should also be paired with an increase in program funding well above the base funding amount. Without scaling up the resources to account for the increased grant amounts, fewer projects will be selected for funding.

Thank you for your consideration

Sincerely,

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

Daniel Lightfoot
Intergovernmental Relations Representative
League of Minnesota Cities