



March 22, 2022

Re: SF 3259 (Draheim) Legalizing Affordable Housing Act

Chair Jasinski and Members of the Senate Local Government Policy Committee,

Thank you for the opportunity to submit written testimony. We thank Chair Draheim for his hard work and diligence in tackling this difficult and extremely important task of addressing Minnesota's housing shortage. We urge your support of this bill as it addresses regulatory burdens that have resulted in reduced availability of affordable housing and higher housing prices for new builds above what is occurring in other states. The result is reduced choices for consumers and an increased barrier to workforce talent and recruitment in Minnesota.

The Minnesota Chamber of Commerce represents over 6,300 businesses of all sizes and industries across our state employing over 500,000 Minnesotans. We advocate for public policies to strengthen Minnesota's business climate and to help grow Minnesota's economy. In order to strengthen our state's business growth and future economic growth, Minnesota will need to attract and retain more workforce talent and remove barriers to the workforce. One of the barriers for workers is housing.

One of the top concerns we hear from our businesses impeding their ability to grow in Minnesota is the challenge of finding workers. The latest data from Minnesota Department of Employment and Economic Development shows there are over 205,000 job vacancies and less than 125,000 unemployed workers - that is less than 0.6 unemployed worker for every job vacancy. The lack of available housing can compound the workforce shortage as if cannot find an affordable place to live than less likely to locate in that community and take that job. In order to best position our state for future economic growth – we need to make sure policies help facilitate business growth by retaining and recruiting more workforce talent.

To spur additional investment in housing, the Minnesota Chamber supports reducing regulatory and building costs and providing additional resources to facilitate private-sector investment. Thank you for your support of S.F. 3259 to help encourage development of more affordable housing.

Sincerely,

A handwritten signature in black ink that reads "Beth Kadoun".

Beth Kadoun  
Vice President, Tax and Fiscal Policy  
Minnesota Chamber of Commerce