



February 9, 2023

Re: Support for SF 609 – local housing trust fund grant funding provided.

Dear Members of the Senate Housing and Homelessness Prevention Committee:

The League of Minnesota Cities respectfully request that members support SF 609 (Boldon) to provide state matching funds that will assist cities with establishing new Local Housing Trust Funds and support existing Local Housing Trust Funds to address locally identified housing needs in cities across the state.

Cities remain concerned about the lack of 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. To address this issue, cities are looking for a strong state-local partnership and state resources to spur the development and rehabilitation of affordable and workforce housing as well as assisting residents in accessing housing opportunities. Local Housing Trust Funds are an important, proven, and flexible tool that cities can utilize to leverage resources to support locally identified housing needs. \$10 million in state matching funds for Local Housing Trust Funds outlined in SF 609 will maximize resources by leveraging both state and local resources, incentivize local investment, and jumpstart the creation of Local Housing Trust Funds to address housing needs across the state.

Local Housing Trust Funds are established via an official action by local government and the allocated funds held in trust are protected for uses to address housing issues in the community or region. Local Housing Trust Funds can be utilized in many ways to address locally identified housing needs and can be created to serve the needs of any city in Minnesota by providing a consistent, dedicated revenue stream at the local level for housing. We've seen 20 Trust Funds to date be deployed successfully in cities and counties to assist homebuyers with downpayment assistance, provide gap financing for developers of affordable housing, and assist with preservation as well as the creation of new housing stock. We also know through surveying our members that dozens of communities are interested in establishing a Local Housing Trust Fund of their own should matching assistance become available.

State support for flexible tools at the local level is critical for communities to continue addressing housing challenges at the local level. Please join us in supporting SF 609.

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