



February 9, 2023

Re: SF 989 - resources to address housing issues in Greater Minnesota cities

Chair Port and members of the Senate Housing and Preventing Homelessness Committee:

The League of Minnesota Cities appreciates the opportunity to provide comments on SF 989 (Boldon), which would provide an additional \$20 million and increase the maximum grant amount for the Workforce Housing Development Program, which helps small Greater Minnesota cities address locally identified workforce 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 and support expanding businesses.

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 multi-family workforce housing. To date, the program has supported the addition of 585 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 989 paired with a \$20 million increase in program funding will help more communities attract critical new workforce housing units in their communities to support local workforces and local economies.

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