



March 29, 2023

Chair Port and Committee Members:

The Minnesota Multi Housing Association (MHA) offers support for the following provisions in SF 2566 A-2, the Senate Finance Omnibus Proposal.

We applaud the advocacy of the Chair and Committee in making a historic investment in housing. We believe this investment will help alleviate the housing crisis for our state's lowest income-earners.

We appreciate the significant rental assistance investment as well as the language permitting funds to be used to incentivize participation in rental assistance programs. We additionally thank the Chair for inclusion of a Landlord Risk Mitigation use under Rent Assistance for the Mentally Ill, and Housing Mediation Grants. These low-cost programs help keep families stably housed.

Funding for programs such as High-Rise Sprinkler Grants and Lead Safe Homes are important to addressing safety concerns while ensuring affordability is not lost. We thank the Committee for the approach on these issues.

The Emergency Rental Assistance Advisory Group is an important element in this proposal. One of the best ways to address housing instability is to ensure that rental assistance is available in a timely and efficient way. These processes are not currently as efficient as they could be and a conversation among stakeholders is needed. This is a valuable interim Task Force on which rental housing stakeholders can work together.

We have concerns that the scale of this funding could exacerbate inflationary pressures in the housing sector, such as home values. At the same time, higher interest rates, increasing property taxes, rising insurance premiums, and inflated labor costs are restricting development of market-rate housing. With the slowdown in supply of new housing units, an injection of state funds for housing construction is welcomed by the development community.

We ask members of the Committee to support these provisions of SF 2566 A-2.

Best regards,

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