



March 30, 2023

Dear Chair Port and Members of the Senate Housing and Homelessness Prevention Committee:

Metro Cities, representing the shared interests of cities across the metropolitan area, appreciates the opportunity to comment on SF 2566 – Port, as amended by the DE amendment.

Metro Cities appreciates and supports resources in the bill that address funding for state programs that provide vital housing resources across the region and state. These include funding for the Challenge Program, housing infrastructure bonds, local housing trust funds, first generation homebuyer down payment assistance, rental assistance, and homebuyer education, counseling, and training programs.

Metro Cities also supports the Community Stabilization program. Metro Cities supports funding to assist with development, preservation, and maintenance of existing housing stock affordable to residents in the low-to-moderate income range. This program will support local efforts to preserve this essential housing stock.

Metro Cities' policies support state funding for rental assistance, an important component of housing affordability. The proposed program will support local governments in addressing affordable and stable rental housing and help address racial disparities in assisting cost-burdened households.

Metro Cities supports the housing aid for local governments in the bill and the flexibility to allow cities to transfer housing aid into a local housing trust fund. The statutory placement for the aid program is proposed to be in the local government aid statute, M.S. 477A, which provides for general purpose aid. Given that this aid is directed to housing, Metro Cities encourages placing the aid with statutes that have direct nexus to housing funding.

Metro Cities is concerned about language that creates a metropolitan regional sales tax for the purpose of funding housing needs. Housing is a statewide concern and state housing programs are traditionally funded with state revenues. Metro Cities has long supported adequate state revenues that support oversubscribed housing programs. These programs serve state goals and objectives and as such should be financed with state revenue sources. Metro Cities opposes substituting traditionally state-funded programs such as housing, with funding mechanisms that would disparately affect taxpayers in the metropolitan region.

Thank you for your consideration of this letter. Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Ania McDonnell". The signature is written in a cursive, flowing style.

Ania McDonnell  
Government Relations Specialist