



MINNESOTA

NAHRO

SERVING MINNESOTA'S HOUSING &
COMMUNITY DEVELOPMENT NEEDS

April 15, 2024

The Honorable Lindsey Port, Chair
Minnesota Senate
3213 Minnesota Senate Bldg.
St. Paul, MN 55155

The Honorable Eric Lucero, Republican Lead
Minnesota Senate
2413 Minnesota Senate Bldg.
St. Paul, MN 55155

RE: Senate File 4158 A3

Dear Chair Port, Lead Lucero, and members of the Senate Housing and Homelessness Prevention Committee,

The Minnesota Chapter of the National Association of Housing and Redevelopment Officials (Minnesota NAHRO) is comprised of 150 housing and redevelopment authorities (HRA) which provide affordable housing and rental assistance to more than 60,000 Minnesotan households. Minnesota NAHRO thanks all committee members for their dedication to addressing the shortage of affordable and workforce housing and preventing homelessness throughout Minnesota. On behalf of our membership, I write in general support of SF4158 A3 and offer the following comments on specific sections of the bill.

Housing Infrastructure Bonds Additional Authorization, beginning on line 13.3.

Housing infrastructure bonds have proven to be an effective tool to create and preserve more affordable housing units across the state. Minnesota NAHRO fully supports the authorization of an additional \$50 million in housing infrastructure bonds.

Greater Minnesota Housing Infrastructure Grant Program, beginning on line 15.25.

Many Minnesota NAHRO agency members operate in Greater Minnesota and experience the challenges to housing development that the infrastructure grant program addresses. Our members applaud the committee for creating this program and for the amendments presented in the A3 amendment. The inclusion of counties in addition to cities is important as so much of the infrastructure is provided at the county level. The increase in grant amounts and eligible projects further address the specific needs we see in our communities.

Addition of Assistance to Preserve NOAH Housing, beginning on line 19.16.

Minnesota NAHRO commends the committee for adding the ability of HRAs to provide financial assistance to preserve naturally occurring affordable housing (NOAH) in our local jurisdictions. Preserving unsubsidized affordable housing in our communities has long been a priority. We cannot rely on new construction alone if only to lose affordable housing units to sales and conversion to market rate or luxury housing. Empowering HRAs to provide financial assistance for NOAH preservation will assist us in better maintaining our local housing stock.



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There are two areas not included in the bill that we hope the committee will consider as it moves forward with an omnibus bill.

Inclusion of SF4254 Provisions.

Minnesota NAHRO testified in front of the committee on February 29 about the importance of including public housing owned by public corporations and limited liability companies, solely owned by a HRA, as eligible for the Publicly Owned Housing Program (POHP) funded with General Obligation bonds. This language is absent in this omnibus bill. Minnesota NAHRO urges you to include those provisions in future versions.

Inclusion of Administrative Expenses as Statewide Local Housing Aid and Local Affordable Housing Aid Qualifying Projects.

Last session, the housing omnibus bill included the establishment and funding of two housing aid programs which provided direct allocations to local communities. The housing aid is a very powerful tool for our local communities to address the housing issues at a local level. However, it requires housing aid recipients to hire and retain staff in order to address the emergency rental assistance needs, non-profit housing providers capacity, and affordable housing creation, rehabilitation, and financing needs in our community. SF4875, heard by the Taxes committee on April 4 and laid over, included additional Qualifying Projects which laid out administrative expenses as eligible. Minnesota NAHRO asks that reasonable administrative expenses for all Qualifying Projects be included in the respective statutes.

Sincerely,

Melissa Taphorn
Legislative Committee Chair and Board Member