



February 11, 2025

Re: Support for additional Economic Development and Housing Challenge Grant program funding.

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

The League of Minnesota Cities appreciates the opportunity to support SF 982 (Boldon), which provides additional resources to the crucial Economic Development and Housing Challenge Program administered by Minnesota Housing. The Challenge Fund program is among the most flexible and versatile programs administered by Minnesota Housing. Since its inception has been a crucial resource for cities and their developer partners across the state to advance workforce housing development that help cities grow and sustain their local economies. Since 2020 alone, the Challenge Program has built or preserved 1,300 new homes and more than 800 units of affordable rental housing.

Cities across the state remain concerned about the lack of affordable 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 housing needs in our communities. To address this issue, additional resources must be made available that leverage federal, local and private funding to support more affordable workforce housing development and preservation.

Due to its flexible nature, design to address locally identified housing needs in individual communities, and ability to support the construction and preservation of both homeownership and rental workforce housing opportunities, the Challenge Program is chronically oversubscribed and has been since its inception. The additional \$10 million authorized in SF 982 will help more cities and their developer partners bring more workforce housing opportunities to their communities and support their local economies with the critical housing opportunities communities need to thrive.

Thank you for your consideration

Sincerely,

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

Daniel Lightfoot
Senior Intergovernmental Relations Representative
League of Minnesota Cities