



Thursday, March 26, 2025

Chair Port and Members of the Senate Housing and Homelessness Prevention Committee,

The Greater Minnesota Housing Fund is Minnesota's largest housing focused Community Development Finance Institution (CDFI). We support the creation of strong communities and affordable homes through strategic investments and effective partnerships. We work in all 87 Minnesota counties and are committed to addressing the housing needs of Minnesotans in under-served areas including cities, towns, rural areas, and Tribal nations.

GMHF works directly with Minnesota communities, affordable housing developers and operators to support local housing needs, which is why we support SF2792.

A recent comprehensive report by O'Neil Consulting estimated that the affordable housing sector lost over \$50M between 2018-2023 and that the financial situation did not improve in 2024. Multiple affordable housing providers have had to sell or demolish buildings, due to dramatic increases in costs, reductions in revenue, and the ongoing annual operating losses that have resulted. While Minnesota has long been a national leader in affordable housing, our entire system is now at risk. Minnesotans all across the state could lose their homes, along with the supportive housing services that many also rely on.

While the best solution would be to invest more money into the affordable housing sector to address the physical and financial distress that has resulted from macroeconomic shocks, we understand the reality that this is a tight budget year and there is little to no new money on the table.

In the absence of additional funding, our best option is to make important policy changes that provide regulatory relief, cut red tape, and better align funding streams. Doing so will save homes whose affordability could otherwise be lost. Our top priority must be to preserve what Minnesota taxpayers have already invested in.

We urge you to support the passage of this bill, as its policy provisions are essential to preserving the state's existing affordable and supportive housing stock. Thank you for your leadership and commitment to addressing this pressing issue. We look forward to seeing the positive changes that will come from this bill.

Sincerely,

A handwritten signature in black ink, reading "Andrea Brennan", is positioned below the "Sincerely," text. The signature is fluid and cursive, with a long horizontal stroke at the end.

Andrea Brennan
President and CEO