



LEAGUE of
MINNESOTA
CITIES



April 27, 2022

Dear Members, Minnesota State Senate:

The undersigned city associations, representing cities throughout Minnesota, thank you for the opportunity to comment on the housing and broadband finance and policy portions of SF 4019 – Westrom.

Adequate resources are fundamental to address both housing and broadband needs across the state. We appreciate the \$50 million target for housing and thank Senator Draheim for including these state resources in the bill. We also appreciate the broadband funding provisions in the bill that will help move Minnesota closer to ensuring all homes and businesses across the state have access to reliable broadband internet.

Our city associations support efforts to close homeownership disparity gaps. The funds in this bill, including an additional \$10 million for the Workforce Homeownership Program and \$35 million for a new Homeownership Investment Grant program, will help more potential homeowners afford a home and help them to build wealth through homeownership. However, with state funds vastly oversubscribed and two of every three local applications denied due to lack of resources, we support a higher level of resources for housing and ask for your consideration for increasing the level of resources for new and existing housing programs that address other aspects of the housing spectrum including the preservation of existing housing stock as bills advance this session.

Our city associations continue to oppose several provisions in the bill, primary among them the preemption on local authorities and the ability of cities to plan for and address local housing needs. City officials are in the best position to make these decisions, with input from the community, and 116 cities across the state have passed resolutions reaffirming support for local decision-making authority when it comes to residential development. Fundamentally, we believe that comprehensive statewide solutions to housing should: (1) address the full housing spectrum of need, (2) support local innovation, (3) provide incentives and not mandates, and (4) provide community-specific solutions throughout Minnesota.

The planned unit development language in Article 6, Section 2 prohibits cities from conditioning any approvals on material, design, or other conditions if not currently required by the State Building Code, which is designed as a minimum safety standard. Materials and design considerations take the existing built environment into account, as well as energy efficiency and operating costs that help affordability.

The rent control preemption and repeal language in Article 6, Section 35 takes away the ability of a city and its voters to decide on matters that are specific to the community.

We are also concerned with the language in Article 6, Sections 14, 30 and 31 that would prioritize a lower cost per square foot and the speed at which a housing development would be completed. There

are many factors that determine how quickly a project comes together. If this language were enacted, a housing development that meets important local housing objectives could nevertheless lose out on critical state funds.

Additionally, reallocating money from the Minnesota Housing Finance Agency's Pool 3 housing affordability fund would have the impact of redistributing limited and in-demand funds that already support affordable housing needs. We support using other state resources for the high-rise sprinkler and manufactured home park revolving loan fund purchases in the bill.

Cities support the broadband policy provisions in Article 2 that creates a new pilot program to provide broadband service to unserved and underserved areas that reduces the amount of non-state match to 15 percent of the total project cost. Greater Minnesota jurisdictions are often the hardest and most costly areas to serve and have a more difficult time attracting willing providers to deploy broadband infrastructure.

Cities also support use of the remaining \$110.7 million of Minnesota's capital projects fund to support the state's Border-to-Border Broadband grant program. We encourage additional state general fund spending for broadband on top of federal funds, which are needed if the state is to meet its 2026 statutory speed goal of connecting all homes and businesses to 100/20 Mbps service and to ensure that no construction seasons are missed waiting on federal funds to be deployed.

Thank you for your consideration of our comments. We look forward to continuing working with Senator Draheim and members of the Agriculture, Housing, and Broadband Omnibus bill conference committee as the omnibus bill advances this session.

Sincerely,

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