



April 21, 2025

Chairs and Members of the House Ways and Means Committee:

Metro Cities, representing the shared interests of cities across the metropolitan area, appreciates the opportunity to comment on HF 2445 – Igo, the omnibus Housing Finance and Policy bill.

While Metro Cities appreciates resources in the bill that provide funding for vital state housing programs, Metro Cities has significant concerns with policy language in the bill that would significantly narrow access to program funding. Specifically, proposed language requires that the Minnesota Housing Finance Agency (MHFA) prioritize funding awards for all Minnesota Housing programs to applications that meet highly restrictive criteria.

The language requires MHFA to develop a scoring system to give additional points to cities that meet the following criteria: allowing for multifamily housing in at least 75 percent of the area within the city zoned as commercial, not requiring lot sizes greater than one-eighth of an acre, the allowance of duplexes, ADUs, or townhouses within 75 percent of the area zoned in the city for single-family residential and the allowance of an administrative approval process for those properties, no parking requirements greater than one per unit of housing, and does not place specific aesthetic mandates on new home construction for single-family housing.

Tying state housing funding to highly restrictive as well as ambiguous scoring criteria would impede many cities in accessing funding for critical housing programs designed to address a range of housing needs.

Cities in the metropolitan area rely on state resources that have provided important assistance in addressing housing needs. Narrow, ambiguous criteria will impose significant barriers for cities in accessing these funds as they work to address critical housing projects.

Cities in the metropolitan area address needs for housing and growth through their long-range comprehensive plans, which account for regional land use and density requirements, housing needs in the community, and local capacities. The language in the bill would effectively upend these processes and unnecessarily constrain cities from applying for funds that are intended to assist a wide spectrum of needs for housing.

We ask the committee to consider removing this language, to ensure that essential state resources for housing will continue to be accessible to cities across the region and state. Thank you for your consideration of this letter.

Sincerely,

A handwritten signature in black ink, reading 'Ania McDonnell'.

Ania McDonnell
Government Relations Specialist

A handwritten signature in black ink, reading 'Patricia Nauman'.

Patricia Nauman
Executive Director