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December 12, 2018

Submitted via email

The Honorable Amy Brendmoen, Dai Thao, Rebecca Noecker,
Chris Tolbert, Mitra Jalali Nelson, Dan Bostrom and Jane Prince
St Paul City Hall
300 City Hall
15 Kellogg Boulevard W
St Paul, MN 55102

Re: Saint Paul 2019 Budget: Housing Trust Fund Investments

Dear President Brendmoen and Members of the St Paul City Council:

I write on behalf of the Minnesota Housing Partnership in **support of Mayor Melvin Carter's 2019 Budget proposal to establish a Housing Trust Fund** of \$10 million, with ongoing annual funding of \$2 million in following years. We thank the Saint Paul City Council for your strong support of housing affordability, including through your strong call for action on housing in the July 2018 resolution. We urge the St Paul City Council's continued support of housing by including the Housing Trust Fund, as proposed by Mayor Carter, in the 2019 adopted budget.

MHP is a state-wide housing organization that convenes, guides, and mobilized a diversity of partners working to improve conditions of home and community, from private developers and tribal officials to elected officials. We provide capacity building in rural areas, produce original research, and advocate for policies that advance affordable housing and strengthen communities.

MHP's recent research includes a 2018 report focused on market rate (unsubsidized) properties in St Paul - **Market Watch St Paul** - found on our website at **mhponline.org**. Market Watch documents what many know anecdotally: Saint Paul has seen rising average rent, declining vacancy rates and significant sales of multifamily rental properties over the past decade. Of the 33,800 renter households in Saint Paul earning less than 60% of AMI in 2016, 75% paid more than 30% of their income on housing and 39% paid over half of their income on housing. That **burden falls disproportionately on communities of color**. In Saint Paul, while 35% of white renter households earn less than 30% of area median income (AMI), 53% of Black households earn less than 30% of AMI.

From 2010 to 2017, nearly 300 buildings with more than 6,000 apartments collectively were sold in Saint Paul, resulting in increased rents and fewer affordable homes for Saint Paul families. Saint Paul, like many other cities in Minnesota, needs solutions and support for residents who are priced out and stressed out and at risk of losing the safety and security of home.

MHP recommendations to address housing instability include increased investments at the local and state level, including through local housing trust funds. In 2017, MHP estab-

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lished state enabling language for local housing trust funds, found at Minn. Stat. 426C. 16, and is now working to establish a state matching fund to incentivize creation of local housing trust funds. MHP applauds Mayor Carter for his leadership in proposing a major new investment in affordable homes through the St Paul Housing Trust Fund. Not only is this important for Saint Paul, it creates a model for Minnesota cities in need of addressing the affordable housing needs of their community members.

Again, thank you to the Saint Paul City Council for your leadership on housing issues. We urge approval of the Housing Trust Fund in the 2019 budget, funded to \$10,000 million with \$2 million in ongoing funding sources.

Sincerely,



Elizabeth Glidden
Director of Policy and Strategic Initiatives