

House Commerce Finance and Policy Committee
Minnesota State Capitol
75 Rev Dr Martin Luther King Jr Boulevard.
St Paul, MN 55155



Dear Chair Her, Chair O'Driscoll, and Members of the Committee,

April 10, 2025

The Minnesota Consortium of Community Developers (MCCD) is an association of nonprofit community development organizations and Community Development Financial Institutions (CDFIs) committed to expanding the wealth and resources of communities through housing opportunities and economic development initiatives. MCCD's mission to build strong and stable communities can only be achieved by addressing the harms and inequities that have shaped housing and economic development policies at every level of government. These policies have prevented Black, Indigenous and People of Color (BIPOC) and other communities from achieving housing stability, accessing capital, and building generational wealth.

MCCD would like to thank the committee for including the Task Force on Homeowners and Commercial Property Insurance in the Commerce and Office of Cannabis Management budget bill (HF 2443).

Access to stable insurance coverage is a critical foundation for strong, resilient communities across the state. From affordable housing developers who operate homes for thousands of families to the small businesses that drive our local economies, Minnesotans rely on insurance to safeguard their properties and comply with requirements from their investors and lenders. Right now, the spiraling cost of insurance has become an alarming burden on property owners of all kinds. That's why Minnesota needs a multi-sector, bipartisan task force to study the issue and explore solutions to support a more stable insurance sector.

New research from the [Minneapolis Federal Reserve](#) confirms what MCCD has been hearing from our members on the ground: homeowners and commercial property insurance is becoming increasingly expensive and hard to get. On average, premiums for multifamily housing operators have increased by 45% from 2021 to 2024. And homeowners are paying 38% more for home insurance when compared to the national average. These troubling trends put additional strain on those that house our most vulnerable residents, first-time homebuyers raising their families, and small businesses on the main streets of the communities we call home.

Thank you for your work, and for including this critical Task Force in your budget bill. MCCD and our members would like to make ourselves available for any additional information to best help inform your decisions. Please reach out to Kelly Law, Senior Policy and Field Building Advisor at MCCD, 612-865-3170 or klaw@mccdmn.org, should you need any further information now or throughout the legislative session.

Sincerely,

Elena Gaarder

Elena Gaarder
Chief Executive Officer, MCCD