



## CITY OF GRAND RAPIDS

**Date:** September 2, 2020

**To:** The Honorable Representative Steve Marino, Chairman and Honorable Members of the House Commerce and Tourism Committee

**Re:** Support for House Bills 5820 and 5821

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Thank you for the opportunity to provide testimony this morning in support of House Bills 5820 and 5821. My name is Jono Klooster and I am the Acting Assistant Economic Development Director for the City of Grand Rapids.

We appreciate your consideration of this legislation as it is strongly aligned with one of the City's top legislative priorities, which is to create more local options and tools to support increased housing.

The Grand Rapids City Commission recently received the results of a housing needs assessment. That report confirmed what we have all heard anecdotally or even experienced first-hand for the past number of years - that demand is much greater than supply. This is a challenge across all housing types and all levels of income.

The report indicated significant demand for additional housing across the board - from single-family to high-density multi-family, both rental and home-ownership opportunities, and across the income spectrum from top to bottom. In fact, the study indicated a need for more than 5,000 new rental units and more than 3,500 new owner-occupied units in the next five years in order to keep up with the anticipated demand. This proposed tax credit would be another tool that could be leveraged locally to work toward those targets.

The City is fortunate to have many strong non-profit partners, and a long history of working collaboratively with these organizations on a host of economic and community development priorities. We also have a long-standing partnership with the state, and specifically with the MEDC. We are actively working together to ensure that we are supporting each other in achieving our shared objectives to strengthen the local and state economy and provide economic opportunity for all of its residents.

We know that in a post pandemic economy, there will be a heightened need for new and innovative programs and partnerships to address economic opportunity.

In Grand Rapids, we remain focused on our strategic plan - working to ensure that residents, employees and businesses have pathways to financial growth and security. These bills would provide a new tool that could be leveraged by qualifying organizations to meet these needs at a community level in partnership with the City and State.

We're appreciative of the committee's consideration of this package of bills and the opportunity to testify in support of House Bills 5820 and 5821.

Thank you and I would be happy to answer any questions you might have.