

House Taxes Committee
State Office Building
597 Rev Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155



April 7, 2021

Dear Chair Marquart and Committee Members,

Since the Homes for All coalition formed a decade ago, the statewide need for affordable housing across the continuum has only grown. We have increasing numbers of unhoused people around our state, thousands of workers cannot afford or find a stable home near their place of employment, and affordable homeownership is even further out of reach – especially for our Black, Indigenous and People of Color (BIPOC) communities. Our coalition has grown to 270+ organizations reaching every corner of the state and representing non-profits, direct service providers, faith communities, the private sector, local municipalities, and philanthropic organizations - all working in unison to amplify statewide affordable housing needs at the Capitol.

Homes for All is pleased to see a number of investments that would support the affordable housing continuum in the House Omnibus Tax Bill.

1. **Homeownership investment:** The capture of the mortgage and registry deed tax would support consistent investments in the Workforce and Affordable Homeownership Development Program. This critical funding will help increase the supply of homes available to lower-income, but income ready, households. It is no secret that Minnesota’s racial homeownership disparity is embarrassingly high. If state resources are one of the main ways to make progress towards helping BIPOC households with homeownership opportunities, it makes sense then to invest more in the programs that can make a difference.
2. **4d Study:** Homes for All’s coalition members that provide affordable housing not only see the simplification of the 4d tax classification rate change as a way to reduce pressures on overall budgets, but to help make updates, extending the life of properties, and to help keep rents as low and affordable as possible. Thank you for including the study in your omnibus bill, this is an important step and we hope that agreement can be reached around necessary guardrails in exchange for the adjusted rate this session. We believe this change can support more stability for our state’s affordable housing market, including helping to preserve Naturally Occurring Affordable Housing (NOAH).

Additionally, while not explicitly on our legislative agenda, we would like to acknowledge that adopting a homeless youth prevention credit and an expansion of the renter’s credit would have far-reaching benefits for many of our state’s lowest income individuals.

As you know, Minnesota was in an affordable housing crisis long before the COVID-19 pandemic – these investments through the tax bill are a great way to start making progress on addressing this crisis. We look forward to working with the House and Senate on advancing these much-needed investments this legislative session.

We know that where we live impacts everything. Home is where children learn, workers earn and how communities thrive. The Homes for All coalition is available for any additional information to help

inform your budgetary decisions. Please reach out to the policy co-chairs, Zack Eichten (651-829-0888), Michael Dahl (651-336-5902) or Kari Johnson (612-387-6398) should you need any further information regarding the specifics of the Homes for All budget request.

Thank you for your consideration.

Sincerely,

Pastor Sue Koesterman & Chad Adams
Homes for All Co-Chairs