



March 28, 2023

To: Members of the Housing Finance & Policy Committee

RE: HF2335 Housing Omnibus Budget Bill – Support for affordable homeownership investments

Dear Chair Howard and Committee Members,

Thank you for the opportunity to share Homeownership Minnesota (HOM) coalition's support of proposals in House file 2335 related to affordable homeownership investments and family stabilization support, investments originally carried by Representative Hassan (HF1472).

HOM is a coalition of organizations+ dedicated to the production and preservation of affordable homeownership and to preparing households for homeownership. **HOM supports proposals in HF2335 that invest in affordable homeownership. The following investments advance Minnesota towards economic recovery and stability while supporting generational wealth creation and narrowing the racial homeownership and wealth gap:**

- \$80 million | Homeownership Investment Grants Program for Minnesota's nonprofit affordable housing CDFIs for development, financing, acquisition, rehabilitation, and other services to increase access to stable, affordable homeownership statewide.
- \$2 million | Build Wealth's family stabilization plan, including program outreach, financial literacy education, and budget and debt counseling.

Thank you for the inclusion of these resources which will support ownership production and preparation statewide.

We continue to seek investments in ongoing funds for the workforce and affordable homeownership program and support HF1635. A similar investment was carried in the same bill by Representative Hassan (HF1472) and was not included in this Housing Omnibus Budget Bill:

- \$50.5 million | Workforce and Affordable Homeownership program to produce more than 500 affordable homeownership units.

While HF1472 invests in the Workforce and Affordable Homeownership Program with one-time investments, HF1635 integrates an ongoing funding source for this program through the appropriation of the mortgage registry and deed tax. Utilizing this revenue source through the House Tax bill, would create reliable funding to support ongoing investments in affordable homeownership production. Investing \$80M into affordable housing CDFIs through HF2335 will accelerate production for affordable homeowners; combining this one-time investment with HF1635 will support ongoing planning and narrowing the state's homeownership supply deficit.

HOM also notes the strategic investments in First Generation Down Payment Assistance, Homeownership Education Counseling and Training, Housing infrastructure bonds, and Manufactured



Homeownership
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Housing investments in HF2335. These investments, combined with production investments, can move Minnesota in the direction of closing the racial gap in homeownership and meeting affordable homeownership needs, statewide.

Thank you – HOM coalition looks forward to continued partnership and our members are excited to deploy all these resources to produce and preserve homes, prepare families, and strengthen our communities.

Sincerely,

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