



March 17, 2022

Re: Support for SF 3897 and SF 1928 – First-generation homebuyer down payment assistance program establishment and home ownership education, counseling, and training program funding

Dear Chair Draheim and members of the Senate Housing Finance and Policy Committee:

The League of Minnesota Cities appreciates the opportunity to provide our comments in support of SF 3897 (Draheim), which establishes a new first-generation homebuyer down payment assistance program to provide critical resources that will help expand homeownership statewide. Strengthening the state-local partnership to address locally identified housing needs across the housing spectrum is critical as cities continue to innovate with limited resources. The additional state resources in SF 1928 (Housley) to authorize additional funding for the Homeownership Education, Counseling, and Training (HECAT) program to assist with homeownership efforts is an important step to address a critical aspect of the housing spectrum and provide much needed state support to bolster existing local efforts that seek to expand homeownership.

The establishment of a first-generation homebuyer down payment assistance program, which includes an appropriation of \$170 million in fiscal year 2023 mirrors existing programs that have been extremely successful at the local level. Critically, SF 3897 also reflects existing local homebuyer assistance programs by including specific program parameters that target low-income first-time homebuyers.

Cities support resources and programs that seek to assist communities in their efforts to reduce barriers to housing and reduce racial disparities in homeownership. Since 2018, the HECAT fund has committed over \$7.4 million in assistance to eligible grantees that have supported BIPOC communities and low- and moderate-income renters in delivering a variety of homeownership education, counseling and training services. As cities continue to address racial disparities in homeownership, the additional \$643,000 appropriation called for in SF 1928 would bring the fiscal year 2023 HECAT appropriation to \$1,500,000 allowing the program to make more awards and bring important homeownership education and training services to more Minnesotans.

Please join us in our support for SF 3897 and SF 1928 and thank you for your consideration.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads 'Daniel Lightfoot'. The signature is written in a cursive style with a large, prominent 'D' and 'L'.

Daniel Lightfoot
Intergovernmental Relations
Representative
League of Minnesota Cities