



March 16, 2022

Minnesota State Senate
Chair Draheim
Housing Finance and Policy Committee
Re: First-generation homebuyers down payment assistance fund (HF4269 / SF 3897)

Dear Chair Draheim and Members of the Senate Housing Finance and Policy Committee,

The Minnesota Business Coalition for Racial Equity (MBCRE) adds our support for SF3897 to invest in down payment assistance that can be leveraged by community development finance institutions to support first generation homebuyers and contribute to closing the racial equity gap in Minnesota's home ownership rates.

MBCRE is comprised of more than 70 businesses that have come together to build a just and prosperous state with and for Black Minnesotans in response to the murder of George Floyd. Our goal is to eliminate the systemic barriers that prevent positive economic outcomes for Black Minnesotans. Housing is foundational to wealth, health, education, employment, and public safety – all focus areas of MBCRE advocacy. And as a coalition including many of Minnesota's largest employers, we know that our future success requires removing barriers to the economic success of all Minnesotans.

Home ownership is one of the essential pathways to stronger economic outcomes and wealth creation. A study from the Joint Center for Housing Studies at Harvard University found that each year of homeownership between 1999 and 2009 increased the wealth of Black households by \$8,474 on average. Minnesota has one of the largest home ownership gaps in the nation: 25 percent of Black families owned a home in 2019 compared with 77 percent of white families.

In the current housing market, a significant investment in down payment assistance for first time homebuyers is a catalyst for reducing inequities that cascade from less stable housing and reduced wealth. Many renter households can afford a monthly mortgage payment, or even save money compared to rising rental costs of similar housing, but those families lack access to cash for down payments and closing costs. This problem is made worse given the shortage of affordable homes for sale and the rising demands of sellers and higher cash offers. Investing via our community development financial institutions is an impactful strategy to advance the overall goal of equitable improvements in homeownership.

Homeownership also plays a broader, vital role in building strong and vibrant communities. In addition to it bolstering the community's tax revenue, research shows there are social benefits, including improved health and less crime, that make communities more attractive for the residents that ultimately become employees at our member companies. As a coalition of businesses, we want to advocate for the role that strong communities play in attracting and retaining top talent in our region.

In addition to SF3897, we are encouraged to see the Senate advancing related efforts in this area, including SF3677 and SF3608 and support this targeted support for first generation homebuyers. We urge you to advance proposals that will increase homeownership access and opportunity across Minnesota, including for Black Minnesotans. We thank Sen. Draheim for the introduction of SF 3897 and support its advancement.

Sincerely,

Tiffani Daniels

Tiffani Daniels
Managing Director
Minnesota Business Coalition for Racial Equity



Minnesota Business
Coalition for
Racial Equity

Minnesota Business Coalition for Racial Equity Member List

3M
Accenture
Allianz Life
Allina Health
Andersen Corporation
APi Group
Apogee Enterprises, Inc.
Bank of America
Best Buy
Be the Match
Blue Cross & Blue Shield of Minnesota
Boston Scientific
Bremer Bank
C.H. Robinson
Cargill
Caribou Coffee
Carlson
Center for Economic Inclusion
Children's Minnesota
CHS
Comcast
Cummins Inc.
Delta Air Lines
Delta Dental of Minnesota

Ecolab
Element Fleet Management
Fairview Health Services
General Mills
Gillette Children's Specialty Healthcare
Great Clips
Greater Twin Cities United Way
GREATER MSP
Greenlight Fund Twin Cities
Hope Community
JPMorgan Chase
Land O'Lakes
Medtronic Foundation
Minnesota Business Partnership
Minnesota Twins
Mortenson
nVent
The Opus Group

PNC Bank
Polaris

Post
Red Wing Shoe Company
Ryan Companies
Sankore Consulting
Science Museum of Minnesota
Securian
Sleep Number
Target
The Toro Company
Thomson Reuters
Thrivent
Travelers
Twin Cities Habitat for Humanity
Twin Metals
U.S. Bank
UnitedHealth Group
University of St. Thomas
Winnebago
Wells Fargo
Xcel Energy
Youthprise