



March 17, 2022

Dear Sen. Rich Draheim, Chair, and Members of the Senate Housing Finance & Policy Committee,

Metro Cities submits this letter in support of additional state appropriations to support homeownership in the metropolitan region.

Three bills being considered by the committee today, Homeownership Education, Counseling and Training (HECAT) program funding as included in SF 1928 -Housley, down payment assistance funding as included in SF 3897 – Draheim, and manufactured home infrastructure and purchasing as included in SF 3730 – Housley, all provide critical funding to support homeownership for Minnesotans. Metro Cities policies have long supported state funds to address homeownership opportunities, including targeted funds to close homeownership disparities.

Funding of state programs is tied to affordability. The HECAT program, specifically, targets households with incomes that do not exceed 80 percent of the state or area median income, as well as underserved segments of the local population. Unlike other policy proposals under consideration, more robust state funding of state programs actually guarantees affordability and is targeted to lower income households.

Some cities have modest funds, seeded with local dollars, to address closing costs and down payment assistance to first-time homebuyers. However, the state’s traditional and critical role as a housing program funder is better situated to meet the needs of these households and positively impact more qualified Minnesotans.

We urge the committee to commit to state funding as a major and necessary component for the provision of housing. Current resource levels are insufficient to meet the needs in the metropolitan region and across the state. We encourage the legislature to include significant housing dollars, including for homeownership assistance, in its supplemental budget this session.

Respectfully,

Charlie Vander Aarde
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