

January 25, 2023

Dear Members of the Senate Housing and Homelessness Prevention Committee,

The City of Minneapolis is a strong supporter of SF22, as we know that homeownership is critical to housing stability. Homeownership is an important strategy to save for retirement, medical expenses, school, or other unexpected needs. For most, homeownership has historically been a wealth creation strategy, but the stability for most households is the critical asset.

Unfortunately, homeownership is not accessible to all. Generations of Minnesota residents were shut out of homeownership through discriminatory practices like racial covenants, redlining, and subprime lending. For the homebuyers of today whose parents were discriminated against, there is not access to parent support for down payment assistance, which is the primary method that most first-time homebuyers use to initially access homeownership.

The Minnesota legislature has an opportunity to join with the City of Minneapolis and our partners to right these wrongs. Minneapolis has committed over \$30 million in 2021-2022 to create 190 affordable homeownership units, provide down payment assistance, support homebuyer counseling, and support homeowners through home improvement programs. Our programs have a 70% rate of service to people of color and over half of the beneficiaries of our programs are Black households, who experience the highest disparities in homeownership. The First-Generation Homebuyers Down Payment Assistance Fund in SF22 is a critical complement to the programming Minneapolis already supports.

The City of Minneapolis appreciates the committee for taking up this important piece of legislation and urges members to support SF22.

Sincerely,



Elfric K. Porte, II.
Director, Housing Policy & Development
Community Planning and Economic Development
City of Minneapolis