



Chair Bobby Joe Champion (59, DFL)
95 University Ave W
Minnesota Senate Bldg, Room 3401
St. Paul, MN 55155

Dear Chair Champion,

Rethos is excited to support Emerging Developer Fund Program (SF1084). As a nonprofit rooted in community development and building reuse, we support this bill because it opens possibilities for emerging developers to have a positive community impact. Within Rethos' network, we work with communities to help maximize their built assets, and additional tools to help projects off the ground are greatly needed.

Part of Rethos' work involves Minnesota state historic tax credits. Bridge financing, as identified in this fund, is critical for gaining access to this incentive because the credits are issued after the project is completed. We believe flexible bridge funding is crucial to emerging developers who can efficiently time different development incentives to make their project work. This type of funding could help all types of tax credit projects, including low-income housing tax credits and new market tax credits, which can all be stacked on the same project. If passed along with the reinstatement of the Minnesota state historic tax credit, this could catalyze creative possibilities for adaptive reuse throughout the state.

Additionally, Rethos believes the Emerging Developer fund will benefit communities across Minnesota. As the coordinating entity behind Minnesota Main Streets, an economic development tool for small towns, we often encounter the issue of access to pre-development funds as the main barrier to development in towns throughout the state. This fund would enable pre-development costs to be covered, which is a crucial aspect of starting a project.

Finally, Rethos recognizes that real estate development is an exclusive industry, one that has favored white, affluent, and male members of the community. We believe that this fund is a step in the right direction towards making development accessible to people who have not been allowed the opportunity.

Sincerely,

Director of Real Estate
Rethos
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