



April 1, 2025

Senator Lindsey Port, Chair

Senate Housing and Homeless Prevention Committee

Chair Port and Members of the Senate Housing and Homeless Prevention Committee,

Thank you for the opportunity to present earlier this session on Senate File 859, Senator Farnsworth's bill to provide one-time funding to the Arrowhead Economic Opportunity Agency (AEOA) to establish a tax forfeited homes revolving fund in Northeast Minnesota and rehabilitate affordable, permanent, workforce housing.

We are writing to encourage the committee to include funding for this project in the Senate Housing and Homeless Prevention's omnibus budget bill. While we understand the budgetary constraints the committee is under, we do want to remind the committee that this investment would:

- Leverage other sources of funding already committed to AEOA for the project. AEOA has additional committed partners to ensure ongoing success of the tax forfeited revolving fund.
- A one-time investment from the state would establish an ongoing rehabilitation and development source for as many as 15 homes per year. While the investment is one-time, the impact in 12 rural counties in Northeastern and Central Minnesota would be ongoing.
- Ensure existing homes stay are returned to town tax rolls. Currently many of these homes sit vacant, and if demolished – due to lot size – would sit as open, vacant lots. Refurbishing these homes keeps neighborhoods safe, children in local schools, and tax dollars staying in local communities while giving workers an affordable place to call home.
- Bring jobs for local contractors, carpenters, electricians, plumbers, etc. who work on these houses.

Northeastern and Central Minnesota face housing challenges like other areas of the state do, but AEOA stands ready to help alleviate some of those challenges through this innovative, local project. We see this as a model that could work in all areas of the state as well. We have 5 homes that are ready to go!

AEOA has been around for 58 years, providing self-sufficiency services to low-income and disadvantaged people in over one-third of the state. In 2023 we touched the lives of over 38,000 Minnesotans.

Thank you for considering our request. And thank you for your service to Minnesota.

Sincerely,

Scott Zahorik

AEOA Executive Director