



Tuesday, February 20, 2024

To: Members of House Housing Finance & Policy Committee

RE: More Homes Agenda: Missing Middle Housing and Multifamily Housing By Right

Dear Chair Howard, Vice Chair Agbaje, and members of the Housing Finance & Policy Committee,

Homeownership Minnesota (HOM), a statewide coalition of nonprofit organizations dedicated to the production and preservation of affordable homeownership and to preparing households for homeownership, writes this letter to demonstrate our support for the **More Homes Agenda**, including the Missing Middle Housing Bill (Rep. Kraft) and the Multifamily by Right bill (Rep. Kozlowski).

The racial disparities in homeownership are widening in Minnesota, motivating the Homeownership Minnesota coalition to have an even greater sense of urgency to address the state's challenge with a supply of affordable homes for purchase. HOM agrees that every Minnesotan deserves a safe, stable, and affordable place to call home and we work every day to create more affordable ownership opportunities in cities and towns across the state. On average, HOM member organizations serve Black households and households of color at a rate of six times the market. Finding a way to better serve communities who have historically been displaced and intentionally excluded from homeownership is a constant consideration in the work of HOM members.

The Missing Middle Bill's aim to diversify the types of housing developers can build in our communities is critical to a healthy housing continuum. We need a diverse housing stock that addresses the needs of communities across the entire continuum. Homeownership Minnesota supports the efforts of both bills to increase the supply and diversity of homes in our communities.

While incredibly nuanced, we believe there are mutually beneficial approaches that can get at the creation of more affordable homeownership while decreasing the huge racial disparities that exist in Minnesota. We look forward to working with lawmakers to make sure the new homes created are affordable, accessible to low-income households, and that nonprofit homeownership providers can equitably build, repair, and preserve ownership opportunities across the state. These measures along with efforts to eliminate the negative impacts of out-of-state investors in large portfolio-ownership of single-family homes, can make a difference in increasing affordable homeownership for all Minnesotans. We believe an approach that balances modest upzoning, with thoughtful displacement mediation, and a focus on affordable housing development will be important to ensure every Minnesotan can affordably rent or own a home.

Increasing access to land use for affordable housing and homeownership development through these proposed policy changes, combined with the investments from the 2023 Housing budget, like the First Generation Downpayment Assistance program, can move Minnesota in the direction of closing the racial gap in homeownership and meeting affordable homeownership needs, statewide.

Sincerely,

Cristen Incitti
Co-Chair, Homeownership Minnesota
Habitat for Humanity of Minnesota

Jeff Washburne
Co-Chair, Homeownership Minnesota
Minnesota Community Land Trust Coalition

HOM membership: City of Lakes Community Land Trust, Dayton's Bluff Neighborhood Housing Services, Greater Metropolitan Housing Corporation, Habitat for Humanity of Minnesota*, Home CO (Aurora-St Anthony Neighborhood Development Corporation, Build Wealth MN*, Model Cities), MinnCAP, Minnesota Community Land Trust Coalition, Minnesota Homeownership Center, Neighborhood Development Alliance*, NeighborWorks Home Partners*, Northcountry Cooperative Foundation, One Roof Community Housing*, PRG, Inc., Project for Pride in Living, Inc. (PPL), Twin Cities Habitat for Humanity*, Urban Homeworks, Inc. (*Denotes CDFIs)