



January 18, 2023

Re: Support for HF 12 – Creation of first-generation homebuyers down payment assistance fund

Dear Chair Howard and members of the House Housing Finance and Policy Committee:

The League of Minnesota Cities appreciates the opportunity to provide our comments in support of HF 12 (Agbaje), which establishes a first-generation homebuyers down payment assistance fund that will help expand homeownership statewide. Strengthening the state-local partnership to address locally identified housing needs across the housing spectrum is critical as cities continue to innovate with limited resources. The additional state resources in HF 12 to assist with homeownership efforts is an important step to address a critical aspect of the housing spectrum and provide much needed state support to bolster existing local efforts that seek to expand homeownership.

The establishment of a new \$176 million pilot project for a first-generation down payment assistance fund mirrors existing programs that have been extremely successful at the local level. Critically, these funding programs also have specific program parameters that guarantee affordability or are targeted at low-income first-time homebuyers.

Cities support resources and programs that seek to assist communities in their efforts to reduce barriers to housing and reduce racial disparities in homeownership. Additionally, cities continue to address racial disparities in homeownership and deploy programs and resources at the local level to reduce barriers to housing across the housing spectrum. With limited local resources, there is critical need for state support to address housing needs and the program created in HF 12 would provide meaningful state support that will put homeownership in reach for more first-time homebuyers and provide more resources for construction and preservation of affordable owner-occupied homes.

Please join us in our support for HF 12 and thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads 'Daniel Lightfoot'.

Daniel Lightfoot
Intergovernmental Relations
Representative
League of Minnesota Cities