



February 28, 2022

Rep. Mohamud Noor  
Chair, Workforce and Business Development Finance and Policy Committee  
Minnesota House of Representatives  
379 State Office Building  
100 Rev. Dr. Martin Luther King Jr. Blvd.  
Saint Paul, MN 55155

RE: Support for HF2976

Dear Chair Noor and members of the Workforce and Business Development Committee:

I am writing on behalf of the Rethos Policy Institute to express support for the Emerging Developer Fund Program (HF2976). As a nonprofit rooted in community development and building reuse, Rethos supports this bill because it opens up possibilities for emerging developers to have a positive community impact. At Rethos, we work with communities to help maximize their built assets, and we see a need for additional tools, like the ones created through this bill, to help projects get off the ground.

Part of Rethos' work involves state Historic Rehabilitation Tax Credits. Bridge financing is critical for gaining access to this support for building rehabilitation because the credits are issued only after the project is completed. We believe flexible bridge funding is crucial to emerging developers so they can efficiently layer different development incentives to make their projects work. The type of funding assistance outlined in the bill could help all types of tax credit projects, including Low Income Housing Tax Credits and New Markets tax credits, which can all be stacked on the same project.

Additionally, Rethos believes the Emerging Developer Fund will benefit communities across the state. As the designated Minnesota coordinating entity for the National Main Street Program – an economic development program for small towns – Rethos often sees that accessing capital funding is a significant barrier to downtown redevelopment by and for local communities. This fund would also 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 industry that has historically favored white, affluent, and male members of the community. We believe that establishment of this fund is an important step in the right direction towards making development accessible to people who have not been allowed this opportunity for wealth creation and personal and professional advancement.

Rethos is happy to support to HF2976 and we thank you for introducing this bill.

Sincerely,

Ethan Boote,  
Director of Real Estate  
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