



400 Sibley Street | Suite 300 | Saint Paul, MN 55101-1998 | 651.296.7608  
800.657.3769 | fax: 651.296.8139 | tty: 651.297.2361 | [www.mnhousing.gov](http://www.mnhousing.gov)  
*Equal Opportunity Housing and Equal Opportunity Employment*

April 7, 2017

The Honorable Torrey Westrom, Chair  
Agriculture, Rural Development and Housing  
Finance Committee  
Minnesota Senate

The Honorable Kari Dzeidzic, Ranking Member  
Agriculture, Rural Development and Housing  
Finance Committee  
Minnesota Senate

**RE:** SF 780, Omnibus Agriculture & Housing Finance Bill

Dear Legislators,

Last week the Senate passed SF 780, the Omnibus Agriculture and Housing Finance Bill. We appreciate the Agriculture, Rural Development and Housing Finance Committee's work in putting the bill together and the opportunities we had to present to the committee this session.

### **Challenge Program/Workforce Housing**

We appreciate that the bill fully funds the Economic Development and Housing Challenge (Challenge) program. The Challenge program finances housing development - both rental and homeownership - across the state. In 2016, nearly 600 units of housing were financed with the Challenge program statewide. In the last two years, nearly 90 percent of Challenge funds for rental were used in Greater Minnesota to address workforce housing needs.

### **Governor's Initiatives**

Unfortunately the bill does not fund the Governor's budget initiatives. The Governor included \$10 million over two years for targeted initiatives to address opportunities in homeownership and to provide housing resources to address the issue that more than 9,000 children are identified as homeless or highly mobile across the state. The Governor's initiatives include:

- \$8 million for Homework Starts with Home – an initiative to provide rental assistance to families with school-aged children
- \$1.5 million for downpayment assistance for first time homebuyers
- \$500,000 for Homeownership Capacity – intensive homebuyer and financial literacy training for first time homebuyers

We appreciate that the downpayment assistance program is funded at \$500,000 per year in the out years, but we hope that the Governor's initiatives will be fully funded this biennium as the budget process moves forward.

April 7, 2017

RE: SF 780

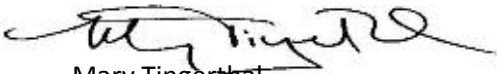
Page 2 of 2

### **Budget Cuts**

While we understand that the committee did not have a target, we are concerned about cuts to the Rental Rehabilitation Deferred Loan Program. We appreciate that the cuts are small and targeted to workforce housing development. The bill also cuts a direct appropriation to Build Wealth Minnesota of \$500,000 per year. This appropriation was part of last year's Equity package and is aimed at reducing the gap in homeownership between white households and households of color. This cut is used to fund manufactured home park infrastructure. While we recognize that this is also a critical affordable housing need, we hope that as budget negotiations move forward cuts can be restored.

We hope you find this information helpful and we look forward to working with you as the budget process continues. Please do not hesitate to contact me, Ryan Baumtrog ([ryan.baumtrog@state.mn.us](mailto:ryan.baumtrog@state.mn.us)) or Katie Topinka ([katie.topinka@state.mn.us](mailto:katie.topinka@state.mn.us)) with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Mary Tingerthal", written over a horizontal line.

Mary Tingerthal  
Commissioner