

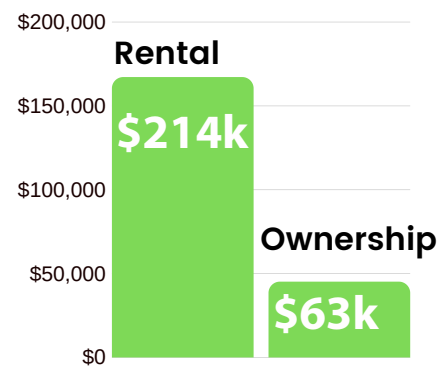


home ownership minnesota

Affordable Home Ownership for Minnesota's Working Families

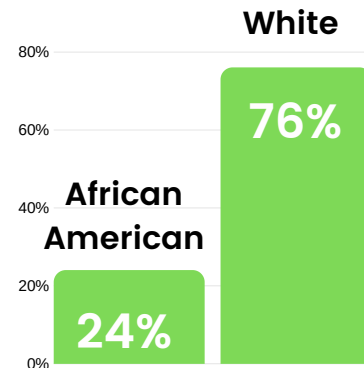
- MN Housing allocates just **2.4% of their budget** to home ownership production, despite the fact that freeing up affordable rental units is a cost-effective strategy.
- **Greater Minnesota** presents challenges in developing affordable rental units that single-family development solves.
- MN Housing research identified **27,000** households occupying the **most affordable rental units** (<30% AMI) that are **income qualified for home ownership**.

Ownership is a cost-effective strategy, with the average investment per unit just 29% that of rental units



- **61,000 household of color** are income qualified for home ownership but **continue to rent** due to lack of entry-level ownership opportunities.

Minnesota has the 2nd worst racial home ownership gap in the nation



- HOM members serve **households of color** at a rate of **7 times** higher than private market.
- Entry-level inventory is not being developed by for profit builders.

44X

The Median net worth of a homeowner (\$231,400) is **44 times greater** than the median net worth of a renter (\$5,200)

Communities across the state are finding it increasingly difficult to provide housing for working families.

The Solution

Increase the production of affordable home ownership units to 500 annually. This could be accomplished by:

- Appropriation of \$10M annually to the Workforce Homeownership Program
- Capture growth of mortgage & deed taxes to fund production
- Allocate \$20M annually in HIB's to ownership production
- Maintain historic levels of funding for MN Housing's Impact Fund (Challenge)

Preserve existing affordable ownership units by:

- Securing direct-assistance for households facing foreclosure due to COVID-19 economic impacts
- Ensure access to home repair programs enabling low income homeowners to remain in their homes
- Expand program resources for foreclosure prevention counseling (HECAT)
- Expand 4D to include low income homeowners through the land trust model

Focus on the **preparation** of successful homeowners, especially those of color by:

- Expanding Homeownership Capacity to deepen commitment to long-term financial empowerment for households of color and other low-income renters
- Increasing funding for Homeownership Education, Counseling, and Training (HECAT) through appropriations

Annual Economic Impact of a \$30M Investment

Construction Jobs **2160** - State Income Taxes **\$10.5M**

Local Property Taxes **\$2.16M** - Real Estate Commissions **\$8.7M**

HOM member organizations serve 74% of Minnesota counties.

City of Lakes Community Land Trust, Dayton's Bluff Neighborhood Housing Services, Greater Metropolitan Housing Corporation, Habitat for Humanity Minnesota, Minnesota Community Land Trust Coalition, Minnesota Homeownership Center, Neighborhood Development Alliance, Neighborworks Home Partners, Northcountry Cooperative Foundation, One Roof Community Housing, PRG, and Twin Cities Community Habitat for Humanity.