

# Our racial homeownership gap is one of the worst in the nation at 36%

*77% of white Minnesotans own homes; only 41% of people of color do*

---

Right now, 61,000 families of color across Minnesota who have the income to afford homeownership, struggle to find a home to buy. By continuing to rent, they live in units that could otherwise be home to families with lower incomes.

---

## Why?

- The cost to build exceeds the fair market value of the home when complete meaning builders can't sell at a profit
- Ninety-six percent of the state's investment in new units supports affordable rental while just 4% supports affordable ownership. In 2020, Minnesota Housing supported the creation of over 2000 rental units and fewer than 100 ownership units.

## Action is needed now to increase affordable, entry-level homeownership because:

- Properly designed programs will increase BIPOC homeownership, and intergenerational wealth
- It will free up rental units affordable at all levels including those at less than 30% AMI (more than 29,000 units of rental units affordable to those with incomes of <30% AMI are occupied by those that could afford ownership)
- The amount of investment required in a unit of affordable ownership is significantly lower than for a rental unit

**In a state with a terrible racial homeownership gap, and an astounding need for 300,000 units at all income levels in the coming decade, we must invest at least \$30 million in the production of a minimum of 500 affordable ownership units annually by:**

- Capturing the growth in the mortgage and deed registration taxes to support building entry-level homes for people to buy
- Creating a floor of investment in affordable ownership production within Housing Infrastructure Bonds and the Challenge Fund.
- Funding Workforce Homeownership through appropriations.

**Homeownership isn't just shelter. It is an investment in our future. It means stable neighborhoods. It means stable schools. It means a stable workforce. Homeownership means wealth.**

- 62% of construction contracts awarded by nonprofit HOM members go to people of color and women owned and operated small businesses
- Only 17% of contracts from nonprofit multifamily developers go people of color or women owned businesses.

**Homeownership Minnesota (HOM) sponsors:** 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, One Roof Community Housing, Northcountry Cooperative Foundation, PRG, and Twin Cities Habitat for Humanity.

For more information, contact HOM co-chairs: Cristen Incitti, Habitat for Humanity Minnesota, 612-331-4439 ext. 1, [cristen@hfhmn.org](mailto:cristen@hfhmn.org) or Kathy Wetzel- Mastel, PRG, 612-721-7556 ext.160, [kathy@prginc.org](mailto:kathy@prginc.org)