



# HOMEOWNERSHIP MINNESOTA

Affordable Homeownership for Minnesota's Working Families

Affordable homeownership is a critical piece of the puzzle. Minnesota's statewide housing shortage, severe wealth disparities, and racial inequities can't be solved without immediate and continued investment into affordable homeownership.

Homeownership Minnesota focuses our policy and advocacy efforts on increasing public funds and attention to the **PREPARATION** of homeowners and the **PRODUCTION** and **PRESERVATION** of affordable ownership housing.

## KNOW THE FACTS

MN housing research identified

# 27,000

households occupying the most affordable units (<30% AMI) that are income qualified for homeownership.

Ownership is a cost-effective strategy. The investment per unit is

# 29%

that of rental units on average.

The median net worth of a homeowner (\$231,000) is

# 44x

greater than that of a renter (\$5,200).

# 61,000

households of color are income qualified for homeownership but continue to rent due to lack of entry-level ownership opportunities.

MN's racial homeownership gap is the

# 2nd

worst in the nation.

HOM members serve households of color at a rate of

# 7x

higher than private market rate.

## HOM MEMBER ORGANIZATIONS



# INVEST IN AFFORDABLE HOUSING LENDERS & DEVELOPERS

## Achieve Economic Recovery & Stability Through Investment in Homeownership

**Proposal:** One-time investment to escalate efforts to close the racial gap in homeownership, statewide.

**Results:** Produce and preserve more than 800 units and support affordable ownership for more than 17,000 households.

**Structure:** Allocate \$120M to Minnesota's affordable housing Community Development Financial Institutions and Nonprofit Lenders.

**Uses:** Development & Ownership Loan Programs, Homebuyer Preparation and Affordable Ownership Preservation Programs, Capacity Building Efforts.

## \$55M to Create 340+ Affordable Ownership Opportunities Through Innovation & New Tools

- Manufactured Housing Pilot Lending Program
- Construction Financing – low/no interest
- Targeted Mortgage Products for BIPOC communities
- Investor-owned Intervention Strategic Fund

## \$55M to Impact 17,000+ Households Through Homebuyer Preparation & Affordable Ownership Preservation Programs

- Home Repair & Preservation Program
- Household Credit Builder Programs
- Manufactured Housing Down Payment Assistance Program
- Homebuyer Education, Housing Counseling, & Financial Coaching Programs

## \$10M to Accelerate Production Statewide Through Nonprofit Homeownership Developers

- Support increasing capacity of existing & new organizations to ensure community outreach and new ownership units created and preserved.

**SF3677/HF3966**



# ONGOING STATE SUPPORT FOR AFFORDABLE OWNERSHIP OPPORTUNITIES STATEWIDE

## Supplemental Budget Proposal

Deepen the State's Investment in Affordable Homeownership to increase production of affordable homeownership, statewide.

**Results:** Produce 600 affordable homeownership units for low-and-moderate income buyers

### Production

- \$45M investment in the Workforce & Affordable Homeownership Program, over three years.
- \$100M Housing Infrastructure Bonds, with \$20M for homeownership, including manufactured housing.

### Preparation

- Increase funding for the Family Stabilization Plan and HECAT, to \$1.5M annually in each program
- Support First Generation Down Payment Assistance program

### Preservation

- Support policies that advance Manufacture Home Park residents' opportunity to purchase.



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