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TO: Representative Howard, Chair, Housing Finance and Policy
Representative Johnson, Republican Lead, Housing Finance and Policy
Senator Port, Chair, Senate Housing and Homelessness Prevention
Senator Lucero, Ranking Minority Member, Housing and Homelessness Prevention

FROM: Jennifer Lemaile Ho, Commissioner, Minnesota Housing 

SUBJECT: 2024 Annual Legislative Report - Build Wealth Minnesota, Family Stabilization Program

OVERVIEW

Per the reporting requirements under [Minnesota Laws 2016, Chapter 189, Article 12, Section 11\(e\)](#), Minnesota Housing, as the fiscal agent, will provide an update for the activities completed under the direct appropriation to Build Wealth Minnesota (“Build Wealth”). This report provides information on the direct appropriation provided to Build Wealth Minnesota through Minnesota Housing and does not include information regarding other agency lending administered by Build Wealth Minnesota.

The Legislature appropriated \$500,000 annually to Build Wealth for its Family Stabilization Program. The Family Stabilization Program provides financial coaching services which focuses on strengthening underserved communities by empowering families to build sustainable social and economic wealth in the seven-county metropolitan area. Build Wealth and its partners do this through a mix of financial empowerment education and coaching services.

Build Wealth and its partners continue to demonstrate their commitment and the need to reach underserved communities in providing the financial empowerment education and coaching services. During the 2021-2023 grant period, Build Wealth MN and its partners have continued to exceed their goal of serving 550 households, and collectively, served a total of 576 households (105%).

USE OF GRANT PROCEEDS

The primary purpose of the grant proceeds is to expand Build Wealth’s organizational capacity so that it may serve additional households throughout the seven-county metropolitan area. This includes hiring new staff, developing curriculum and materials, and working with delivery partners to reach additional households.

Additional details on Build Wealth’s use of grant proceeds for the reporting period may be found at the end of this report in the 2024 Legislative Expenditure Report.

PROGRAM OUTPUTS and OUTCOMES

Since July 2016, a total of 2,031 households have entered Build Wealth's Family Stabilization Program.

During the past four years, since October 2021, a total of 1,133 households have entered Build Wealth's Family Stabilization Program. Of the 1,133 participating households:

- 96% of households are Black, Indigenous, People of Color
- 79% of households earn less than \$60,000 per year
- 58% of households served entered the program have a credit score under 620
- 69% of households who completed the program have a credit score over 620
- The largest barrier to homeownership is credit at 66% of households listing this as a barrier
 - 9% of households list savings as a barrier
 - 8% of households list budgeting as a barrier
 - 8% of households list debt as a barrier
 - 16% of households list insufficient income as a barrier
 - 1% of households list emotional barriers as a barrier
- 55% of the households who received an outcome purchased a home

Geographic Distribution of Households Served

- 56% of households served reside in Hennepin County
 - 55% of Hennepin County households served reside in the City of Minneapolis
 - 49% of the City of Minneapolis households served reside in North Minneapolis
- 29% of households served reside in Ramsey County
- 6% of households served reside in Anoka County
- 4% of households served reside in Dakota County
- 3% of households served reside in Washington County
- 1% of households served reside in Scott County
- 2% of households outside seven-county metropolitan area

CONCLUSION

Build Wealth is beginning its eighth year of serving households through the Family Stabilization Program with funding provided by the direct appropriation. Build Wealth strives to modify and adapt to meet and serve the changes and needs of the community they serve. This is evident in their ability to reach a high percentage of households of color and persons with low credit scores.

Minnesota Housing will continue to engage in conversations and review how Build Wealth will maintain their capacity to meet their stated goal of serving 550 households throughout the seven-county metropolitan area during the upcoming program grant period (contract execution date (projected Spring 2024) - September 30, 2025).

2024 ANNUAL LEGISLATIVE EXPENDITURE REPORT
REPORTING PERIOD: October 1, 2022 – September 30, 2023

Grant Amount	\$	500,000.00
SALARIES AND WAGES	EXPENSES	FTE
SUBTOTAL, SALARY & WAGES:	\$	332,596.53
Supplies	\$	6,004.64
Materials (handouts, manuals, etc.)	\$	16,148.72
Printing and copying	\$	166.25
Rent and utilities	\$	66,548.46
Disbursements (to partner organizations)	\$	78,535.40
SUBTOTAL, NON-SALARY EXPENSES	\$	167,403.47
TOTAL EXPENSES	\$	500,000.00
DIFFERENCE (INCOME LESS EXPENSES)	\$	-