

Community Planning and Economic Development News Release

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City of Minneapolis Launches New Homeownership Program Aimed at Increasing Number of Homeowners in Minneapolis and Reducing Racial Disparity Gap in Homeownership

Tuesday, May 26, 2015 (MINNEAPOLIS) – Yesterday, the City of Minneapolis launched Homeownership Opportunity Minneapolis (HOM), a new housing program aimed at increasing the number of homeowners in Minneapolis and reducing the racial disparity gap in homeownership. In the City’s 2015 adopted budget, the Minneapolis City Council approved Mayor Betsy Hodges’ recommendation of \$940K (\$840K for affordability assistance and \$100K for outreach efforts) for HOM. It is anticipated that about 125 families will be served by the program this year.

The racial disparity gap in homeownership is defined as the difference between the percentage of white households that own their homes and the percentage of non-white households that own their homes. Minnesota has one of the worst racial disparity gaps in homeownership in the country at approximately 38 percent. In Minneapolis, it is also alarmingly high—at approximately 36 percent (2011-2013 American Community Survey).

“Having a stable place to live and raise a family is a goal that every Minneapolis resident should have the opportunity to achieve,” said Mayor Betsy Hodges. “The City’s new Homeownership Opportunity Minneapolis program will help make that possible, especially for diverse households.”

The HOM program will provide up to \$7,500 in down payment and closing cost assistance to eligible Minneapolis homebuyers in the form of a zero percent interest loan, without a monthly payment. The loan will be completely forgiven after the homeowner lives in the home for five years (all of the funds are repayable if a homeowner moves out before five years). HOM funds may be used towards any single family home, duplex, townhouse, or condo anywhere in Minneapolis. Eligibility is based on income.

“Entry cost is one of the most significant barriers to homeownership, especially in an environment of increasing rents,” said City of Minneapolis Director of Housing, Andrea

Brennan. “The goal of the Homeownership Opportunity Minneapolis program is to reduce this barrier and make homeownership, and an investment into economic sustainability, within reach for many of those who currently believe it’s not possible.”

The HOM program is being promoted in partnership with Minnesota Housing and Minnesota Homeownership Center through the “Own Your Future, Own Your Home” campaign. The campaign focuses on homeownership as an investment for the future. The partnership also focuses on providing information about quality, affordable mortgages available through Minnesota Housing. In addition, free, non-biased support is available from a variety of non-profit housing experts.

The City, in partnership with the Minnesota Homeownership Center, has contracted with several community-based organizations to provide culturally specific outreach and communication support to get the word out about the HOM program. Organizations working on the “Own Your Future, Own Your Home” campaign include: African Development Center, African Economic Development Solutions, Bii Gii Wiin, EMERGE, Greater Metropolitan Housing Corporation, Lao Assistance Center, Neighborhood Development Alliance, and PRG, Inc.

To learn more about HOM, visit the City of Minneapolis’ website.

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