

Building Equity in Small Multifamily Ownership



Program Overview

Minnesota has some of the county's worst racial disparities in wealth and homeownership. The murder of George Floyd and the devastating effects of the COVID-19 pandemic further underscore these disparities. Family Housing Fund, together with a collaborative of partners, is launching a comprehensive approach to close the wealth gap for Black households, Indigenous households, and households of color in our region while taking advantage of recent zoning changes to add to our supply of locally-owned small rental buildings.

We will help first-time homebuyers of color build wealth through home equity and rental income as owner-occupant landlords of 2-4 unit buildings with a two-pronged strategy:

- 1 Address the constrained supply and high competition for 2-4 unit properties.**
 - Provide acquisition and construction loans to increase the supply of 2-4 unit buildings. Prioritize loans and supports to local developers of color to help build their businesses.
 - Provide rehab loans to local developers to ensure the existing stock is in good repair before new homeowners purchase/move in.
 - Facilitate sales to homebuyers with the help of community partners.
- 2 Ensure first-time buyers are well positioned to be successful homeowners and responsible landlords.**
 - Provide credit enhancement to reduce risk for lenders.
 - Supplement local down payment assistance resources.
 - Pilot a new mortgage product that includes escrow to save for future repairs. Provide 0% loans for repairs in the early years of ownership.
 - Develop owner-occupant training alongside homeownership education. Work with community partners to deliver training and build a pipeline of homebuyers and sellers.

Collaboration is Key

Working in partnership is the only way to achieve the transformative systems change we seek and we have strong core partners in Hope Community, the Greater Minnesota Housing Fund, Land Bank Twin Cities, and the Minnesota Home Ownership Center. We look forward to building partnerships with more community organizations, local developers, lenders, financial educators, and municipal partners to advance this strategy and help us scale this work to the broader metro region.

**JOIN US TO
CLOSE DISPARITIES
IN WEALTH AND
TRANSFORM OUR
REGION!**

#BuildEquityMSP

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