

MinneapolisHomes

BUY • BUILD • REHAB

BUY

a move-in
ready home



BUILD

a home on a
City-owned vacant lot

REHAB

a City-owned
vacant home



The Minneapolis Homes program provides a range of opportunities to own a home in the City of Minneapolis.

Learn more about available financing and how to apply.

minneapolishomes.org

For reasonable accommodations or alternative formats please contact 311 or the Department of Community Planning and Economic Development, and ask for the Minneapolis Homes Program. People who are deaf or hard of hearing can use a relay service to call 311 at 612-673-3000. TTY users call 612-673-2157 or 612-673-2626. Para asistencia 612-673-2700 - Rau kev pab 612-673-2800 - Hadii aad Caawimaad u baahantahay 612-673-3500.


Minneapolis
City of Lakes

Glossary

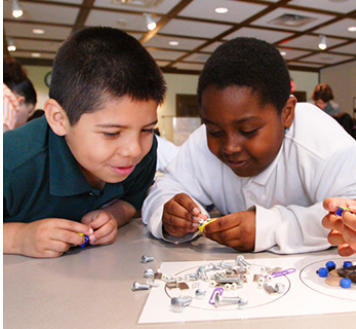
- **Affordability Gap** – The difference between the appraised value of a home and the amount that a homebuyer can afford to pay for a first mortgage.
- **Area Median Income (AMI)** – If everyone's incomes in the Twin Cities Metro area were lined up lowest to highest, the area median income would lie directly in the middle. AMI varies by household size.
- **Developer** – individual or entity that is responsible for putting a deal together and contracts with the City of Minneapolis
- **Development Assistance** – Money that can be used by developers to purchase, rehabilitate, or build, and ultimately sell a home. Development Assistance can be used to fill a project/value or affordability gap
- **Down Payment Assistance/Homebuyer Assistance** – Money that can be used by homebuyers to assist in making a down payment or paying for closing costs.
- **HUD** – U.S. Department of Housing and Urban Development (federal funding source)
- **Long-Term Affordability (LTA)** – Properties that are restricted to be affordable to owners earning 80% AMI or below for 30 years

Glossary continued

- **MN Housing** – State agency that provides funding previously referred to as MHFA
- **Offer to Purchase** – A written contract that defines the terms under which a buyer agrees to purchase property
- **Project Gap/Value Gap** – The difference between the total development cost of a property and its fair market sale price once completed
- **Request for Proposals (RFP)** – A bidding process through which individuals or organizations interested in providing development services to the City submit proposals to participate in a program
- **Request for Qualifications (RFQ)** – A process through which individuals or organizations interested in participating in a City program prove their qualification criteria and/or eligibility
- **Terms** – The conditions under which an agreement is made.
- **Zoning Code** – A set of city regulations and law that defines how property in specific geographic areas can be used

What are we trying to achieve?

Minneapolis 2040 Goals



Eliminate Disparities: In 2040, Minneapolis will see all communities fully thrive regardless of race, ethnicity, gender, country of origin, religion, or zip code having eliminated deep-rooted disparities in wealth, opportunity, housing, safety, and health.

More residents and jobs: In 2040, Minneapolis will have more residents and jobs, and all people will equitably benefit from that growth.



Affordable and accessible housing: In 2040, all Minneapolis residents will be able to afford and access quality housing throughout the city.

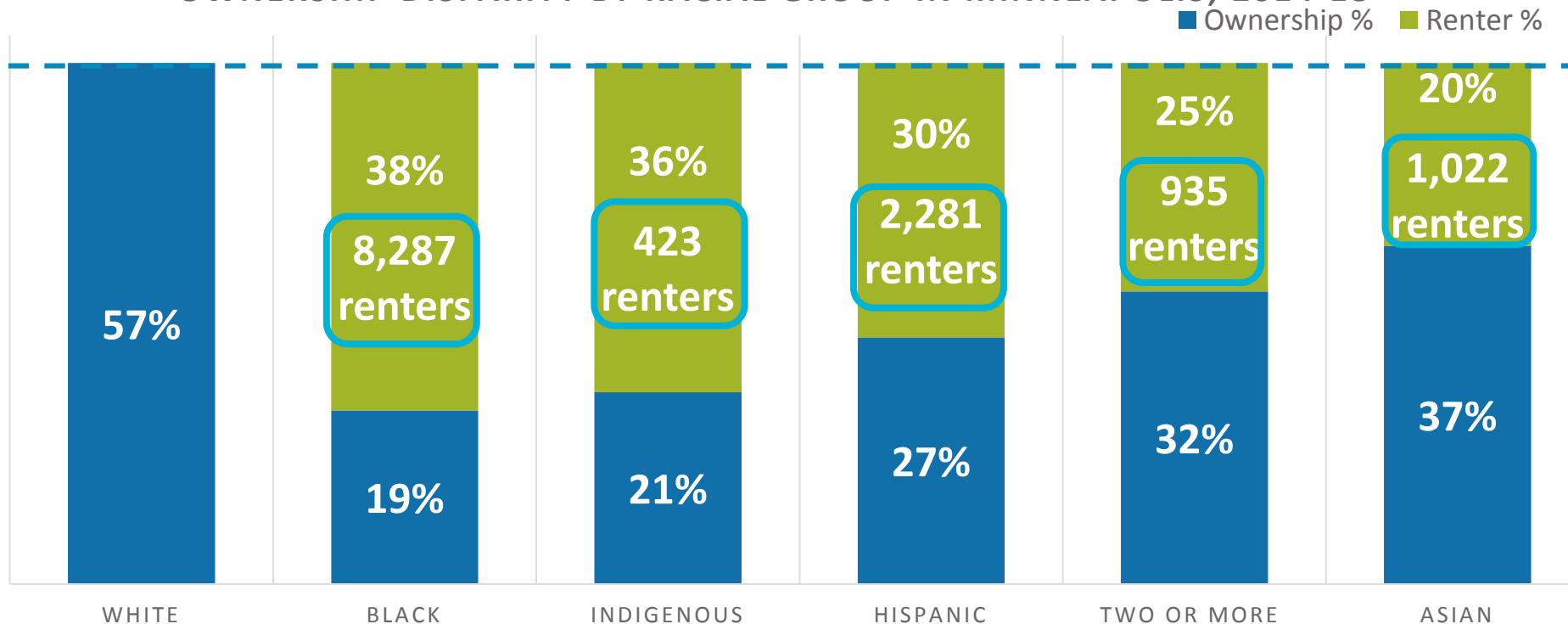
Climate Resilience: In 2040, Minneapolis will be resilient to the effects of climate change and diminishing natural resources, and will be on track to achieve an 80% reduction in greenhouse gas emissions by 2050.



Eliminating Disparities in Ownership

- Strategic Racial Equity Action Plan (SREAP) identifies housing need to reduce involuntary displacement of Black Indigenous People of Color (BIPOC) and Immigrant communities
- Eliminating disparities in ownership...
 - is an important component in reducing involuntary displacement
 - means serving **12,948** BIPOC households (total of numbers below)

OWNERSHIP DISPARITY BY RACIAL GROUP IN MINNEAPOLIS, 2014-18



Minneapolis Homes Vision

Goal: Revise Minneapolis Homes products to achieve goals included in Minneapolis 2040 comprehensive plan, as well as simplify and streamline similar products

Objectives:

- Use data to create products that eliminate racial disparities in ownership
- Build intergenerational wealth within households making \$80,000 or less (80% of area median income)
- Create permanent affordable housing throughout the city
- Encourage sustainable building certification and a diversity of development types
- Align City-owned land disposition with City goals
- Create accessible products

What is Minneapolis Homes?

Umbrella name for City of Minneapolis-sponsored scattered site housing products.

Education

- Homebuyer education and homebuyer capacity building

Property

- Minneapolis Homes BUILD/REHAB

Financing

- Down Payment Assistance
 - Home Ownership Opportunity Minneapolis (HOM)
 - Grow North
- Housing Production
 - Minneapolis Homes Development Assistance (MHDA)
 - Home Ownership Works (HOW)
 - Missing Middle Pilot
 - Minneapolis Homes BUILD Homebuyer Incentive



Education:

Financial Wellness/Homebuyer Readiness

Free financial counseling agencies and homeownership advisors are available to help with credit repair, financial coaching, homeownership counseling, mortgage options, and down payment resources.

- African Development Center
- African Families Development Network
- Bii Gii Wiin Community Development
- BuildWealth Minnesota, Inc.
- Comunidades Latinas Unidas en Servicio (CLUES)
- Hmong American Partnership
- Lao Assistance Center on Minnesota
- Minnesota Home Ownership Center
- Minneapolis Urban League
- Neighborhood Development Alliance
- PRG, Inc.
- Twin Cities Habitat for Humanity

Housing Production Financing

The City typically provides a combination of **Project Gap** and **Affordability Gap**, total City financing is referred to as **Development Gap**. Remaining costs are financed by developers during construction and by homebuyers upon purchase.

Total Development Cost



Project Gap

Funds cover the gap between total development cost and the appraised value of a home; forgiven upon home completion

Appraised Value



Affordability Gap

Funds cover the gap between a home's appraised value and a homebuyer's affordable price; can be forgiven, repaid upon sale, or remain invested for an affordability term

Affordable Price

Housing Production: Missing Middle

- 2-20 unit housing development



Next Steps: Homebuyer Products

