

Welcome!

# Building Equity in Small Multifamily Ownership Initiative

*Three Years in Review: Results and Key Learnings*

# Welcome & Agenda

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- Short Video
- Initiative Overview
- Highlighting Impact and Outcomes
- How our Learnings are Informing What's Ahead
- Thank You to our Partners and Funders



# Building Equity – The Challenge

*With homeownership out of reach, the wealth divide worsens.*



**A 52 point-difference**  
*between Black & white  
homeownership rates*



**Homeowners  
have 36x**  
*greater net wealth than  
renters*



**10x more  
wealth**  
*in white households than  
Black households*

# Building Equity Initiative - Timeline

## Concept Development (2019-2020)

Our Inquiry and Intent:

- Homeownership Access
  - Wealth Building
  - Gentle Density

How to leverage small multifamily homes to accelerate wealth building for BIPOC communities?

## Initiative Development, Implementation, & Evaluation (2020-2024)

- Conducting market research and analysis
  - Developing program guidelines and criteria
- Developing people- and property-specific strategies/programs
  - Launching & expanding programs & funding
- Identifying partners to implement strategies/programs
  - Measuring outputs, outcomes, impact, and learning

# Building Equity Initiative - Programs & Investments

**Ensure homebuyers have access to training and capital to become successful homeowners:**

Training & Education:

- Community Ownership training cohort
- Online owner-occupant landlord course (English and Spanish)

Access to capital:

- 9000 Equities
- Building Equity DPA
- Matched savings program
- Post-purchase repair loans

**Address the limited supply and high competition for 2–4 unit buildings:**

- Capital Loan Pool to support the acquisition, rehab or development of 2-4 unit properties for owner occupancy
- Free-to-access duplex construction plans
- BIPOC developer engagement and support
- Facilitate sales to homebuyers with community partners

# Building Equity Initiative - Program Partners



# Building Equity Initiative - Referral Partners



**Lutheran  
Social Service**  
of Minnesota



**NEIGHBORHOOD  
DEVELOPMENT  
ALLIANCE**



**NEW  
AMERICAN  
DEVELOPMENT  
CENTER**

**HELPING COMMUNITY TO THRIVE**



creating | building  
homeowners | community



**Urban League  
Twin Cities**



# Building Equity Initiative - Impact & Outcomes

**478**

total participants served in three years through support programs: 165 in Minneapolis, 151 in Saint Paul, and 162 in rest of metro

**108**

buyers served by the Down Payment Assistance Loan Program, with an average amount received of \$22,302 per buyer, totaling \$2.5+ million

**90%**

of Building Equity buyers identified as BIPOC

**\$2.5M**

in capital deployed towards acquisition and construction activities

**92%**

of Building Equity buyers purchased a duplex

**62%**

of Building Equity buyers earned incomes below 60% AMI

**\$321,423**

average home purchase price for Building Equity buyers

Click to open the animation in your browser.



**DOWN PAYMENT ASSISTANCE  
PROGRAM PARTICIPANTS:  
BEFORE + AFTER ADDRESSES**

## BUILDING EQUITY

### DPA PROGRAM:

Homebuyer

Race/Ethnicity + BIPOC

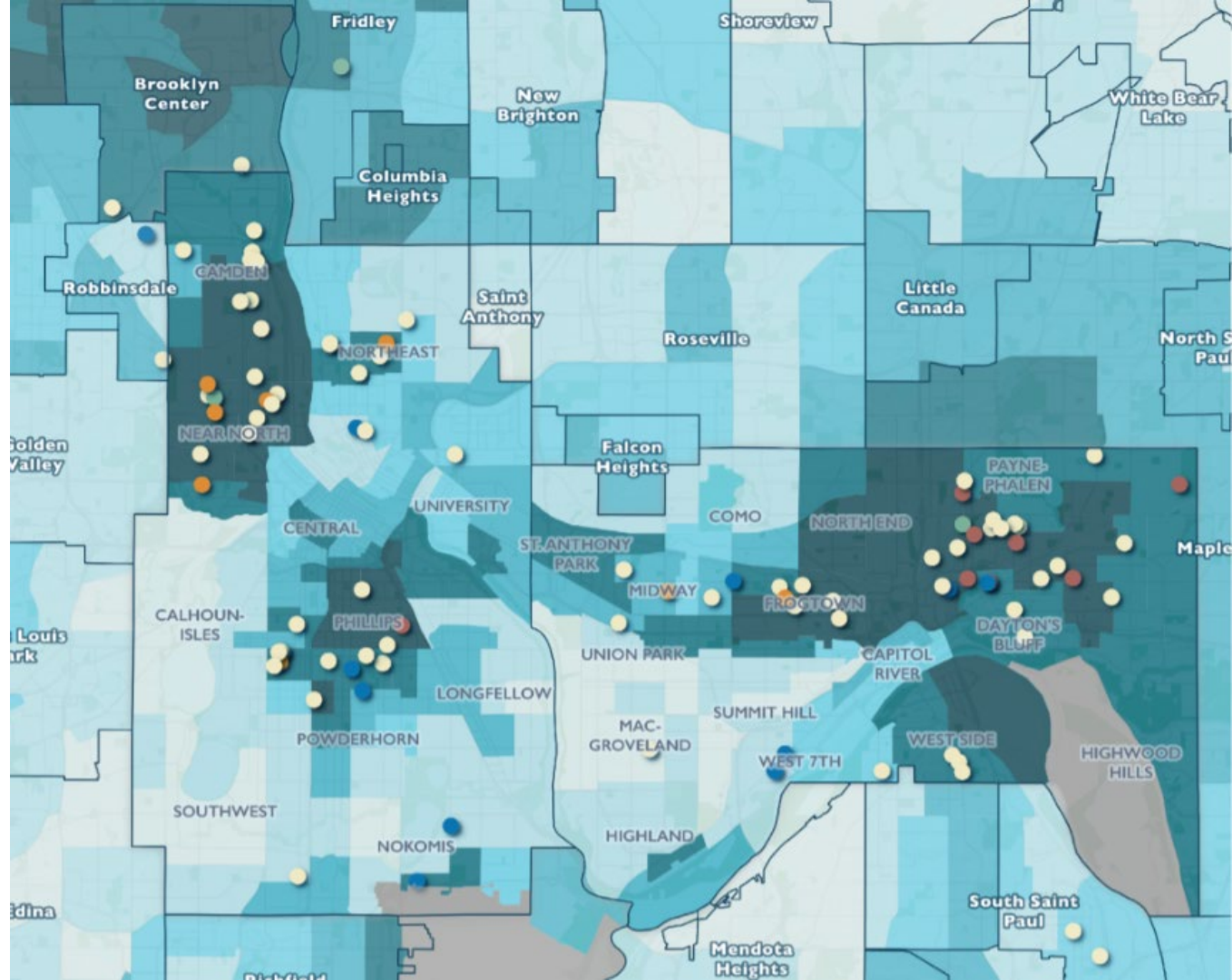
Population

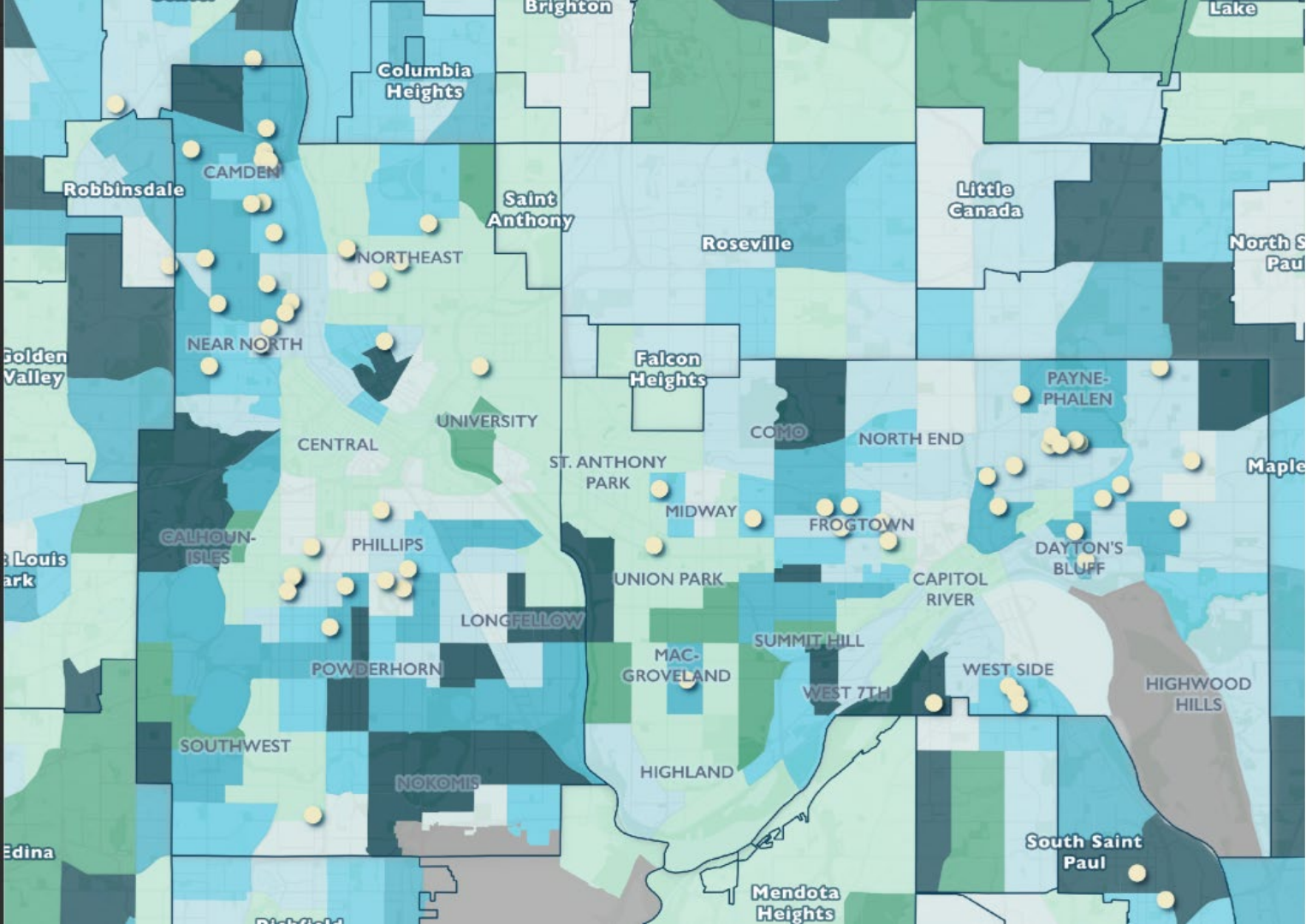
#### DPAP Homebuyer Race/Ethnicity

- Asian/Hmong
- Black/African American
- Hispanic/Mexican
- Other (Samoan; Mixed Race)
- White/Caucasian

#### % BIPOC (per Census Tract)

- 6.5% – 15%
- 15.1% – 25%
- 25.1% – 32%
- 32.1% – 45%
- 45.1% – 70%
- 70.1% – 95.7%
- No residents/households





**BUILDING EQUITY**

**DPAP PROGRAM:**

Black/African American Homebuyers + Black Homeownership Rates

● Black/African American DPAP Homebuyer  
 Black Householder: % Own Home (per Census Tract)  
■ 0%      ■ 0.6% - 10%  
■ 10.1% - 25%      ■ 25.1% - 40%  
■ 40.1% - 80%      ■ 80.1% - 100%  
■ No Black householders  
■ No residents/households

# Building Equity Initiative - Evaluation and Learnings

## Financial Success & Financial Challenges

- DPA deployed and Target Buyers reached
- Market conditions impacting supply efforts
- Affordability may compromise quality

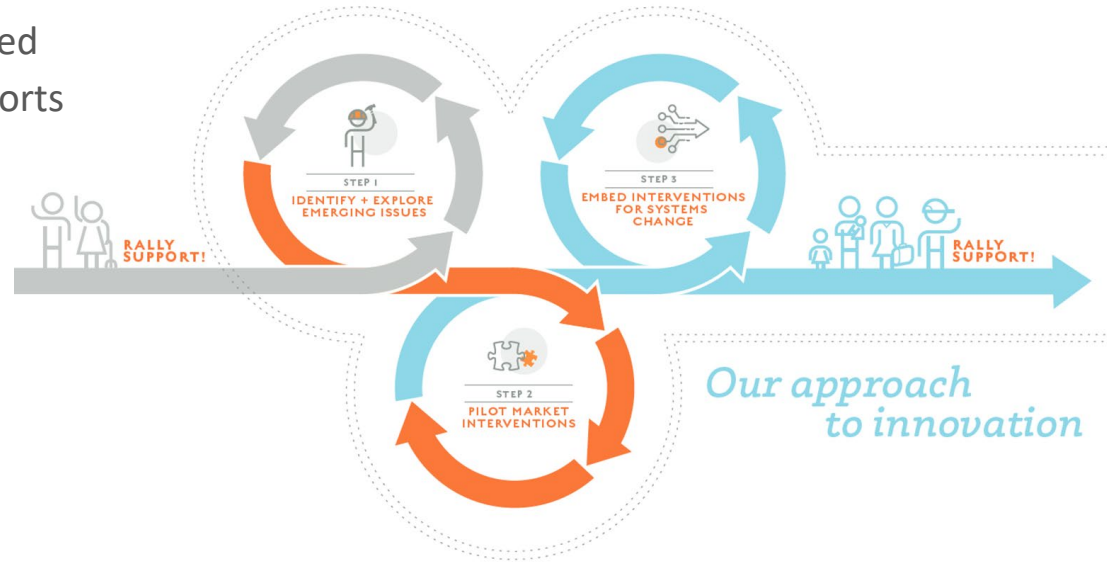
## Journey vs. Destination

- Long runway to homeownership
- Challenges post-purchase
- Stages to building wealth

## Building Equity beyond 2023

- Online owner-occupant training
- Post-purchase repair loan
- Matched savings
- Capital loan pool

 **Emerging Efforts**



Thank You!

JPMORGAN  
CHASE & CO.



BUSH  
FOUNDATION



**MINNEAPOLIS  
FOUNDATION**



SAINT PAUL  
& MINNESOTA  
FOUNDATION

F. R. BIGELOW FOUNDATION

THE MCKNIGHT FOUNDATION