

## Advancing Homeownership

### Southern Minnesota's Emerging Markets Homeownership Initiative

*"a comprehensive plan to advance homeownership for emerging markets in southern MN"*

Three Rivers Community Action and Southwest Minnesota Housing Partnership, along with many other strategic partners, intend to use a community-based, community-building model to coordinate a comprehensive network of professionals dedicated to advancing homeownership for emerging markets in southern Minnesota.

#### **Primary Geographic Targets (in no particular order) Include:**

Faribault/Rice County & Owatonna/Steele County  
Mankato/Blue Earth County  
Rochester/Olmsted County  
Albert Lea/Freeborn County & Austin/Mower County

Marshall/Lyon County  
Worthington/Nobles County  
Willmar/Kandiyohi County  
St. James & Madelia/Watonwan County

**Market Need:** In June 2005, the State of Minnesota released *The Emerging Markets Homeownership Initiative: A Business Plan to Increase Homeownership in Minnesota's Emerging Markets*. The State Plan identified a significant (32%) gap between homeownership rates for whites (77%) versus homeownership rates for diverse households (42%). In addition to overall population and household growth, southern Minnesota communities are experiencing growth in the number of emerging market individuals and households. Between 2000 and 2006, all but one county in the 38 counties of southern Minnesota saw a decrease in the percentage of white persons and an increase in the percentage of emerging markets. Demographics for these southern Minnesota counties indicate that the largest emerging market groups in the region are Latino and the growing East African (Somali, Sudanese, and Ethiopian) immigrant population. This presents a business opportunity for the region.

**Primary Minority Targets Include:** Latino & African Immigrant

#### **Planned Activities Include:**

- Create or enhance working groups in each community to encourage a safe environment of resources for the emerging markets consumers in their quest for housing and homeownership.
- Assess and fill gaps in target communities for culturally tailored financial literacy, homebuyer education and after purchase counseling.
- Create an emerging markets homebuyer mentorship program with peer-to-peer support to enhance long term success in their homeownership
- Implement a housing industry recruitment program in one of the target markets
- Create or enhance interpretive services specific to home buying in target communities
- Host trainings for local lenders/real estate agents in affordable programs for homebuyers
- Create or expand existing community development institutions (such as Community Development Corporations or Community Development Financial Institutions) in southern Minnesota to enhance funding streams for homebuyers and the entire initiative
- Leverage existing financial resources and seek additional financing opportunities (such as downpayment assistance, gap financing, affordable mortgage products, etc.) to assist emerging market households in entering homeownership.

#### **Contact Information:**

**Umbelina Treviño Cremer**  
Emerging Markets Officer  
507-421-1214  
umbelina.cremer@threeriverscap.org

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