

Home Ownership Works (HOW) Program

The HOW program guidelines were initially approved in 1990 and updated in 2009 through the HUD Consolidated Plan and City Council. In 2018, nine non-profit entities were approved as program developers through an updated RFQ process. Staff considered the following factors when developing recommended policy changes to the Home Ownership Works (HOW) program—increasing prices throughout the City of Minneapolis, consistency with similar housing programs, council member and community feedback, and the draft 2040 Comprehensive Plan.

A summary of changes is below:

Current HOW Program Goal—To provide home ownership opportunities for households who otherwise would have difficulty in attaining home ownership. It is also designed to address the problem of abandoned and foreclosed houses through either rehabilitation or demolition and new construction.

Proposed HOW Program Goal—To provide and sustain affordable, owner-occupied, one- to four-unit housing for low- and moderate-income purchasers throughout Minneapolis and reduce racial disparities in homeownership.

	Current HOW Program Policy	Proposed HOW Program Policy
Eligible Property	one-unit housing (duplexes converted to single family) for owner occupancy	One- to four-unit housing (at least one unit must be owner- occupied)
Eligible Location	Target Community (aligned with Hennepin County Targeted Community)	All of Minneapolis
Eligible Developers	Non-profit developers	Governmental entity or registered Minnesota business (private or non-profit) in good standing that are qualified annually through an RFQ process and certified by CPED Director
Property Status	Vacant	Vacant or occupied (stabilization; no relocation)

	Project Gap	Affordability Gap	Combined Loan Cap
Current Program Funding	1 unit: up to \$50,000, 2-4 unit: N/A	1 unit: up to \$14,999 2-4 unit: N/A	\$64,999
Proposed Program Funding	1 unit: Up to \$70,000, 2-4 unit: Up to \$95,000	\$1,000 - \$37,500 based on need	1 unit: Up to \$80,000, 2-4 unit: Up to \$105,000

Text amendments to the HOW manual were also implemented to achieve consistency with the Minneapolis Homes Development Assistance Program and provide a more detailed plain language explanation of procedures, including changes to:

- Draw procedures
- Affirmative marketing requirements
- Mortgage assumption process for recapture loans
- Rehabilitation standards
- New construction standards
- CPED housing development checklist