

Information Item

Community Development Committee



Meeting Date: March 17, 2025

Topic

Homeownership and Wealth Building Opportunities for Metro HRA

District(s), Member(s):	All
Policy/Legal Reference:	24 CFR Parts 982 and 984
Staff Prepared/Presented:	Elizabeth Kirsner, Homeownership & Wealth Building Intern Caitlin Magstad, HRA Outreach Coordinator, 651-602-1212
Division/Department:	Community Development / Housing & Redevelopment Authority

Background

In June 2024 Elizabeth Kirsner joined Metro HRA as a Wealth Building & Homeownership Intern to explore the wealth building and homeownership landscape in the Twin Cities and potential programs Metro HRA could adopt. Elizabeth researched two programs for Public Housing Authorities (PHAs) operating the Housing Choice Voucher (HCV) program: the Family Self-Sufficiency Program (FSS) and the HCV Homeownership Program. Both programs are authorized by the US Department of Housing and Urban Development (HUD). PHAs can choose to implement one or both programs.

To create an FSS or HCV Homeownership program, Metro HRA would need to update its Administrative Plan to specify details such as staffing, program size, and support services.

Family Self-Sufficiency Program (FSS):

FSS helps HCV participants build financial capability and assets through financial incentives (in the form of an escrow savings account) and case management/coaching. FSS has three main goals:

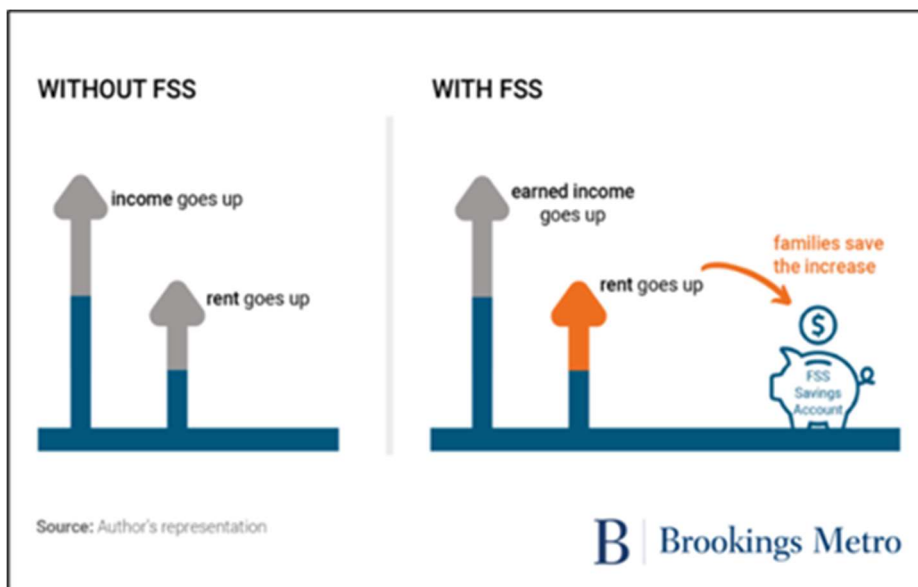
- Increase educational and employment attainment leading to increased earnings,
- Engage in financial empowerment activities that lead to debt reduction, credit score improvement, and increased savings, and to
- Decrease or eliminate the need for Temporary Assistance for Needy Families (TANF).

During this five-year program, participants develop an Individual Training and Services Plan (ITSP). The plan outlines attainable goals, such as attaining their GED, participating in work training, or saving for education, a car, or downpayment on a home. The FSS ITSP must contain two goals:

1. Be independent of cash assistance from federal or state welfare at graduation.
2. Maintain suitable employment and work at least 30 hours per week.

While completing their ITSP goals, a participant's income may rise. As FSS participants increase their earned income, that increase is deposited into an escrow account on their behalf. The local PHA funds and maintains the escrow accounts, which obtains reimbursement as part of its Housing Assistance Payments (HAP) and operating subsidy from HUD.

Figure 1. How FSS Helps Families Save



Brookings Institute, Markita Morris-Louis. 2023.

HCV Homeownership Program:

The HCV Homeownership Program allows eligible voucher participants to become first-time homebuyers by applying their voucher to a mortgage payment instead of monthly rent. PHAs administer the HCV Homeownership program utilizing the same funding pool and implementation as rental vouchers. HUD allows households to receive assistance for up to 15 years. Program participation may vary for elderly or disabled households.

Households participating in the homeownership program must be awarded a rental voucher under regular HCV eligibility. Beyond qualifying for the HCV program, homeownership program participants must also:

- Complete homeownership counseling.
- Non-elderly, non-disabled households must include one adult who is currently fully employed and has been consistently employed for one year prior to joining the program.
- Attain financial resources to fund a downpayment of at least three percent along with closing costs. Eligible households may qualify for other programs that provide these resources.

Internship Activities

Literature Review: The internship began with gathering information and data for economic mobility initiatives among Housing Choice Voucher participants and other models of wealth building among low-income people. This literature review provided foundational knowledge of homeownership and wealth building strategies for consideration by HRA staff as we explore program design and development.

Training and Resource Vetting: Caitlin and Elizabeth completed the Family Self-Sufficiency program training through the National Association of Housing and Redevelopment Officials (NAHRO) in 2024. This training highlighted regulatory and administrative requirements housing authorities must consider, program marketing, and the importance of department-wide understanding of the program. Elizabeth completed three financial education online programs to evaluate resources the HRA may recommend.

Informational Interviews: Elizabeth conducted informational interviews with public housing authorities that have Family Self Sufficiency and/or HCV Homeownership programs:

- Washington County Community Development Authority's FSS Program
- Saint Paul Public Housing Authority's FSS Program

- Saint Louis Park Public Housing Authority's FSS Program
- Boston Housing and Redevelopment Authority's Homeownership Program

These interviews provided critical details to inform program implementation, day-to-day operations, and the differences between providing in-house counseling versus contracting out support services.

Elizabeth will continue connecting with other housing authorities to learn the best practices for designing and implementing wealth building programs. It is important to gain different perspectives both from our regional partners and housing authorities across the country. Elizabeth would like to explore how these programs are implemented in regional housing authorities like Metro HRA.

Printed and Digital Communications: Resident engagement and anecdotal evidence from daily customer service to voucher holders indicate significant interest in wealth building and homeownership. Though Metro HRA currently does not have in-house programs, we hope to help voucher holders access existing resources in our region while the HRA explores programming and capacity considerations.

Elizabeth worked with Metropolitan Council Communications staff to update the HRA's website with a categorized list of resources for homeownership and wealth building. A flyer with a QR code linking to the website was also created (Attachment 1). The resources include credit and debt counseling, financial and homeownership education, and culturally specific programs. The resources were distributed to Metro HRA staff to share with voucher holders who ask about homeownership or wealth building and are offered at HRA resident engagements.

Next steps

Wealth building programs can help individual households reach financial stability and achieve longer-term goals. In turn, as families leave the program for market rate rentals or homeownership, the turnover vouchers may be used to serve Metro HRA's HCV waiting list.

Metro HRA will continue exploring how best support voucher holders to increase their housing choice and build wealth. While the programs permissible by HUD are important strategies for Metro HRA to consider, we are also excited to continue building connections within the robust wealth building landscape of the Twin Cities region. Local, flexible funding, and dedicated staff time are crucial resources to lay the foundation for future partnerships and programming to offer for Metro HRA participants.

Additional Resources

[What is FSS? On Vimeo](#)

[FSS Success Stories](#)

[Helping Renters Build Assets and Move Out of Poverty by Scaling HUD's Best Kept Secret](#)

[HCV Overview Video Series: HCV Homeownership - HUD Exchange](#)

[Urban Institute: Using Vouchers to Support Homeownership](#)

[Homeownership: A Housing Success Story](#)

[Homeownership and Wealth Building Resources - Metropolitan Council](#)

CURIOUS ABOUT BUYING A HOME?

*THE KEYS TO UNLOCK INVESTING
IN YOUR FUTURE*



Take the next step to learn more:

Scan to get started!

Metro HRA has selected a variety of community-hosted homeownership and financial literacy resources to help you move forward with your goals: from improving your credit score to growing your savings account for a down payment.



Homeownership Education and Counseling



Down Payment Assistance



Financial Education



Culturally Specific Resources

Scan the QR code above to explore resources available to you. Metro HRA staff can be reached at outreach@metc.state.mn.us.

