

Cinnaire and CHN Housing Partnership are seeking funding to expand a program that has proven successful in enabling homeownership for low-income families in Detroit. The program intends to provide 188 families with the opportunity to purchase their own home and enjoy the associated benefits as a result of homeownership.



## WHY HOMEOWNERSHIP MATTERS IN **DETROIT**?

The benefits of homeownership are indisputable – Healthier families. Better educational outcomes. More secure communities. Generational wealth created. Since it first launched, this program has provided the opportunity for more than 1300 low-income rental families to purchase their own homes. And, with the tools and training the program provides, more than 99% of them have stayed in their home for at least 5 years.



### ...**INCREASES IN**

- Health and well-being
- School success and graduation rates
- Community involvement
- Net family wealth



### ...**DECREASES IN**

- Children's developmental and behavioral problems
- Reliance on government assistance
- Youth involved in crime

## HOMEOWNERSHIP **LEADS TO...**



### ...**BETTER HEALTH**

A safe home can prevent mental health and developmental problems, and safeguard against asthma, lead poisoning, stunted growth and unnecessary hospitalizations.

A national survey of low-income homeowners found that 74% said that their family's overall health had improved since purchasing their home.



### ...**INCREASED SECURITY AND SAFETY**

A study of violent crime found that homeownership status significantly reduces a household's incidences of crime and homeowners have significantly less risk of being subject to a violent assault.



### ...**GREATER EDUCATIONAL ACHIEVEMENTS**

Children of homeowners are more likely to stay in school until age 17 than children of renters.

Children of home owning families outperform children in renting families in both math and reading achievement tests even when other factors are the same.



### ...**WEALTH BUILDING**

Programs like Advancing Communities Through the Power of a Permanent Address focus on systemic barriers from redlining and social inequities that prevented wealth creation for minority communities.

The median net wealth of low-income homeowners is dramatically higher than the median net wealth of low-income renters.

A study found that 53% of homeowners found that they have more money since moving into their homes; two-thirds are more confident about their ability to fund their children's college education and almost 40% said they pay less in housing costs. Use of government assistance also noticeably declined.

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## Q & A

**Q: How does the Advancing Communities Through the Power of a Permanent Address program differ from other housing affordability programs?**

**A:** The Advancing Communities Through the Power of a Permanent Address is the only program that brings together expert partners, homeownership counseling (pre and post purchase), funding for improvements, and carefully selected renters with stabilized renting history to ensure success for both families and the program.

**Q: Why does homeownership matter?**

**A:** The current 30-percentage-point gap between black and white homeownership is larger than it was in 1968, when housing discrimination was legal; Black borrowers are less likely to meet the traditional credit standards necessary to qualify for a mortgage; 17% of the black-white homeownership gap can't be explained by identifiable factors; and owning a home embodies the promise of individual autonomy and is the aspiration of most American households. Homeownership allows households to accumulate wealth and social status, and is the basis for a number of positive social, economic, family and civic outcomes.

**Q: Why is funding needed for this type of program, and how do we measure results?**

**A:** Funding will provide the crucial pieces of down payment assistance, immediate repairs, and strong program involvement that ensures success. Through this model, pre and post homeownership counseling, and continued program oversight, we will be able to closely track the number of families that become homeowners, average gains in assets and net wealth, credit score improvements, length of residency (contributing to stabilized family outcomes) and other improved social outcomes.

**Q: Homeownership is the bedrock of the American Dream and of stable and vital neighborhoods. Why invest in Detroit residents and in communities that some label as “distressed”?**

**A:** Real estate is hot in Detroit — that is for some and not others. As Detroit makes progress toward being a stronger and safer city, new initiatives are needed to continue to build an inclusive city. Advancing Communities Through the Power of a Permanent Address is supportive of the city's efforts of preserving the existing affordable housing stock by allowing current residents to remain in their homes, in their communities and providing future affordable housing choices. Our mission is to prevent housing units from disappearing that are affordable for working, aging, low-income and vulnerable Detroiters.



**Q: Why make an investment in the Advancing Communities Through the Power of a Permanent Address program?**

**A:** Cinnaire and CHN Housing Partners have 94 years of combined expertise in community development. Our collective efforts create equitable, economic and sustainable opportunities to individuals and families across the country. We have contributed to the creation or development of several thousand units of affordable housing resulting in a track record of 1,300+ families taking title to their homes and 99% of those homebuyers were successful in sustaining homeownership for a period of at least 5 years.

**Q: How do you ensure the transition from renter to successful homeowner?**

**A:**

- Pre- and post-homeownership counseling classes
- The Equivalency Principle: Homeownership payment + taxes + insurance do not exceed previous rent amount
- A unique mortgage program designed to focus on the entire financial picture
- Mortgage Reserve Account: Program that encourages continued savings with a savings match that can be used at any time of need

**Q: How is the program supported?**

**A:** Our program is made possible through public, private and philanthropic partnerships with the common mission of seeking to provide opportunities for low-income families to build wealth through homeownership. As of February 2020, we have raised the funds to make homeownership possible for 54 families. Our total fundraising goal to help 188 families achieve homeownership is \$6 million.