

NINA MOINI: In the Twin Cities metro area, Black home ownership rate has backtracked. That's according to new data from the Minneapolis Federal Reserve. In 2023, the region's rate had risen to 34.3%. But in 2024, the regional Black homeownership rate fell back to 29.1%.

The data also shows that, compared to 11 other similar metro areas across the United States, the Twin Cities has the largest gap between Black and white homeownership rates, at nearly 47%. While the data doesn't point to the reasons why, our next guest has some insight. AsaleSol Young is the executive director of Housing in Action, a local housing justice organization, that works with socioeconomically disadvantaged families to find affordable and safe housing. AsaleSol joins me now. Thank you so much for your time this afternoon.

ASALESOL Absolutely. Thank you for having me.

YOUNG:

NINA MOINI: It's not great to hear about a backtrack in an area as important as this. Could you just start by sharing a little bit more about the work that Housing in Action does year round?

ASALESOL Absolutely. So we are a nonprofit affordable housing housing justice institution. We provide over 100 units of affordable rental housing. And we develop homes for affordable sale, while also providing programming for families to work with them to move from rental to ownership, if that's their desire. But our primary focus within that educational space is stability, sustainability and generational wealth if they choose that-- so giving folks the real, deep understanding of what homeownership entails, as well as the other pathways to wealth creation.

YOUNG: We also work in the policy space. And our focus is North Minneapolis. So it is a historically Black community. But it is very diverse today. And I think a lot of folks don't know that, so it's important to just name that. But historically, it is a Black neighborhood.

NINA MOINI: OK. So you're doing this work all the time. Your perspective is so important on this. Because when we hear about 34.3% to 29.1%, this 5% drop in the span of a year, it's hard to know what that looks like on the ground and feels like for people. When you're hearing about this backtrack or this drop, what's your reaction? Is it in line with what you're seeing and feeling?

ASALESOL Yeah, absolutely. It's, of course, unfortunate. But I think that we're all-- collectively, the economy is struggling.

YOUNG: And so the numbers nationally are showing that homeownership is becoming broadly less accessible. And typically, when we think about general accessibility, the data is focused on white, middle class families, families that have more access to multigenerational wealth to support with that first-time home purchase, that down payment that so many young buyers struggle with.

And so, as we all feel the impacts of our economy today, as well as read data like this, we have to recognize that, if the middle class is struggling, if the white middle class is struggling, these are families that, historically, our system is set up to support. If these families are struggling, then, of course, the impacts are going to be detrimental for lower income families, families of color, specifically Black families. So it's not surprising.

And I think that, in addition to where our economy is at today, we're still recovering from the impacts that have left Black families from building that multigenerational wealth through homeownership. And so that requires very insistent, persistent, direct effort to ensure that, not only are Black families not being further left behind, but that we're aggressively targeting the gap that was created by these incredibly racist government policies. And so all of it kind of compounds to lead us to this moment that this data reflects.

NINA MOINI: Well, and another challenge that this data reflected is that affordable housing construction has dropped in the Twin Cities, as well. From your perspective, what do you think is the reason for that? And how, if in any way, does that help to decrease Black homeownership?

ASALESOL YOUNG: Yeah, it's kind of all a part of the picture. So as the economy is generally struggling, as inflation is spiking-- and that means the cost of everything is going up, and incomes and things aren't keeping up with that. Affordable housing isn't without those same struggles.

We develop homes at market rate. That means that we're buying the materials. We're hiring the contractors, the construction, the labor all at market rate, which, as I just said, has gone up exponentially.

But then we are turning homes around affordably, which means that that's typically where the fundraising comes in affordable housing sales. You have the gap between what it costs to build the home, market rate, and the cost that you're going to turn around and sell it at the, affordability rate. So we call that the affordability gap.

So let's say it cost me half a million dollars to develop a single family home, which is about the average of where we're at right now. But we're going to turn it around and sell it for \$350,000 so that a lower income family can afford it. So that creates its own gap, in addition to the fact that our families, as I said towards the beginning of the conversation, are suffering from the same economy as everybody else, where everything is more expensive right now. Incomes are not keeping pace with the rate of inflation.

And so it's really important that we do not cost burden families, even though there might be the opportunity for them to purchase a home. And so you have these two affordability gaps, the gap between building at market rate but selling affordably and then the gap where the family has to work to sustainably purchase, come up with a down payment, pay the mortgage. You have that gap, as well.

And so, again, that's another compounding factor. And in terms of the actual what you're speaking to specifically, the development, nonprofits are trying to navigate, again, that same economy. And so while there's opportunity to partner with our city government, county government, state government, there is still the reality that nonprofit developers have to piecemeal our funding. We have to piece it together across these different government agencies. And you still have that gap that often is left to the private sector and fundraising.

NINA MOINI: And also, AsaleSol, I wonder if you're seeing a shift away from homeownership at all for Black families? Just the instability that you're talking about of the market and the economy, are people maybe waiting more?

ASALESOL YOUNG: Yeah, that's a really great point. I think that similar trends we're seeing across race with homeownership is that younger generations-- I would say millennials and younger-- are starting to question more the tool of homeownership as a wealth-building tool, which our elders and ancestors were often able to benefit and saw that effectively used that way. Our economy is giving less way for that.

And so now it's really about stability and a multigenerational asset that you're passing on after a lot of economic input and work and labor. And so a lot of younger generations-- again, across race-- are questioning if that is their path. I think, within the Black community, specifically, you still have older generations that value that tool as a way, as an avenue to pass down wealth. But yeah, I think that Black families are not exempt. Younger, Black folks are not exempt from that mindset shift that we're seeing across races across the country.

NINA MOINI: Mm-hmm. Just lastly, AsaleSol, so you alluded to some of the challenges, just having enough resources where they're needed, targeting communities that need it instead of broader missions. What would you like to see if there was one thing that could change to help close this gap for Black Minnesotans to find homes? What would you like to see?

ASALESOL YOUNG: Absolutely. I think that, like I said at the very beginning, at the onset of the conversation, in order to combat the implications of our systemically racist system, we have to put very intentional and, I would say, aggressive resources towards shifting that for folks. We're talking about generations of white families being able to build wealth through home ownership that Black families legally did not have the same access to. And so even without the current market conditions, we're combating that.

And so that's what I would like to see-- is, on a state level and on a city level, very intentional resource set asides that are specifically targeting Black opportunity for ownership, Black down payment assistance that is free. So for example, at Housing in Action, we provide a down payment grant that we do consider a form of reparations. It's small. It's a small amount of money, because we're a small organization.

But the nice thing about it is it's stackable. So it can be added to other forms of down payment support. And so we need more things like that. We need to get away from our fear of talking about race and really just say, recognize, we have this gap. It's impacting Black families, because Black families were the families that were specifically targeted by things like redlining and predatory lending.

And so we're going to specifically target Black families in solutions. And the beauty of that is that it will support everyone. Because whenever, in society, we recognize the marginalized and we work to support those most oppressed, everyone benefits. And I think we need the same kind of mindset in housing.

NINA MOINI: AsaleSol, thank you very much for coming by *Minnesota Now* and sharing your expertise. We really appreciate it.

ASALESOL YOUNG: Absolutely. Thank you so much.

NINA MOINI: AsaleSol Young is the executive director of Housing in Action.