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NEWS RELEASE

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First Homes Announces Regional Starter Homes Developments

ROCHESTER – May 1, 2000 – *First Homes*, a public-private partnership to build starter homes in Rochester and surrounding communities, will announce details on its first developments at a Kickoff and Builder Showcase, Monday, May 15 from 4 to 7 p.m. at Mayo Civic Center, Grand Ballroom.

Starter home developments or rental townhomes will be announced in Byron, Chatfield, Hayfield, Kasson, Pine Island, Rochester and Spring Valley.

First Homes works with developers to build starter homes and provides a variety of financial assistance to help homebuyers reduce down payments and to make monthly payments manageable. *First Homes* starter homes will be available in a range of prices but will not cost more than \$120,000. Rental townhomes will be available at below-market rates.

First Homes is an initiative of the Rochester Area Foundation. Key partners are the Greater Minnesota Housing Fund, a nonprofit which works to create housing for working families in greater Minnesota, and Community Housing Partnership, a Rochester-based nonprofit which will work with individuals and families through the qualification and home-buying process.

To qualify for financial help from *First Homes*, a family or individual must have an annual income of at least \$22,000 and earn no more than 80 percent of the state median income. Maximum household income levels based on family size are: one person – \$32,424; two people

– \$37,056; three people – \$41,688; four people – \$46,320; five people – \$50,026; and six people – \$53,731, etc.

At the showcase, potential homeowners and renters can learn details about the neighborhoods and homes, income requirements and financial help available. Builders will be on hand to answer questions. "*First Homes 101: An introduction for potential buyers*" will be presented at 5:15 and 6:15 p.m.

For those interested in homes outside of Rochester, *First Homes* will host these local showcases:

Byron: Tuesday, May 16, 4 to 6 p.m., Byron City Hall, 11 Fourth St. NW

Kasson: Tuesday, May 16, 11 a.m. to 1 p.m., Kasson City Hall, 401 Fifth St. SE

Spring Valley: Wednesday, May 17, 11 a.m. to 1 p.m., Spring Valley City Hall, 112 W. Courtland

Chatfield: Wednesday, May 17, 6 to 8 p.m., Chatfield City Hall, 21 SE Second St.

Call for appointment beginning on May 18

Beginning Thursday, May 18, 2000, at 8 a.m., prospective buyers can call *First Homes* Center at Community Housing Partnership, 507-287-7117, to discuss program eligibility. Calls will not be accepted before May 18.

Names of all applicants who call on May 18 or 19, from 8 a.m. to 5 p.m., will be placed in a pool and randomly assigned a priority number for an initial appointment. If appointment requests significantly exceed homes available in 2000, some applicants may not be scheduled for an appointment until more homes are available.

Applicants who call on May 18 or 19 will be contacted by Community Housing Partnership by May 30 to set appointments. Potential homebuyers who call after May 19 will receive information and be placed on a waiting list.

Contributions still needed

Fundraising for *First Homes* began last year to address a critical housing shortage in our area.

"The housing crisis in our area is real," says Steve Thornton, executive director of Rochester Area Foundation. "Just ask a new teacher or nurse, a mechanic, a retail clerk or waitress. There just aren't any homes here they can afford to buy. "

First Homes funding has come from a variety of state and local sources. Mayo Clinic was the first local contributor with a donation of \$4 million. The Rochester Area Foundation contributed \$1 million.

The Minnesota Housing Finance Agency is contributing \$4.6 million. Local communities are helping with tax increment financing. The Greater Minnesota Housing Fund has allocated \$3.9 million. "We are excited to participate in the development and funding of *First Homes*,

which is a model program for the rest of the state," says Warren Hanson, president of Greater Minnesota Housing Fund.

An additional \$800,000 has been raised locally. Contributions have come from the City of Rochester, Olmsted County, Rochester Area Chamber of Commerce, Hardy's Bar-B-Q, Home Federal Savings Bank, The Initiative Fund, Canadian Honker Restaurant, Norwest Bank Rochester, Rochester Cheese, Rochester *Post-Bulletin*, Sisters of St. Francis, Dorsey and Whitney, Smith Schafer and Associates, US Bank and a number of individuals.

Additional funds are needed. "We're raising \$12.75 million locally to reach our goal of building 500 starter homes and 375 rental townhomes in five years," says Al DeBoer, *First Homes* co-chair and owner of Rochester Cheese.

"*First Homes* is a great investment in our community. For every dollar contributed locally, an additional \$9 is available from other sources."

For more information on donating to *First Homes*, call Rochester Area Foundation at 507-282-0203.

For more information on purchasing or renting a home, contact First Homes Center at Community Housing Partnership, 507-287-7117 or check the web at www.FirstHomes.org.

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