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## **NEWS RELEASE**

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### **First Homes project moves forward**

The First Homes program to provide starter homes and rental units in the Rochester area has proven effective as 68 families have purchased new homes and 94 additional families have moved into rental townhomes.

In addition, a total of 148 families have applied for financing through certified lenders to purchase homes in the First Homes program.

Communities hosting First Homes housing include: Rochester, Dover, Plainview, Kasson, Chatfield, Spring Valley, Pine Island, Hayfield, Zumbrota and Byron.

“The First Homes project has helped many families in the Rochester area find rental units and starter homes so far, but our work is far from done,” Sean Allen, executive director of First Homes, said. “While 68 families are in new homes, there are hundreds more yet to be assisted through the program.”

First Homes works closely with developers to build quality homes at starter home prices and offers homebuyers financial assistance to reduce monthly mortgage payments. The effort makes home ownership affordable to families on a limited budget.

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Financial assistance to homeowners comes in two forms – gap loans and community land trust.

Gap financing offers low-interest deferred loans that allow homeowners to have a smaller primary mortgage and keeps monthly mortgage payments manageable for households with limited incomes. Gap loans are repaid when the home is sold.

In the community land trust program, buyers purchase and receive a deed to the home and receive a 99-year renewable lease to the land on which their home is built. By not paying for the land, homeowners receive a benefit of at least \$30,000, making homes very affordable.

First Homes is a public-private collaborative to build needed starter homes in Rochester and a 30-mile radius. The goal is to build homes for 875 families over five years – 500 single-family homes and 375 rental townhomes.

The Rochester area's economic growth has shown that employers need affordable housing for their employees. The First Homes initiative has partnered the business sector, government and foundations in producing housing for families in a mixed-income, mixed-housing environment.

A \$12.75 million fund-raising effort by the Rochester Area Foundation is seeking donations from area employers and individuals over the next two years. The raised funds can be leveraged for additional funding of \$115 million from other sources, and the total, \$128 million, is the amount needed to build starter homes for 875 families in a 30-mile radius of Rochester.

For more information on First Homes, call (507) 287-7117 or visit <http://www.firsthomes.org> on the Web.