

Pathways to Removing Obstacles to Housing (PRO Housing) Grant Application

Public Hearing

Tuesday, October 1, 2024

7:00 PM



Meeting Overview

- Application Overview – 10 minutes
- Public Comment –3 minutes per speaker
- Public comments will be recorded and considered by staff as the final application is developed.
- Per HUD requirements, Arlington is required to submit “a list of commenters by name or organization, and a summary of any comments or views accepted or not accepted and the reasons why...along with the submission [of the application to HUD].”
 - Please add your name and organization you are representing (if applicable) to the chat.

HUD PRO Housing Overview

- HUD PRO Housing Funds are competitively awarded by HUD
- \$1 million minimum request, \$7 million maximum
- Grantees may use funds to further develop, evaluate, and implement housing policy plans, improve housing strategies, and facilitate affordable housing production and preservation.
- Goal of the program is to empower communities that are taking active steps to remove barriers to affordable housing, increase housing production, and lower housing costs for families over the long-term.
- \$100 million available nationwide; HUD anticipates making ~ 30 grants

Proposed Pro Housing Activities (Background)

- Arlington requesting approximately \$7 million in support over 5-year grant period.
- The activities Arlington proposes to carry out with HUD PRO Housing funds will meet the CDBG national objective pursuant to section 101(c) of the Housing and Community Development Act of 1974:
 - (a) Benefiting low- and moderate-income persons
- Arlington's HUD PRO Grant application proposes to use HUD funding to further certain implementation activities for the County's recently-released Homeownership Study recommendations.

Homeownership Study Overview

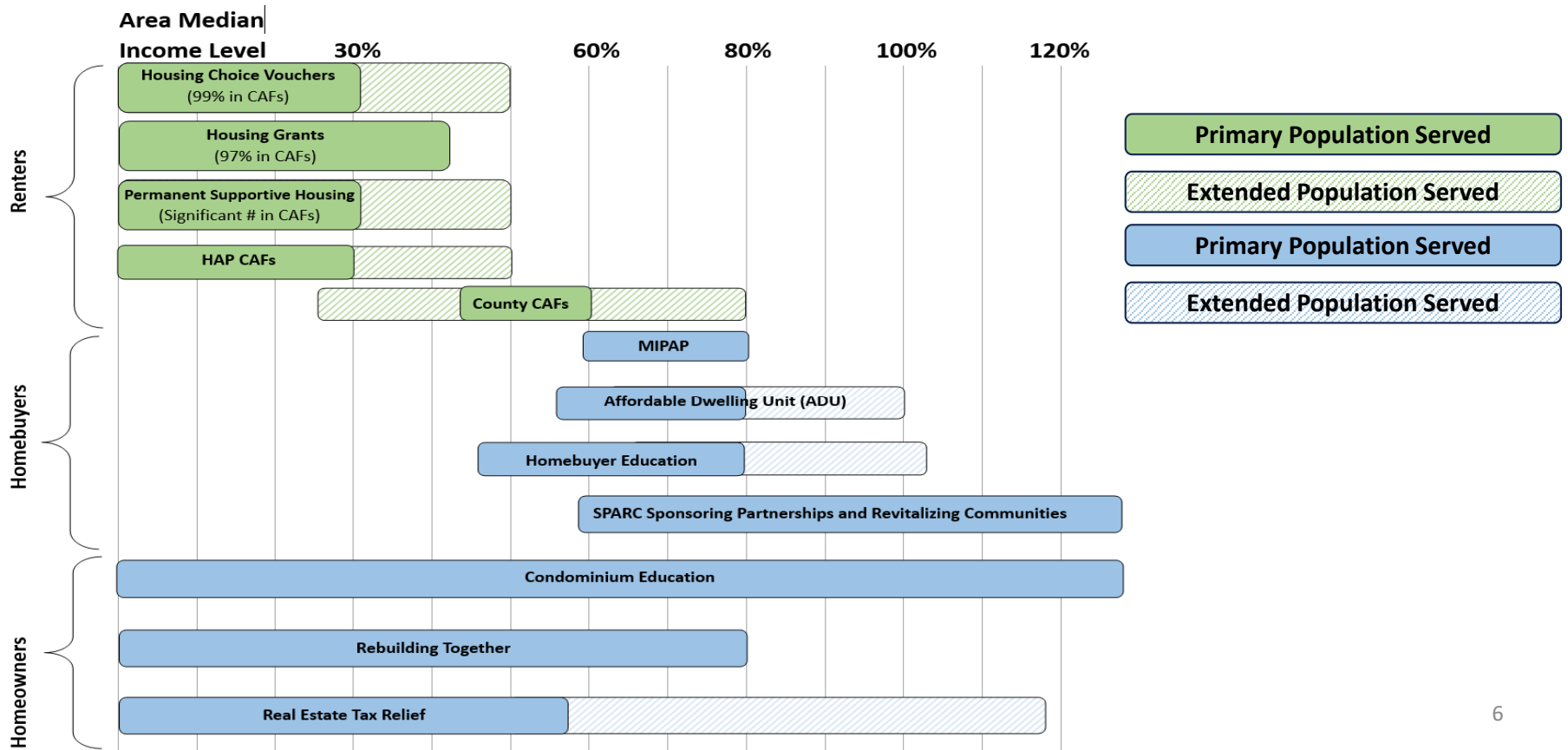
STUDY GOALS: Homeownership Program Recommendations

- Clarify the community's vision and goals for homeownership programs.
- Create more equitable homeownership outcomes.
- Increase available resources for existing homeowners.

OBJECTIVES:

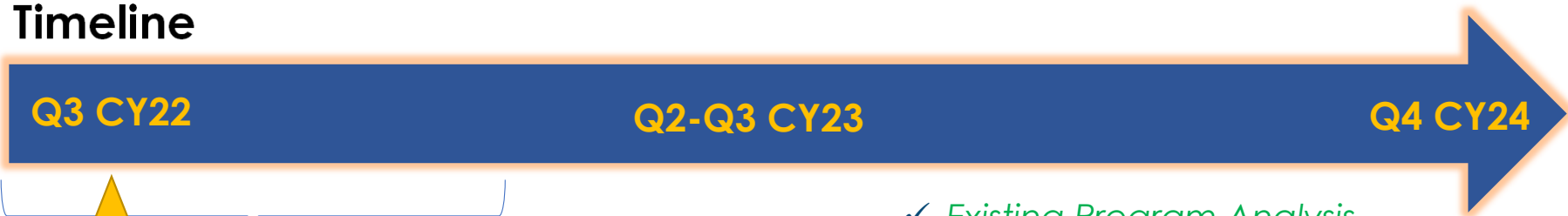
- Assess key trends related to for-sale housing market, mortgage financing, and cost burden of owner households.
- Examine existing homeownership programs through an equity lens.
- Define community's values and goals related to homeownership.
- Determine whether existing homeownership programs support Arlington's homeownership goals.
- Assess opportunities for potential homebuyers and existing homeowners.
- Recommend modifications to existing programs or new programs to consider.

Arlington's Housing Programs



Homeownership Study Timeline

Timeline



Phase 1

✓ *Barriers to Homeownership Analysis*

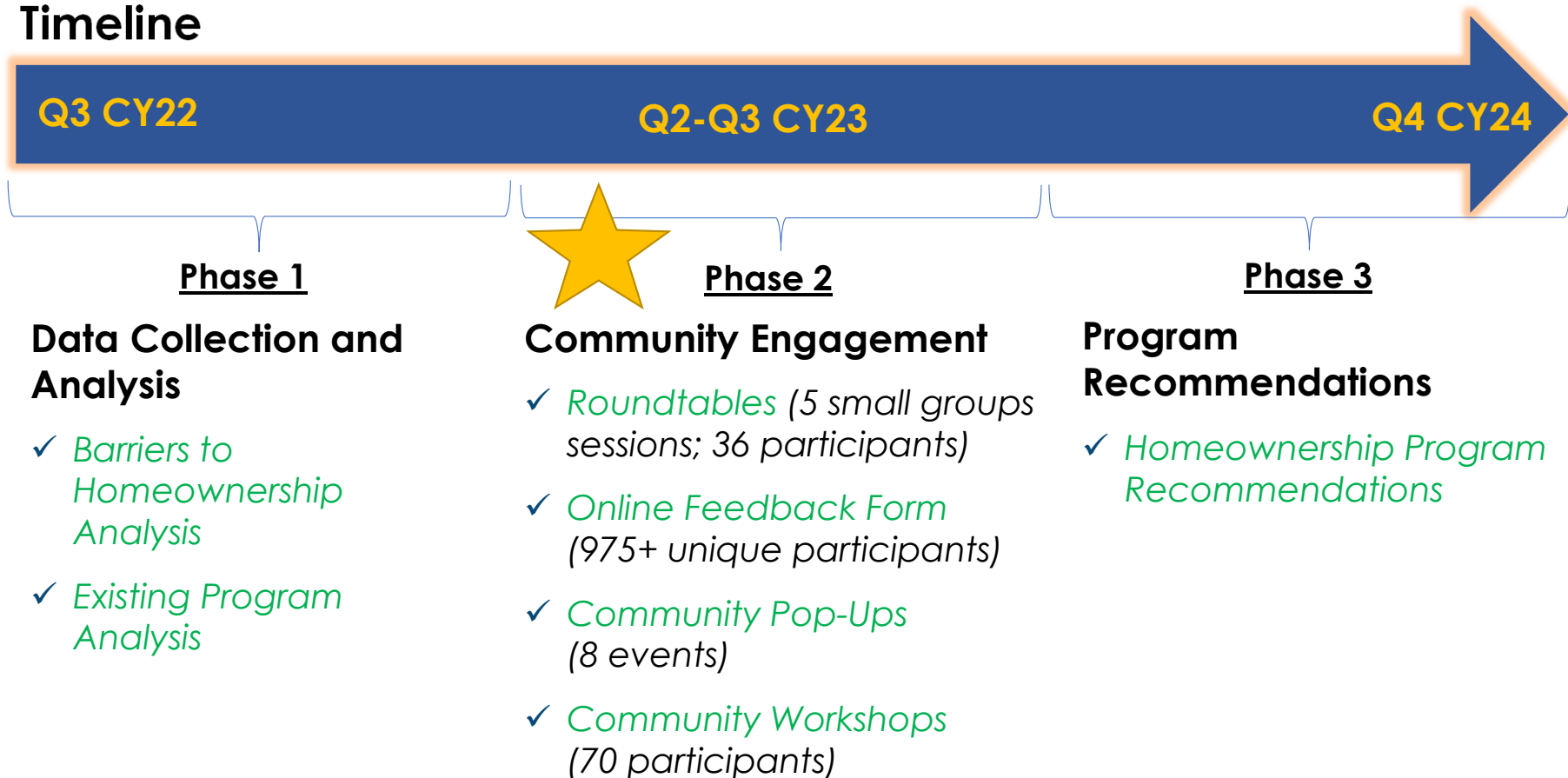
- Limited availability of new ownership housing.
- 99% of all homes priced below \$500k are condos.
- Racial disparities persist in homeownership rates, mortgage denials, and interest rates.
- There is a sizable renter population that can sustain homeownership.
- 2/3 owner households are housing cost burdened.

✓ *Existing Program Analysis*

- MIPAP mainly supports single, White (non-Hispanic) borrowers; program limited by income limits and housing type availability.
- ADU supply is limited because of development trends. There is minimal ADU turnover.
- Limited resources for existing homeowners (i.e. home repair and condo resources)
- Need for more personalized approach
- Program design not prioritizing racial equity.

Homeownership Study Timeline

Timeline



Homeownership Program Vision & Goals

Vision

Arlington's Homeownership Program serves as a catalyst to preserve and expand affordable homeownership opportunities.

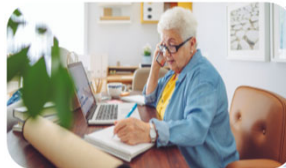


--Established through engagement with Homeownership Subcommittee, advocates, stakeholders, and the community at-large.

Goals



1. *Reduce racial homeownership gaps.*



2. *Support existing homeowners in maintaining housing in the community.*



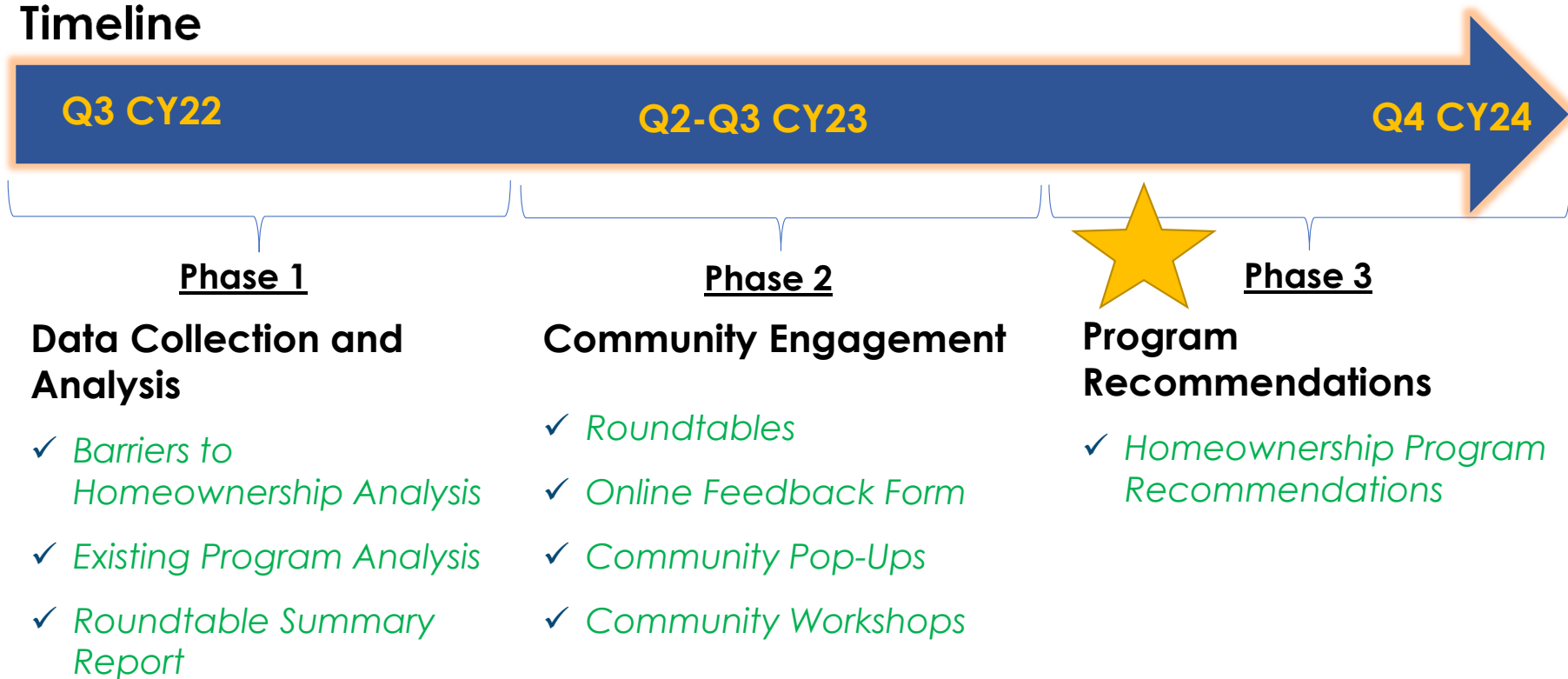
3. *Increase the production of homeownership housing supply.*



4. *Create pathways to homeownership for renters.*

Homeownership Study Timeline

Timeline



Proposed PRO Housing Activities

Program	Study Recommendation	HUD PRO Funding
Moderate Income Purchase Assistance Program (MIPAP)	<ul style="list-style-type: none"> ▪ Revise program parameters ▪ Expand program: <ul style="list-style-type: none"> ○ Equity-focused tier ○ 80-100% AMI tier ▪ Develop targeted outreach strategy 	Direct funding for MIPAP tier that serves 80-100% AMI; new County staff to assist in MIPAP program administration
Affordable Dwelling Unit (ADU) Program	<ul style="list-style-type: none"> ▪ Examine ADU resale restrictions ▪ Examine physical conditions of existing ADUs ▪ Create set-aside in HIP program for ADU owners 	Contract with consultant to examine physical conditions of existing ADUs.
Condominium Support	<ul style="list-style-type: none"> ▪ Expand education offerings ▪ Create technical assistance opportunity ▪ Create set-aside in HIP program for condo owners 	Contract with third-party to offer educational series and technical assistance.
Education and Technical Assistance	<ul style="list-style-type: none"> ▪ Expand homebuyer education ▪ Expand homeowner education ▪ Expand targeted outreach 	Contract with third-party to carryout Post-Purchase Education series

Proposed PRO Housing Activities

Program	Study Recommendation	HUD PRO Funding
Real Estate Tax Relief (RETR) Program	<ul style="list-style-type: none"> Review RETR program. 	Contract with consultant to support review of RETR program.
Homebuyer Cohort Pilot Program	<ul style="list-style-type: none"> Create Cohort program to provide education, guidance, technical assistance, and support to low- and moderate-income renters. 	Funding to connect Cohort participants with external resources to further home purchase goals. <i>New County staff funded through MIPAP to support Cohort program administration</i>
Home Improvement Loan Program (HIP)	<ul style="list-style-type: none"> Relaunch HIP to support existing homeowners with home repairs Create set-aside for ADU and condo owners. 	Direct funding for HIP program tiers; <i>new County staff to assist with HIP program administration</i>
Homeownership Production Fund	<ul style="list-style-type: none"> Create Production Fund to spur creation of new affordable homeownership units 	Direct funding for Production Fund; funding will be awarded competitively to housing developer(s).

Proposed PRO Housing Budget

Program	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Moderate-Income Purchase Assistance Program		\$299,488	\$371,488	\$521,488	\$521,489	\$1,710,953
Affordable Dwelling Unit Program	\$50,000					\$50,000
Condo Education and Technical Assistance	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000
Post-Purchase Education	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$100,000
Real Estate Tax Relief					\$150,000	\$150,000
Homebuyer Cohort Pilot		\$25,000	\$25,000	\$25,000	\$25,000	\$100,000
Home Improvement Loan Program		\$415,611	\$740,611	\$740,611	\$740,611	\$2,637,443
Homeownership Production Fund		\$2,000,000				\$2,000,000
						TOTAL \$6,998,396

Next Steps and Comments

- Comment on the draft proposal until Friday, October 11.
- Submit comments.
 - Open Comment Form:
<https://us.openforms.com/Form/efab40f3-985c-4fe4-97d1-571c31510a71>
 - Comments via Voicemail: Elise Cleva, 703-228-5027
- Comments will be considered for changes to application.
- Application submitted to HUD on October 15.
- Community engagement on the Homeownership Study Recommendations will continue into the fall, beyond the application deadline.

Public Comment

3 Minutes per Speaker

