

Homeownership Study

Homeownership Subcommittee of the Housing Commission

May 11, 2023



Agenda: May 11



Homeownership Study Updates



Roundtable Summary Report



Community Meetings Engagement Overview



Racial Equity Discussion

Homeownership Study

Timeline



Phase 1

Data Collection and Analysis

- Data Research and Program Analysis

Deliverables:

- *Barriers to Homeownership Analysis*
- *Existing Program Analysis*

Phase 2

Values, Vision and Goals

- Community Engagement
 - *HC Subcommittee, Meetings, Roundtables, Online Feedback*

Deliverables:

- *Community Homeownership Vision and Goals*

Phase 3

Program Recommendations

- New Program Research
- Case Studies

Deliverables:

- *Homeownership Program Recommendations*

Updates Since February Meeting

- Study Roundtables conducted in March.
- Live-In Arlington Information Fair (LAIF).
- Posted three one-pagers providing an overview of Homeownership Study work to-date.
- Created article and research library on website.



Homeownership Study

Roundtable Summary Report



Roundtable Summary Report

Roundtables



Feb. 21: Realtors (7)



Feb. 27: Mortgage Lenders (3)



March 23: Condo Owners (8)



March 24: Older Homeowners (10)



March 29: Prospective & Recent Homebuyers (8)

Roundtable Summary Report

Who Participated

Age

Diversity, except Older Homeowners –
all between **60 & 89** years of age

Gender

Diversity, except Prospective & Recent Homebuyers –
6 of 7 **female**; 1 male

Race/
Ethnicity

Majority white, except Prospective & Recent Homebuyers –
6 of 7 **non-white**

Roundtable Summary Report

Condo Owners' Challenges



Condo fees are a major concern

- Existing owners have seen significant increases over the years
- Many condo buildings still do not vary fees based on unit sizes

Some communities face large maintenance projects or maintenance backlogs; deferred capital improvements; & major structural repairs



Roundtable Summary Report

Older Homeowners' Challenges

Home layouts do not meet seniors' needs, & there are challenges to adapting homes

- Repairs/modifications are difficult on fixed incomes
- Reverse mortgages are an option, but are often under-used



Lack of industry knowledge makes some older homeowners feel incapable of negotiating with contractors or identifying alternative methods to finance home improvements

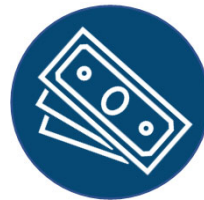
For some older adults, retirement communities are more cost-prohibitive than staying in their homes

Roundtable Summary Report

Homebuying Challenges: Arlington Market



Prices



**Competition,
sometimes with all-cash buyers,
for moderately affordable homes**

Low inventory



**Age of inventory & lack of diversity
of housing types**



Tradeoffs

Roundtable Summary Report

Homebuying Challenges: Financial



Access to financing is challenging due to limited savings, high DTI, employment changes, & lack of credit

- Mortgage denials occur due to changes in employment or financial situation, inability to afford a desired property, or omission of banking info

High interest rates have made transactions more expensive & less accessible

Condo fees can form a purchase barrier

Several recent or prospective buyers said their monthly rental rate is higher than what they would pay for a mortgage, but they can neither afford to buy without assistance, nor do they qualify for County programs.

Roundtable Summary Report

Homebuying Challenges: Sociodemographic Groups

Immigrants experience challenges due to lack of knowledge of the homebuying process & homeownership programs, immigration status, language barriers, reliance on cash, lack of credit, & cultural distrust of the banking system



People of color feel systematically disadvantaged in the housing market, with affordable options concentrated in neighborhoods with lower socioeconomic status & lower-performing schools

Roundtable Summary Report

How to Overcome Homebuying Challenges?

Purchasing strategies mentioned included:

- Educating clients on homebuying
- Development of a 2-year plan to improve credit
- Use of homeownership programs from Virginia Housing & Arlington County
- Use of multiple programs with each other



Roundtable Summary Report

Suggestions for Arlington's Homeownership Programs



Satisfaction with programs for prospective homebuyers, but ...

Share info about Arlington's programs more widely & effectively among realtors & potential clients

Shorten time needed to use MIPAP

Reconsider \$500,000 max sales price for MIPAP

Consider tiering of assistance
(like DC & Fairfax)

Expand programs that support County employees
in buying affordable homes in Arlington

Address restrictions of ADU program (exclusive list of lenders & requirement that ADU lenders keep those loans in their portfolios)



Homeownership Study

Community Meetings and Engagement



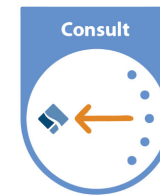
Public Engagement Timeline



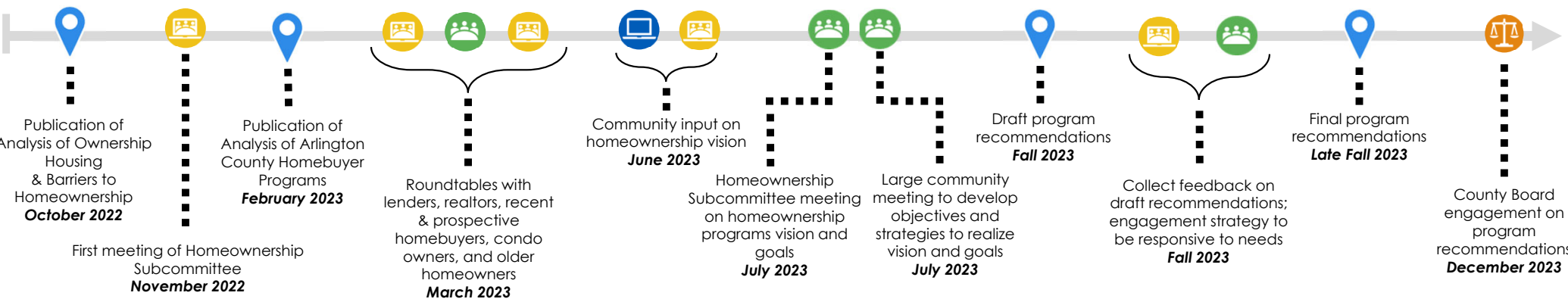
PHASE 1 DATA COLLECTION & ANALYSIS



PHASE 2 VALUES & VISION



PHASE 3 PROGRAM RECOMMENDATIONS



Online Feedback
(e.g. questionnaire, feedback form, etc.)



In-Person Engagement and Pop-Ups
(e.g. community meeting, roundtable, tabling, walking/bus tour, deliberative dialogue, etc.)



Virtual Meeting
(e.g., TEAMS, TEAMS live, Zoom, etc.)



County Board Engagement
(e.g. public hearing, Board work session, open door Monday, commission meeting etc.)



Key Milestone

Establishing a Vision

Solicit community input on a homeownership vision.

1. Online Feedback Tool

Goal: Opportunity for the community to submit ideas about what a more equitable homeownership market would look like in the future.

Date: June 2023 | **Format:** Online Feedback

Homeownership Subcommittee Meeting #5

Goal: Share visioning ideas from online and virtual engagements and develop homeownership goals.

Date: July 11 | **Format:** In-Person Meeting | **Location:** Lubber Run Community Center

- 1. Homeownership Vision:** The process for how the vision statement was derived and ideas around homeownership vision will be shared.
- 2. Small Breakout Group Discussion:** Participants will have small group discussions to determine what goals should be defined in order to achieve the community's vision.

In-Person Community Meeting

Goal: Develop objectives and strategies to achieve Arlington's homeownership program vision and goals.

Date: July 22 | **Format:** In-Person Meeting | **Location:** TBD

- 1. Working Homeownership Vision and Goals:** The vision and goals that were established through the previous engagements and the process for how these were derived will be shared.
- 2. Strategies and Objectives:** Participants will have the opportunity to weigh in on specific strategies and objectives that the County should take to achieve its homeownership goals.

Phase 3 – Program Recommendations

1. **Vision, Goals, Strategies:** County staff will publish the final homeownership vision, goals and strategies in the fall once the community has had the opportunity to weigh in.
2. **Program Recommendations:** County staff, in coordination with HR&A, will begin working on program recommendations that respond to community input and Subcommittee ideas.
 1. How programs should be targeted to certain underrepresented groups.
 2. Return on investment and financial feasibility of proposed program modifications and new programs.
 3. Resources needed to implement proposed program modifications and new programs.
 4. Funding opportunities to support recommendations.
 5. Prioritization of recommendations.
 6. Case studies providing examples that demonstrate how the County could implement recommendations.

Phase 3 – Community Engagement

Goal: Encourage feedback and ideas from community members outside of those who participated in earlier engagement opportunities. Ensure that a broad range of stakeholders are aware of the study and understand outcomes of engagement process.

Date: September 2023 | **Format:** To be determined

- Housing Commission
- Commission on Aging
- Disability Advisory Committee
- NAACP Arlington Branch, Housing Committee
- Other?



Homeownership Subcommittee Involvement

- How can the Homeownership Subcommittee be involved?
- Community Meetings:
 - Small Group Moderators
 - Notetakers
- Stay engaged throughout the process!
- Share information with your Networks!



Questions?



Homeownership Study

Applying a Racial Equity Lens to Homeownership



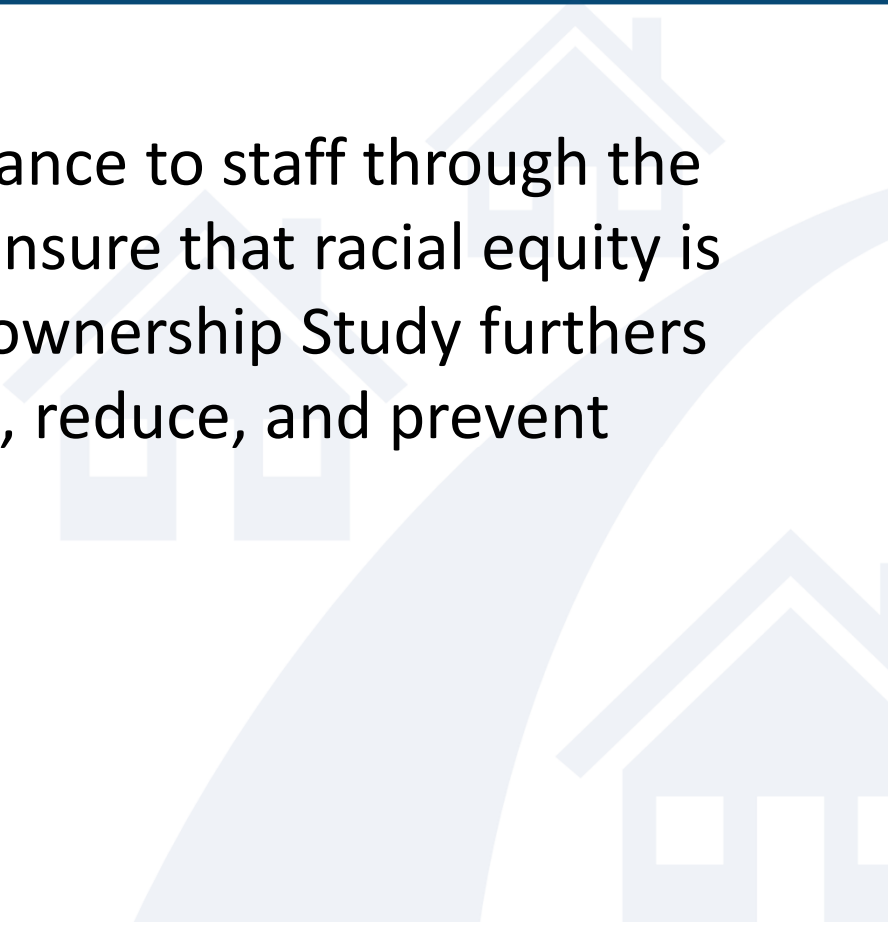
Homeownership Study Goal

STUDY GOAL:
Homeownership
Program
Recommendations

- Better meet the vision and goals of the community.
- Create better homeownership outcomes for people of color and other underserved populations.
- Increase available resources for existing homeowners.

Homeownership Study Sub-Committee Bylaws

“Offer a diverse perspective and guidance to staff through the application of a racial equity lens to ensure that racial equity is being considered and that the Homeownership Study furthers the County-wide priority to eliminate, reduce, and prevent disparities.”



What is...



Equity?

- All populations having access to community conditions and opportunities needed to reach their full potential and to experience optimal well being.
- Your status being a person of color, a woman, poor, an immigrant or a refugee, non-heteronormative, differently abled, or one's area of residence – should not be predictive of adverse life outcomes.

Racial Equity?

- Eliminating race-based outcome gaps so that race does not predict one's success, while also improving outcomes for all.
- To close the gaps, we:
 - Target improvements to those most burdened
 - Move beyond provision of services to transforming policies, institutions, and structures.

Racial Equity Lens



We ask these five questions to understand whether and where there are racial inequities existing, being created or being exacerbated in a policy, procedure, practice or program whether we are developing it or modifying it.

Focus of the Racial Equity Lens

What are we looking at? The homeownership environment

The ownership component of the housing market including all of its sub-components (marketing, lending, appraisals, inspections, credit scoring, tax policy, and more)

Why the broad focus?

The goal of the Homeownership Study is to

- Develop program recommendations (including the possible development of new programs), and
- Create better homeownership outcomes for people of color and other underserved populations.

Disclaimer

Some areas may be beyond the County's authority or ability to intervene.

Who Benefits?

What groups benefit from the current homeownership environment?

How are those benefits manifested?

How do we know?

What information supports this assessment?

MURAL



Who is Burdened?

What groups suffer burdens from the current homeownership environment?

What are examples of some of the burdens?

How do we know?

What information supports this assessment?



Who is Missing?

What groups are underrepresented in deriving benefits?

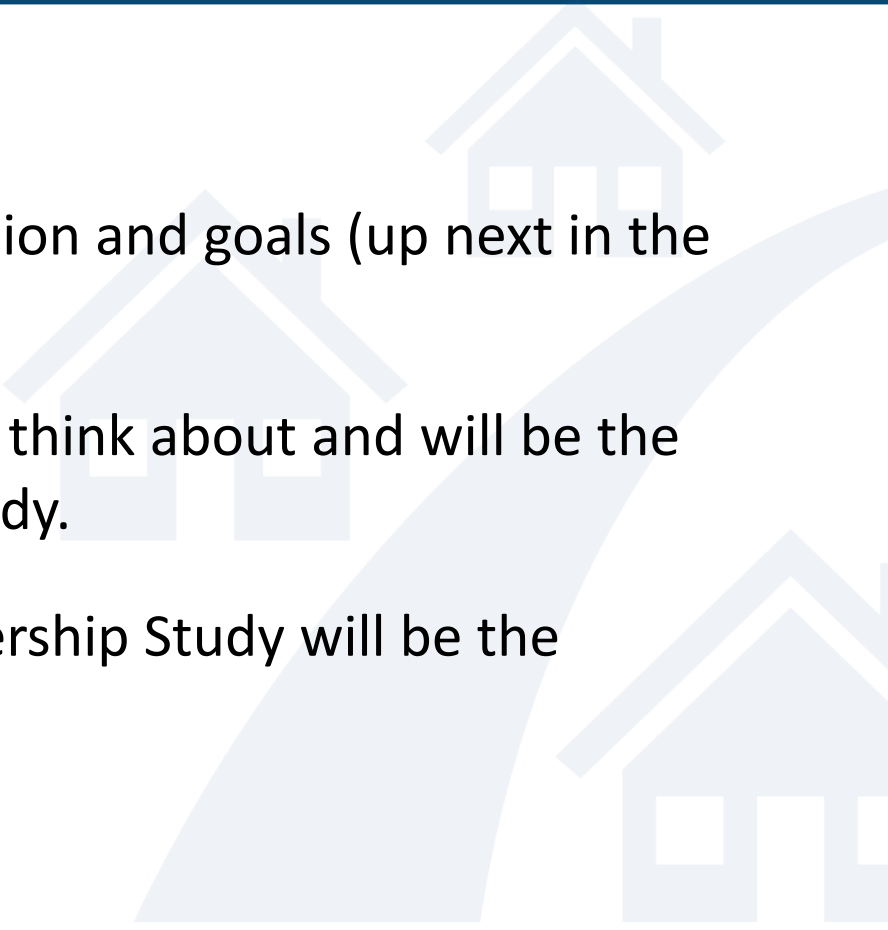
What groups are underrepresented in the current process (homeownership study)?

How do we know?



What Do We Do?

Wait! Before we respond...

- We need to establish homeownership vision and goals (up next in the process).
 - For now, this is something to continue to think about and will be the primary task for the remainder of the study.
 - The recommendations of the Homeownership Study will be the response to this question.
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Next Steps



What comes next?

- Next Homeownership Subcommittee Meeting: July 11
- Roundtable Summary Report.
- Equity Analysis Summary.
- Homeownership Vision Online Feedback Opportunity.
- Look out for more information about how you can become involved in the upcoming community visioning and goal setting process!