

Homeownership Study

Homeownership Subcommittee of the Housing Commission

November 1, 2022



Agenda



Welcome Remarks from Housing Director



Introductions (Discussion)

What brings you to the table?

Why are you interested in participating in this process?



Homeownership Study Scope of Work Presentation (Information)



Homeownership Subcommittee Bylaws (Action)



Barriers to Homeownership Analysis Part 1 (Information)



Discussion

Questions about what was presented?

What resonates with you?

Housing Arlington – Going Forward



2019-2021

- Land Use Tools
- Institutional Partnerships
- Financial Tools
- County Employee Housing
- Condominium Initiative
- AHMP Review

Starting in 2022

- Land Use Tools
- Institutional Partnerships¹
- *Financial Tools*
- *County Employee Housing*
- ~~AHMP Review~~
- **Homeownership Initiative** (New!)
 - ↳ Condominium Initiative

1 Dependent on Policy / Land Use Studies

Benefits of Homeownership



Opportunities for building equity over time.



Long-term housing and financial stability.



Most effective means for building generational wealth for middle income households.



Helps households build a strong credit history.



Freedom and control over house design and décor.



Federal, state and local government tax benefits and incentives.

Homeownership Policy Considerations

- Arlington's [Affordable Housing Master Plan](#) addresses homeownership via several objectives and policy priorities:
 - Supply Objective 1.2: Produce and preserve a sufficient supply of affordable ownership housing to meet future needs.
 - Access Objective 2.2.5: Provide assistance to create access to ownership housing for moderate- and middle-income first-time homebuyers.
 - Access Objective 2.4.1: Provide support so that older adults can age in place or age in community through a combination of affordable and accessible housing with linkages to services.

Homeownership Policy Considerations

- AHMP 2021 Implementation Framework identifies the following recommendations for Arlington's Affordable Homeownership efforts:
 - **Develop a new overarching and integrative approach to homeownership program implementation.**
 - Develop a pilot homebuyer training program for a small targeted group providing additional services.
 - Continue the Housing Arlington Condominium Initiative.

Arlington's Homeownership Programs



First-Time Homebuyers

- Moderate Income Purchase Assistance Program (MIPAP)
- Affordable Dwelling Unit (ADU) Program
- Low-Interest Mortgage Program (SPARC) Program
- Homeownership Counseling (grant funded)
- Live Where You Work (County employees only)



Existing Homeowners

- Rebuilding Together Home Repair Program (grant funded)
- Foreclosure Prevention Counseling (grant funded)
- Real Estate Tax Relief Program
- Condo Education Series (in partnership with Alexandria)

[More about Arlington County Homeownership programs](#)

Homeownership Study

- Launched study in early Summer 2022
- 15-month process, expected to conclude Fall 2023

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 Concept

- Assess key trends related to for-sale housing market, mortgage financing, and cost burden of owner households.
- Examine existing homeownership program trends.
- 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.

Study Timeline



Phase 1: Data Collection and Analysis



Planning: Developing scope of work, timelines, community engagement plan, soliciting consultant support, securing buy-in internally to move forward with the study.



Homeownership Barriers Analysis: For-sale housing stock, development trends, homeownership rates, economic and demographic characteristics of owner households, housing cost burdens and mortgage lending activities



Program Review: Program participation history and analysis of beneficiary demographics.

Phase 2: Values, Vision and Goals

- What are the community's vision and goals as it relates to homeownership support?
- How can homeownership help to fulfill the County's vision?
- How homeownership support should (or should not) be expanded.
- Community Engagement Opportunities:
 - **Homeownership Subcommittee of the Housing Commission**
 - Community Meetings
 - Roundtable Meetings
 - Online Feedback and Pop-Up Events

Homeownership Subcommittee Composition

- Membership Composition:

- 2 Housing Commission Members
- 3 Members of the Public

*Identified to meet Quorum Requirements**

- Additional stakeholders to participate as members to provide input over the course of the Homeownership Study.
- All meetings are open to the public.
- Aside from voting on Bylaws at the November 1 meeting, do not expect any future Action items.

* [Section 2.2-3707](#) of the Code of Virginia gives specific guidance for open meetings.

Homeownership Subcommittee Role

- Review homeownership data, trends, and analysis from staff-led Barriers Analysis.
- Review performance of Arlington County's existing homeownership programs as part of the Homeownership Program Review.
- Provide guidance on community engagement efforts.
- Advise staff in the development of Arlington's homeownership goals and vision.
- Offer guidance on the homeownership program recommendations, including modifications to existing programs and considerations for new programs, as developed by staff and/or the consultant(s).
- Offer implementation considerations for program recommendations that are developed through the Homeownership Study.

Other Community Engagement

*County has contracted with HR&A Advisors, Inc. to assist with community engagement in Phase 2 and development of program recommendations in Phase 3.

HR&A

Roundtable Meetings: Small format meetings with constituents representing populations that have been underrepresented in Arlington's homeownership programs until now.

HR&A to assist with Roundtable Meeting facilitation.

Online Feedback: Community members will provide written feedback to inform Arlington's goals, vision, and values as they relate to homeownership.

HR&A to assist with design of Online Feedback tool.

Pop-Up Events: In-person pop-up events to supplement online feedback opportunities and meet the community where they are.

Other Community Engagement

Community Meetings: Community-wide engagement opportunities to develop a shared vision for providing homeownership support.

- Mix of 3-4 virtual and/or in-person community events.
- Community will be asked to help develop a shared vision and goals for Arlington's homeownership programs.
- Assistance from Homeownership Subcommittee will be key!

Homeownership Study – Public Engagement Timeline



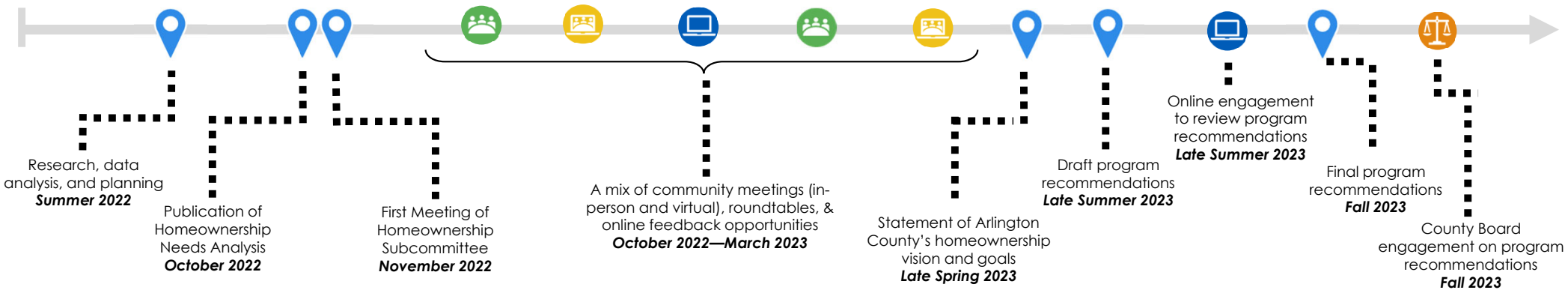
PHASE 1 DATA COLLECTION & ANALYSIS



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

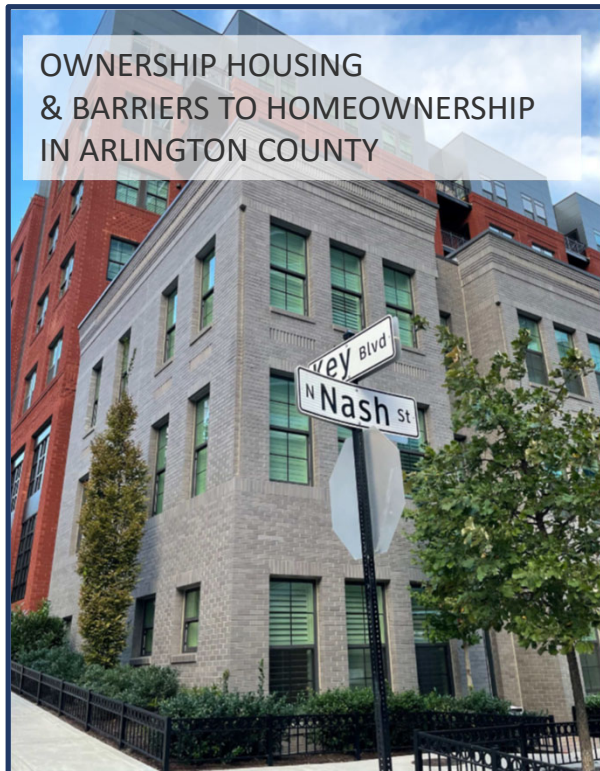
Phase 3: Program Recommendations

- Based on community feedback and goals, HR&A and County staff will work to develop program recommendations, with input from Homeownership Subcommittee and the community.
- Program recommendations will include:
 - How programs should be targeted to certain underrepresented groups.
 - Return on investment and financial feasibility of proposed program modifications and new programs.
 - Resources needed to implement proposed program modifications and new programs.
 - Funding opportunities to support recommendations.
 - Prioritization of recommendations.
 - Case studies providing examples that demonstrate how the County could implement recommendations.

Questions?



Analysis of Barriers to Homeownership

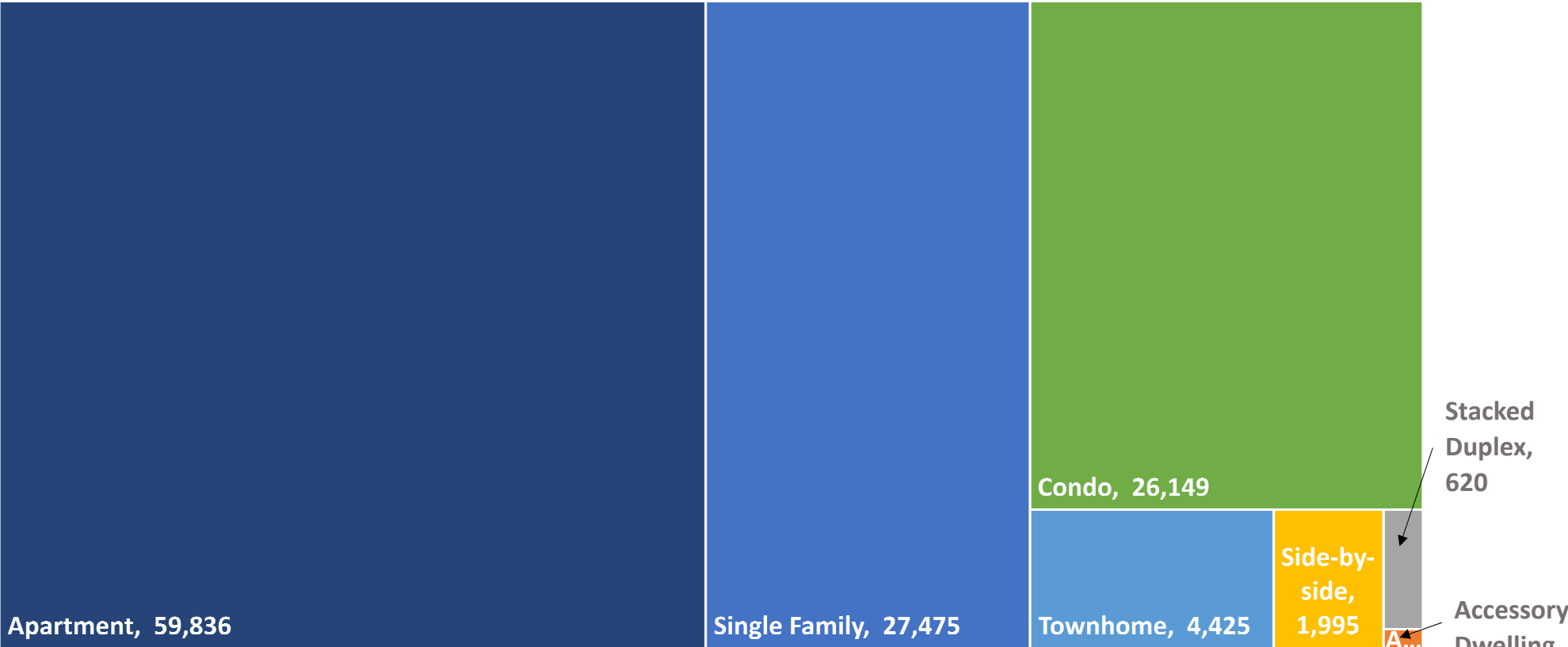


- **Housing Landscape**
- **Ownership Rates**
- **Household Income**
- **Housing Cost Burden**
- For Sale Housing Market
- Mortgage Finance
- Condominiums
- **Who can afford homeownership**

Ownership Rates

Housing Landscape

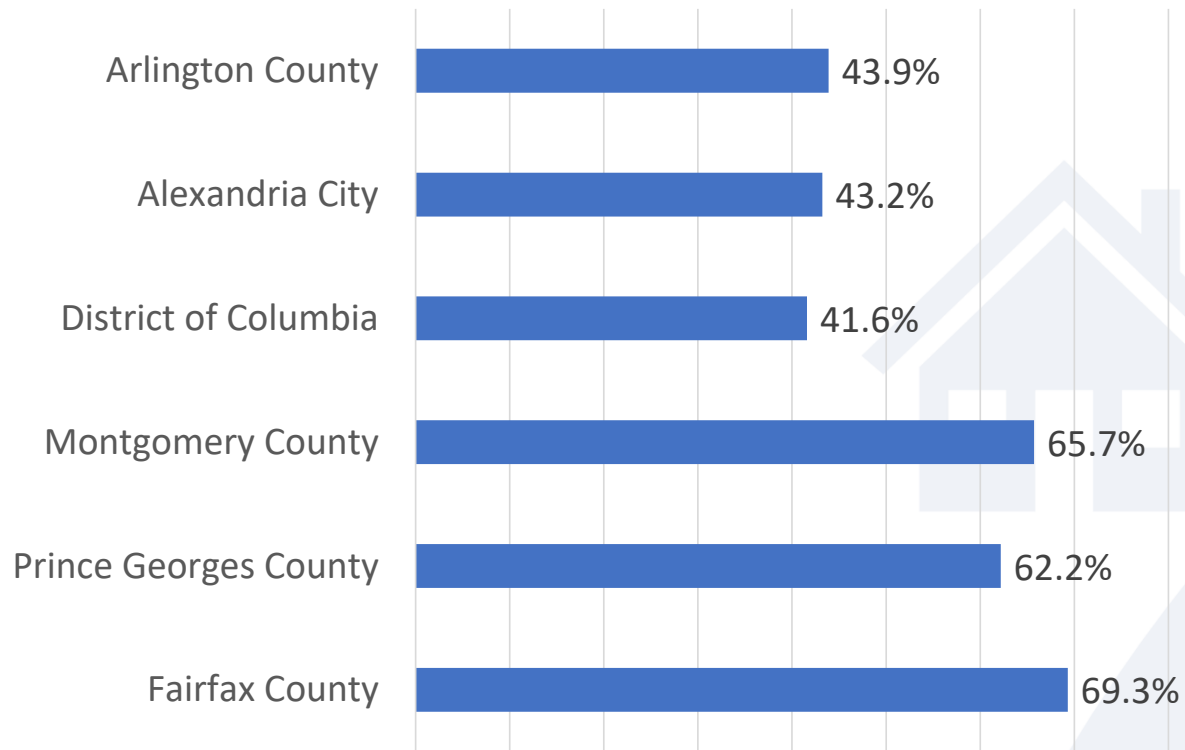
2022 Housing Stock



Source: CPHD, Planning Division, Master Housing Unit Database, FY2022

Ownership Rates

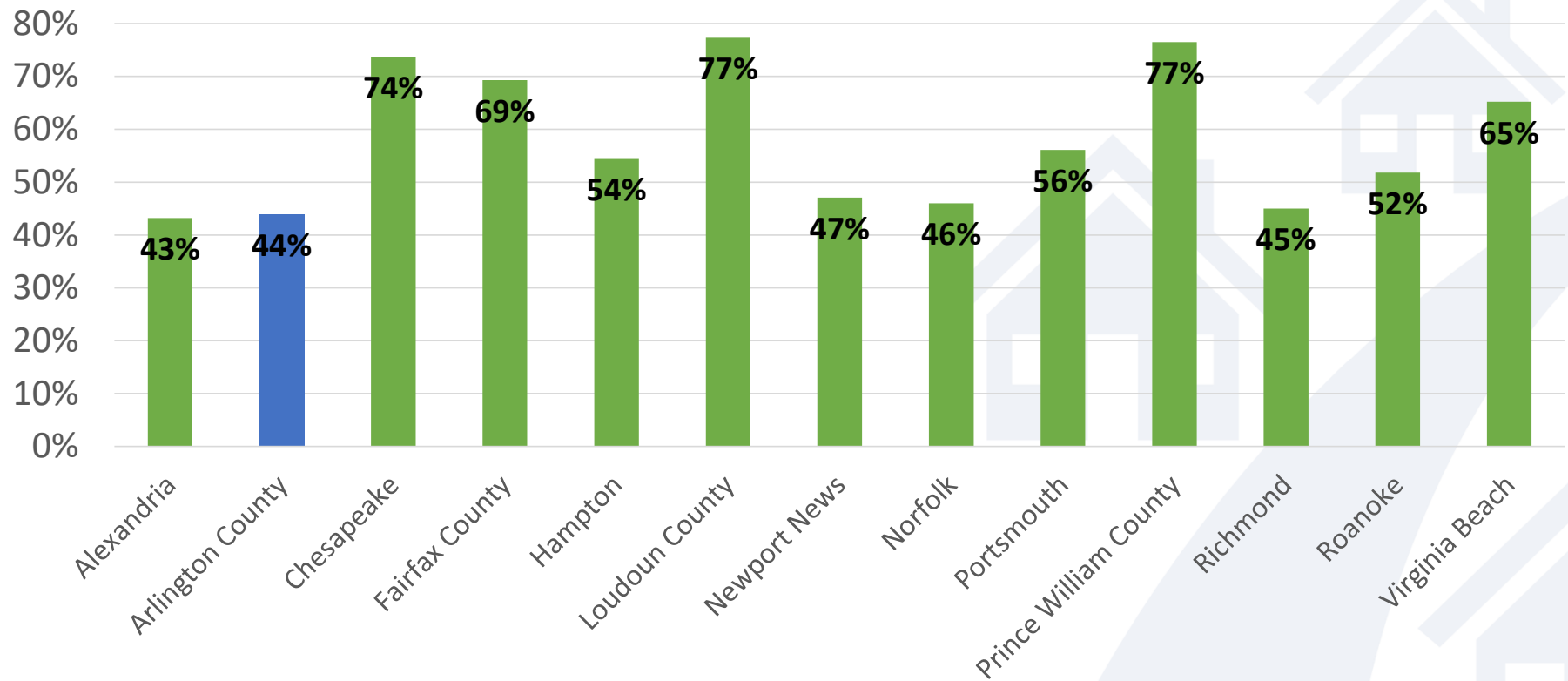
Ownership Rates within the DC Region



Source: US Census Bureau, American Community Survey, 2021 1-year Estimates, table DP04

Ownership Rates

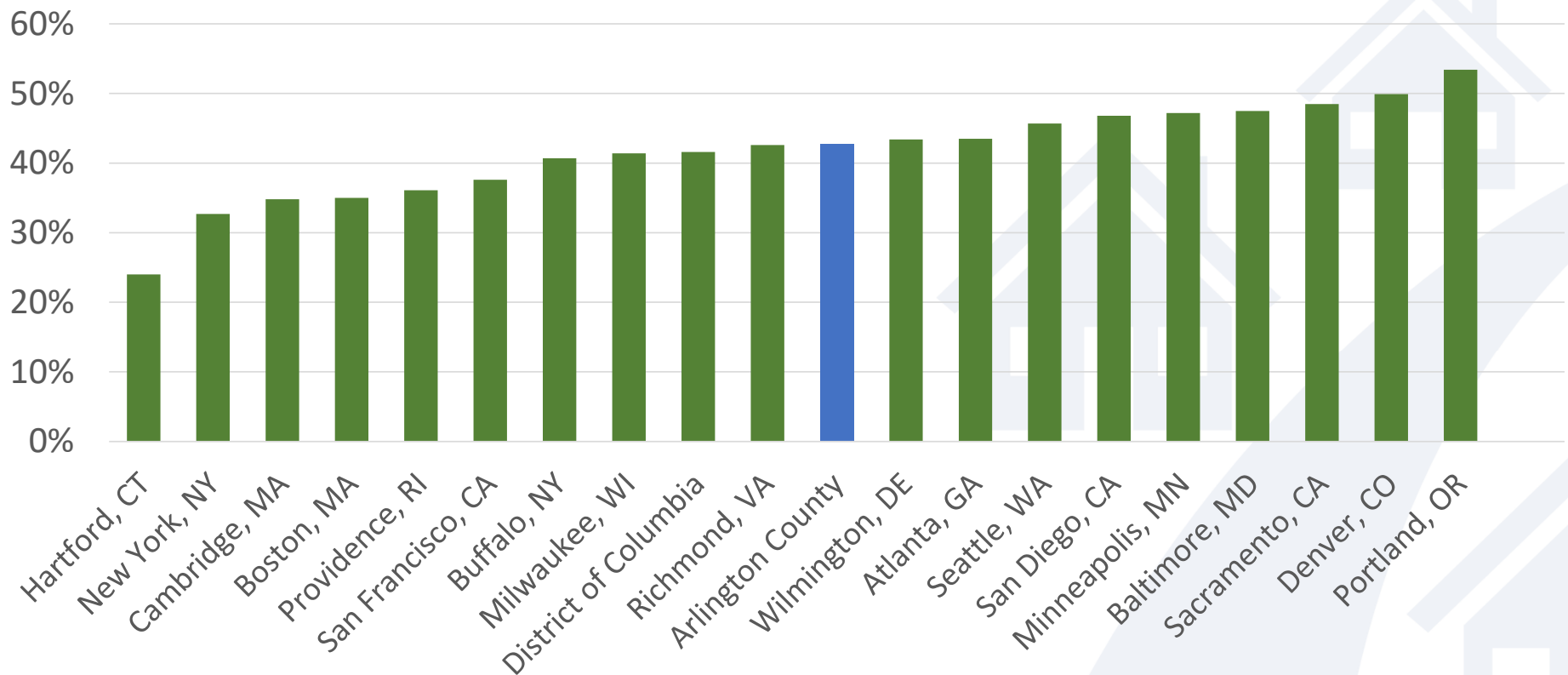
Ownership Rates in Virginia



Source: US Census Bureau, American Community Survey, 2021 1-year Estimates, table DP04

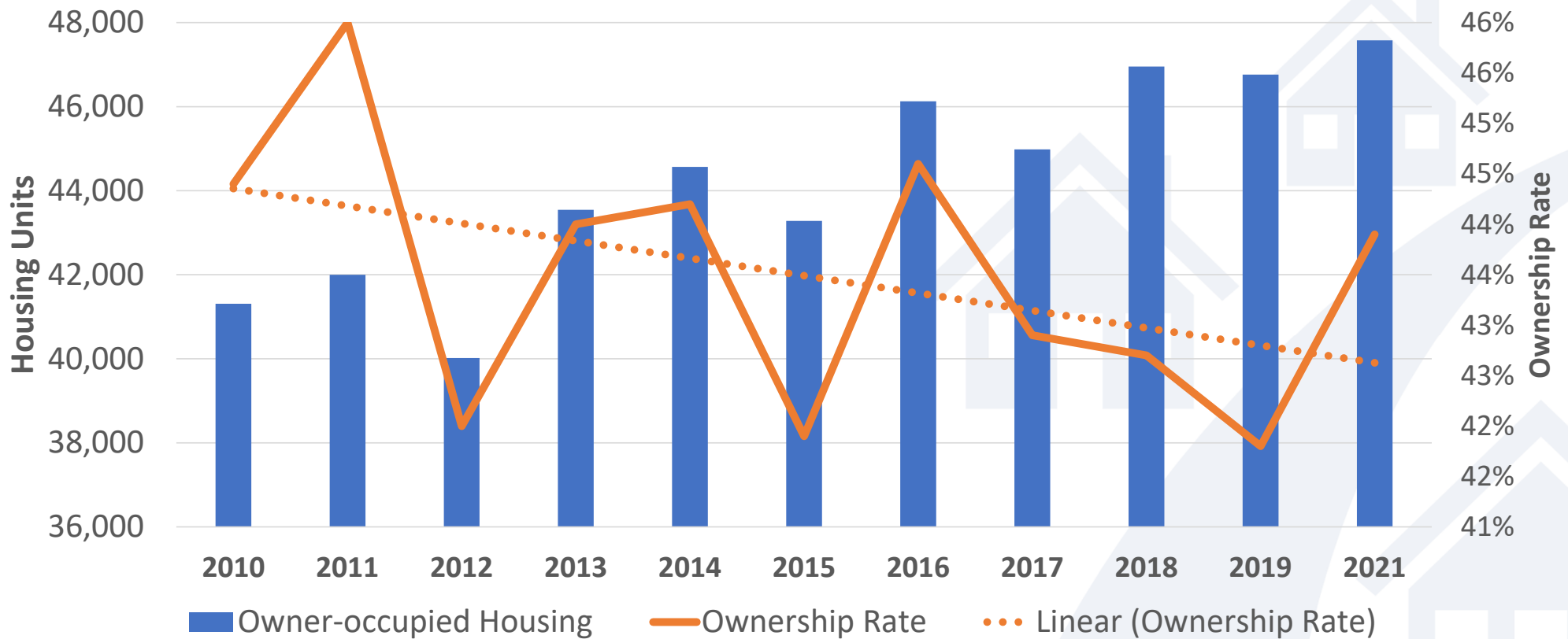
Ownership Rates

Ownership Rates in Peer Jurisdictions



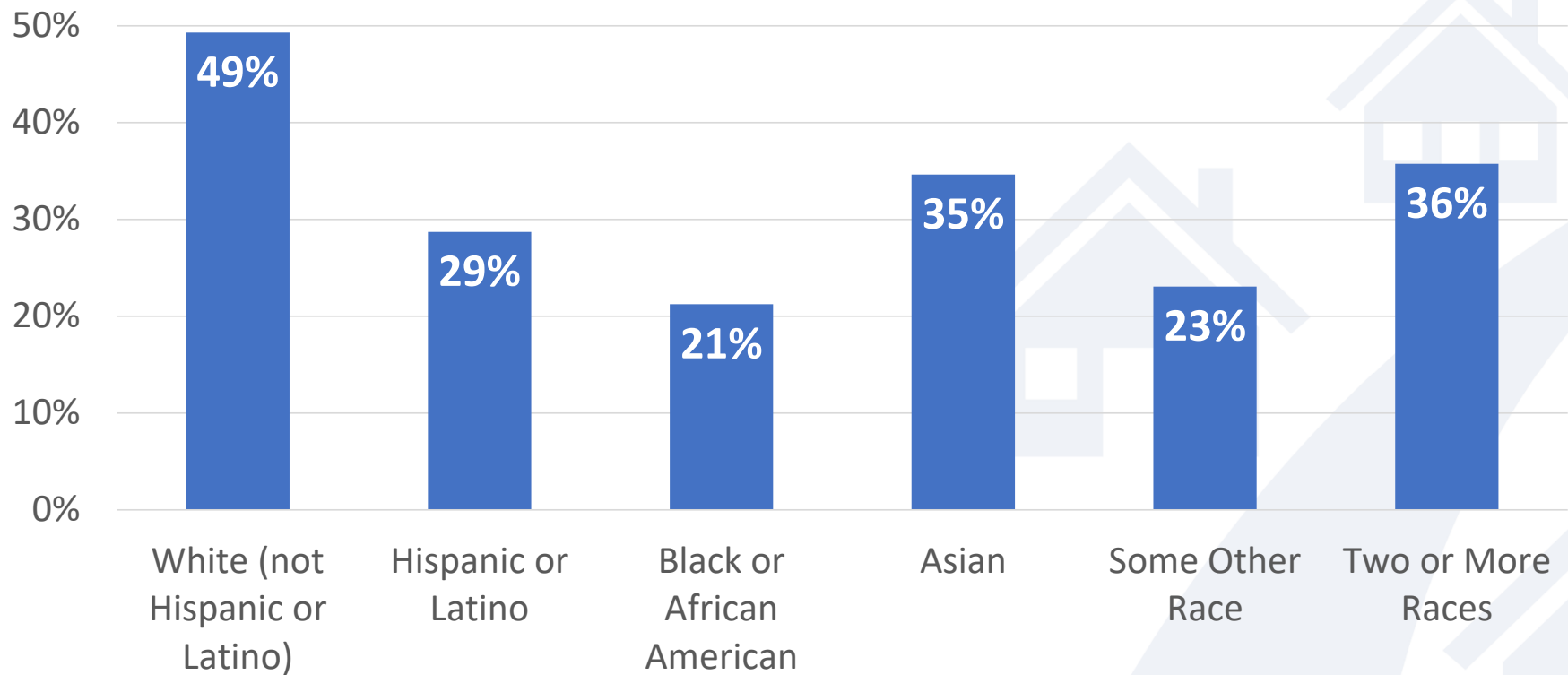
Source: US Census Bureau, American Community Survey, 2016-2020 Five-year Estimates, table DP04

Ownership Rate: 2020-2021



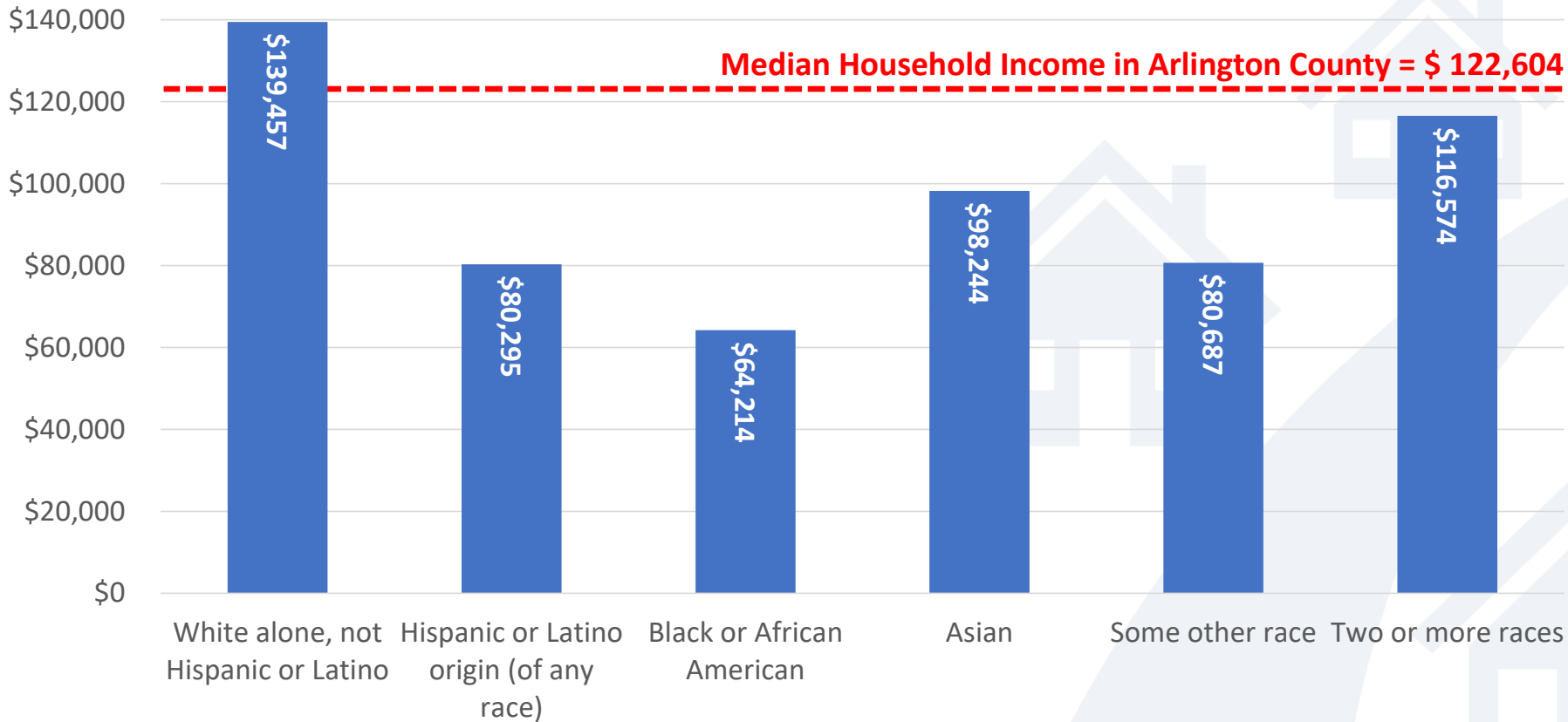
Source: US Census Bureau, American Community Survey, 2010 to 2021 1-year Estimates, table DP04

Ownership Rates by Race and Ethnicity



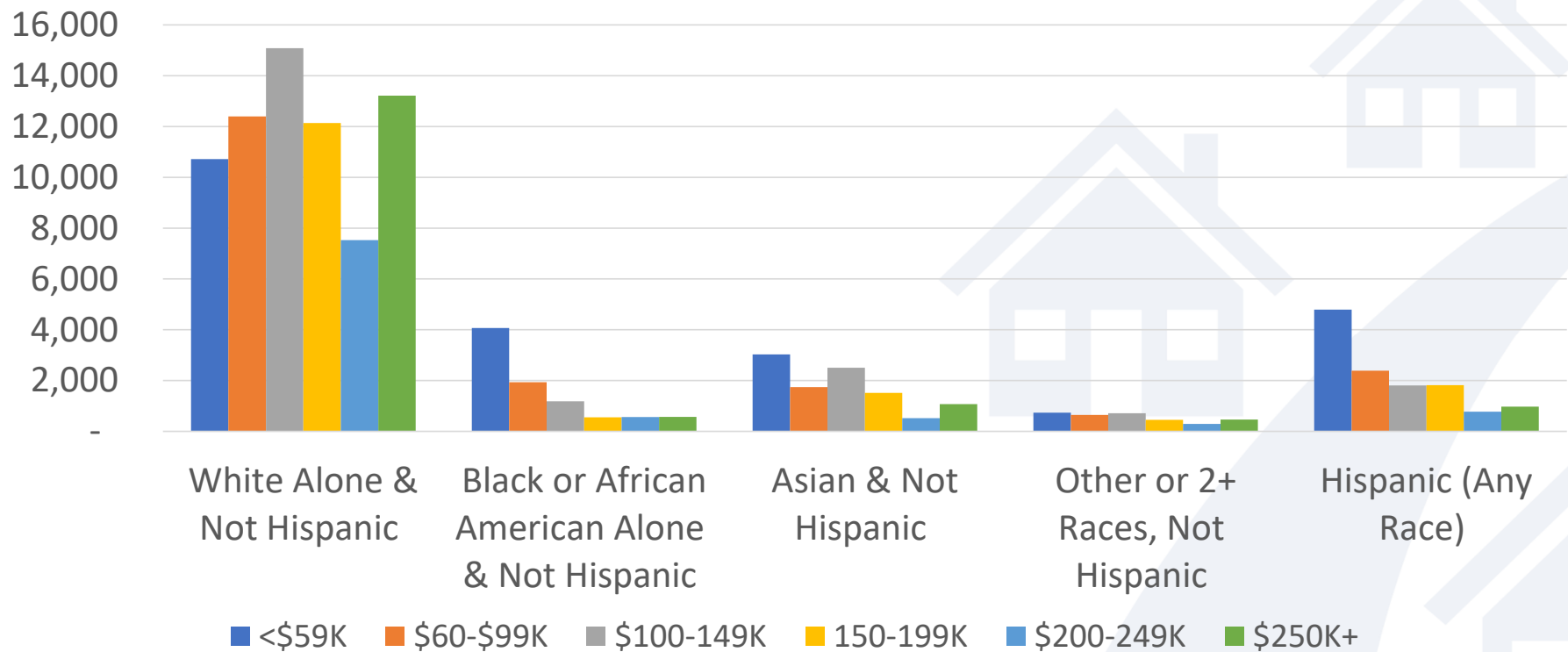
Source: US Census Bureau, American Community Survey, 2016-2020 Five-year Estimates, table S2502

Household Income



Source: US Census Bureau, American Community Survey, 2016-2020 Five-year Estimates, table S2502

Household Income by Race and Ethnicity



Source: 2016-2018 American Community Survey, Microdata, GMU Analysis

Ownership Rates by Housing Type

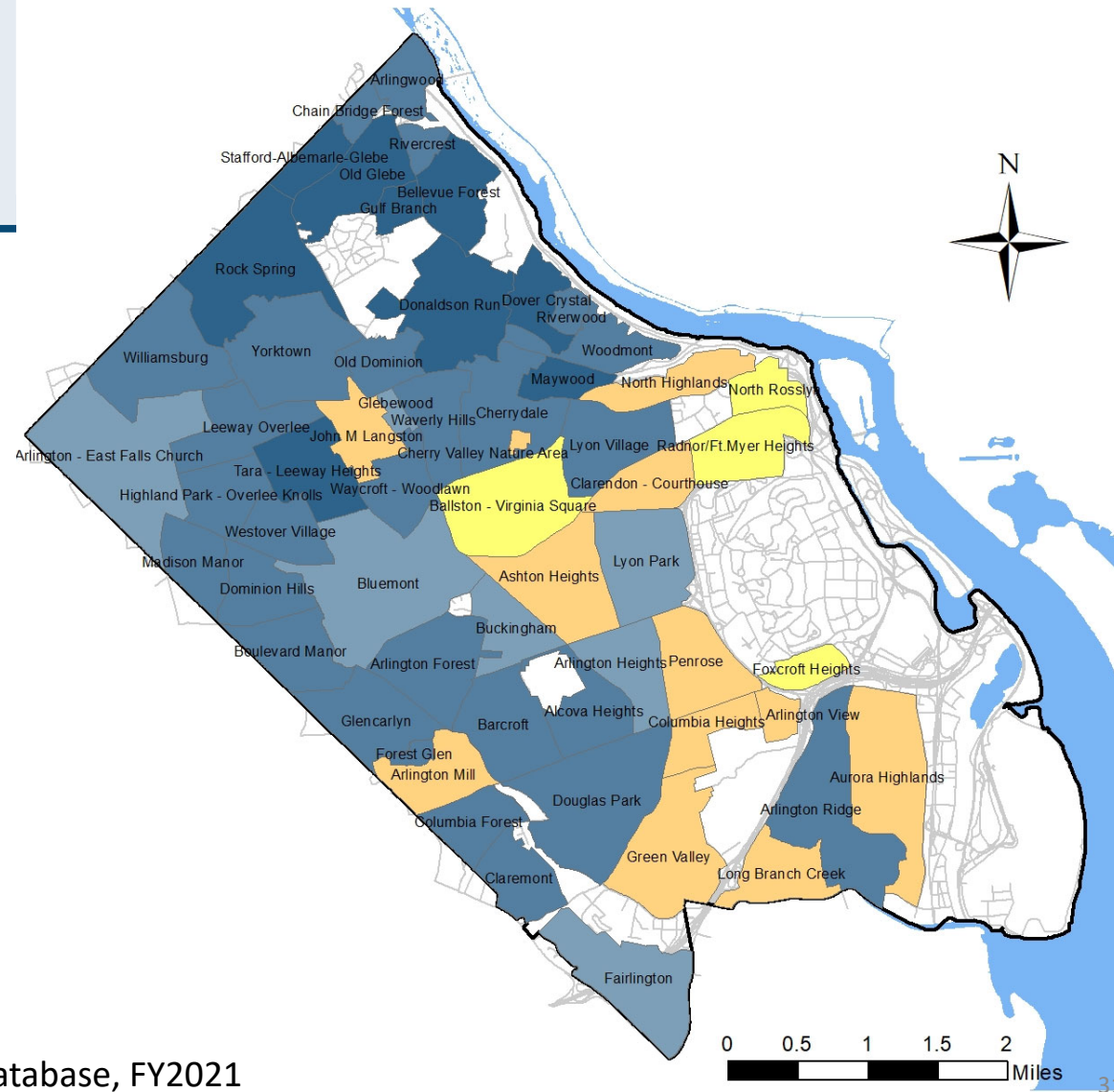
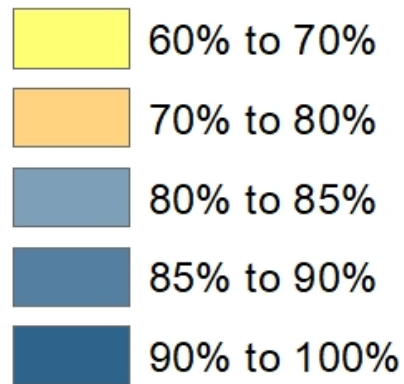
Housing Type	Total	Owner Occupied
Single Detached	27,475	86%
Duplex (Stacked)	620	29%
Duplex (Side-by-side)	1,995	75%
Townhome	4,425	77%
Condo	26,149	67%

Source: CPHD, Planning Division, Master Housing Unit Database, FY2022

Owner Occupancy of Single Detached, Side-by-side a& Townhouse by Civic Association

Legend

Owner Occupancy Rate



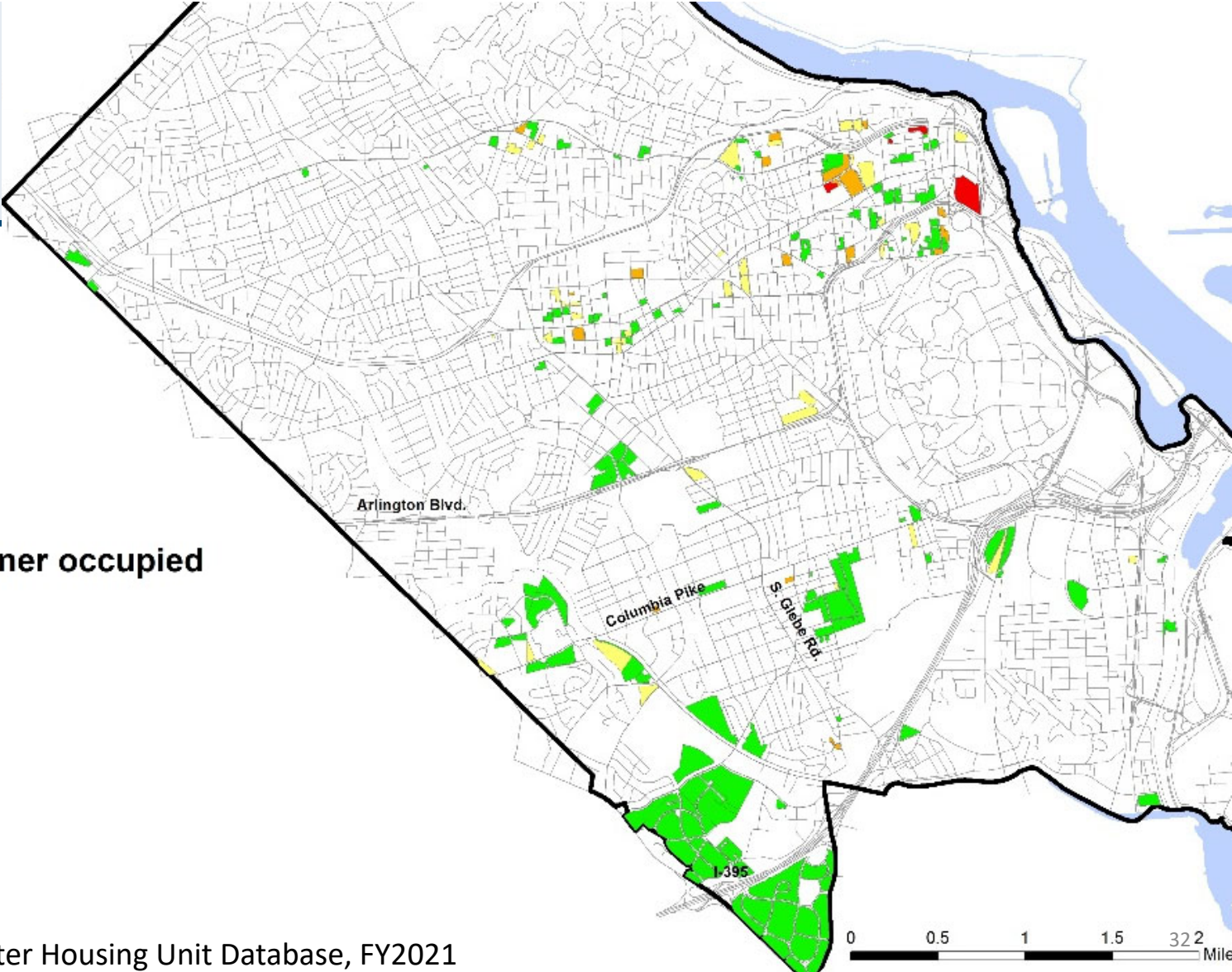
Source: CPHD, Planning Division, Master Housing Unit Database, FY2021

Owner Occupancy of Condominium and Cooperative units

Legend

Percent of units that are owner occupied

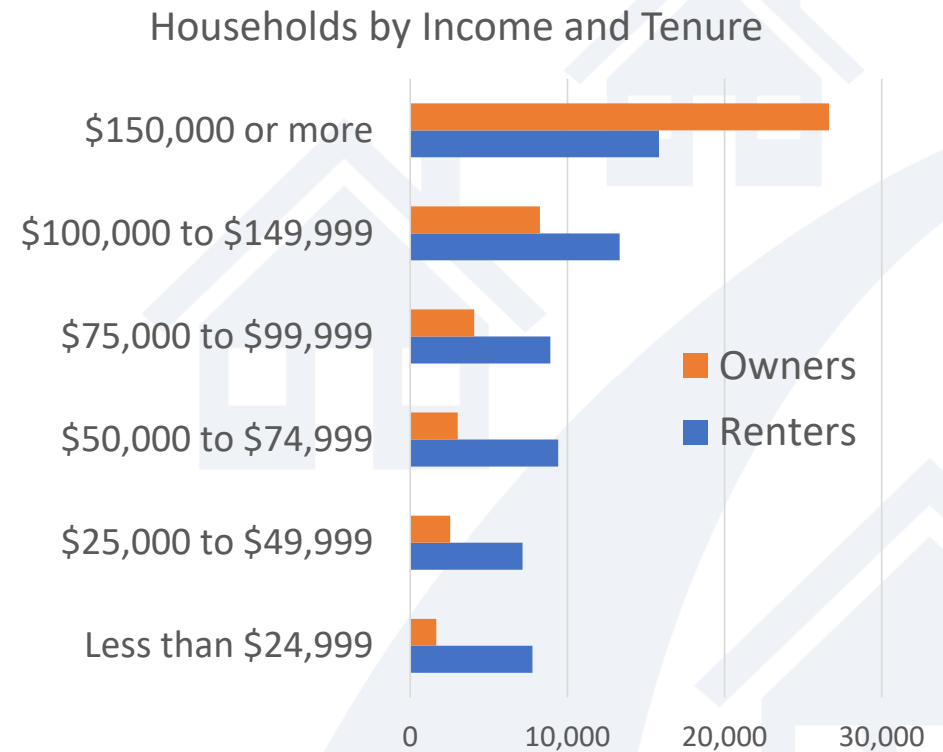
- Up to 33%
- From 34 to 49%
- From 50 to 66%
- From 67 to 100%



Source: CPHD, Planning Division, Master Housing Unit Database, FY2021

Household Income

- Over 29,000 renter households, or 47% of all renters, have incomes over \$100,000
- An additional 8,900 households have incomes between \$75,000 and \$100,000



Source: US Census Bureau, American Community Survey, 2016-2020 Five-year Estimates, table B25118

Who can afford to purchase housing?

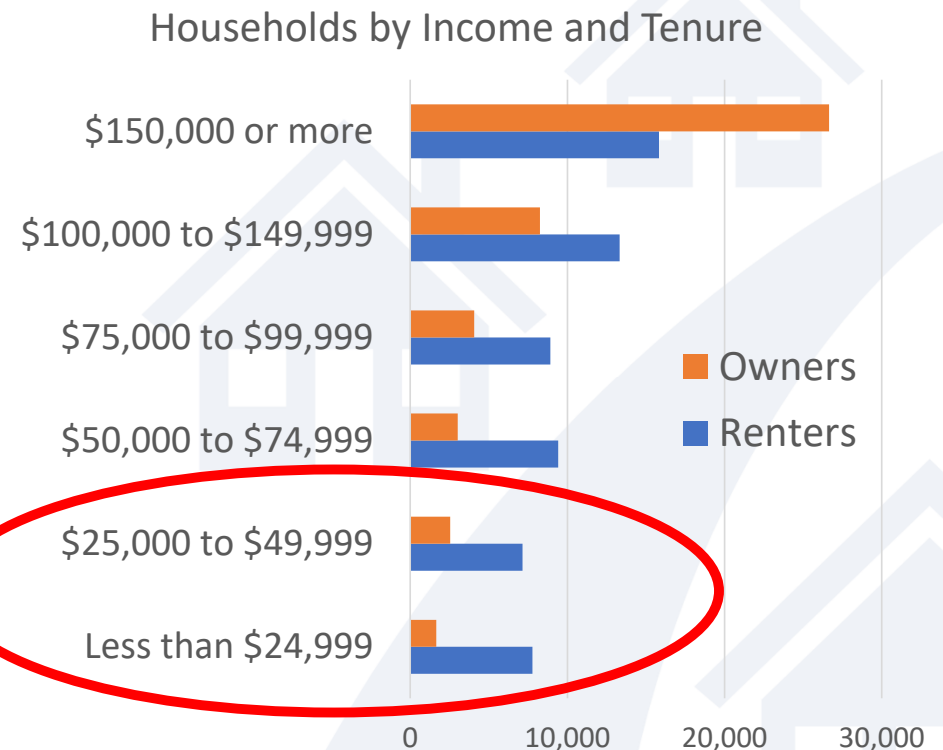
P  YCHECK TO P  YCHECK



nhc.org/paycheck-to-paycheck

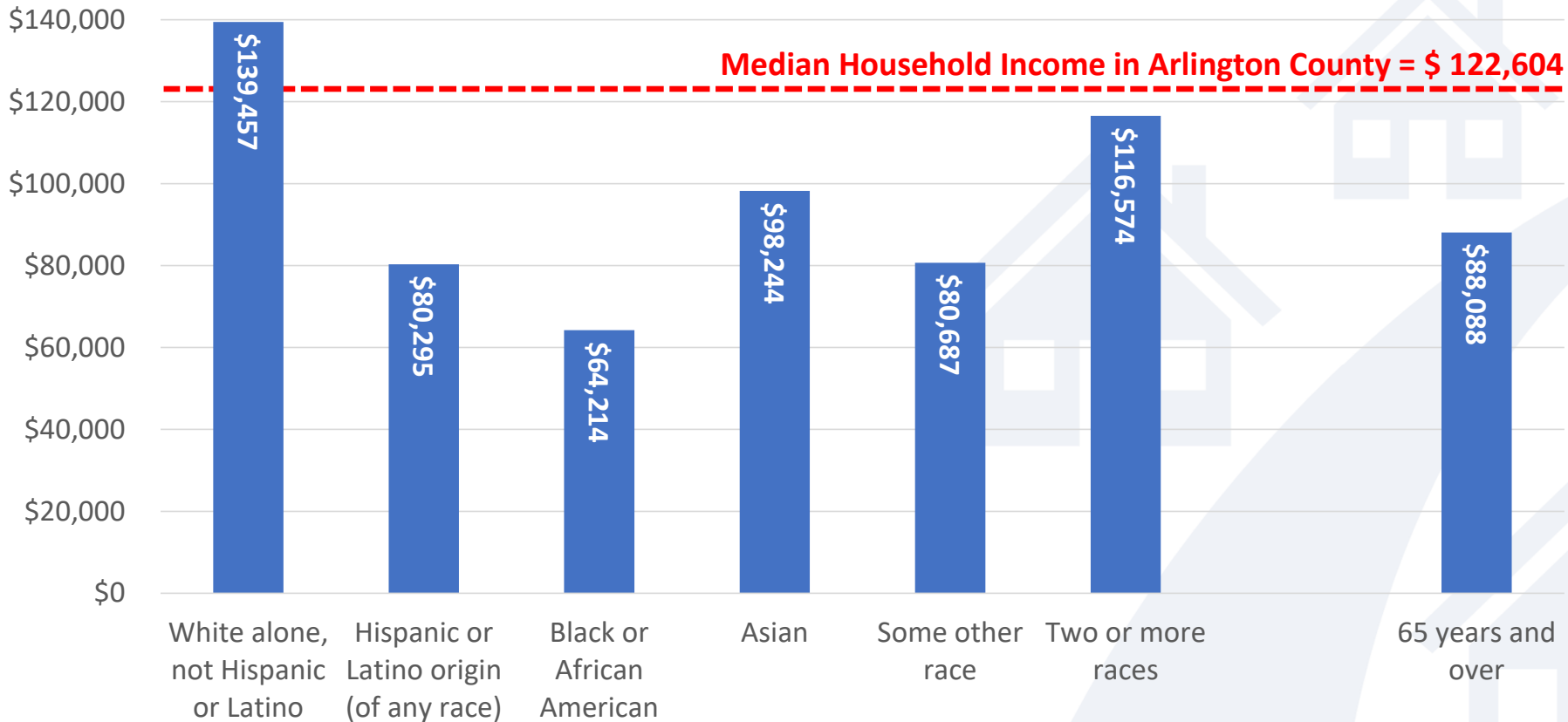
Household Income

- Over 29,000 renter households, or 47% of all renters, have incomes over \$100,000
- An additional 8,900 households have incomes between \$75,000 and \$100,000
- **There are 4,200 owner households with incomes below \$50,000**



Source: US Census Bureau, American Community Survey, 2016-2020 Five-year Estimates, table B25118

Household Income



Source: US Census Bureau, American Community Survey, 2016-2020 Five-year Estimates, table S2502

Housing Cost Burden

19% of owner households have housing costs over 30% of their income. (Compared to 39% of renters)

$\frac{3}{4}$ of owner households with incomes under \$60,000 are housing cost burdened. More than half of these households pay more than 50% towards housing costs.

23% of households over 65 years of age are cost burdened.

Next Steps

Existing Homeownership Program Analysis

- Released in Late November 2022

Next Subcommittee Meeting

Mid-December 2022

- Continue conversation about Barriers to Homeownership Analysis.
 - For Sale Housing Market Trends
 - Mortgage Finance Barriers
 - Condominiums

Future Subcommittee Meetings

January 2023

- Existing Program Analysis presentation and discussions about common trends and key findings.

March-September 2023

- Community engagement progress, input on community vision and goals, homeownership program ideas and review of draft recommendations.

Questions?

