

Affordable Housing Study Working Group

Homeownership Task Force

Homeownership Task force

Primary Tasks

1. Develop recommendations regarding goals and targets consistent with the affordable housing principles and within the County's ability to have significant influence.
2. Respond to direction from the County Board and County Manager regarding homeownership.

Background

In March 2012 the County Board gave directions to the County Manager regarding homeownership. As a result a Homeownership Study Working Group was established. The recommendations of that group and of the County Manager were presented to the County Board in February 2013, these included;

Incorporate the analysis of the Affordable Home Ownership Program in the overall Affordable Housing Needs Study and appoint a member of the Home Ownership Working Group to the Affordable Housing Study Working Group.

In keeping with this recommendation Richard Donohoe was appointed to the Affordable Housing Study Working Group. The components of the Affordable Homeownership study to be considered are:

- Development and redevelopment opportunities (including an analysis of ways to increase the stock of owner-occupied housing through the development of County controlled properties).¹
- Program Effectiveness; County, AHOME (Homebuyer education and counseling, foreclosure counseling) and AHC.
- Market Opportunities and Best Practices.
- Fiscal implications and comparisons of homeownership opportunities to rental opportunities.

Issues to be addressed

1. Goals and Targets

Goal 9 of the affordable housing goals and targets relates to homeownership. The goal is stated as follows and has two distinct parts:

Increase the rate of home ownership throughout the County,
and

increase home ownership education and opportunities for low and moderate income households.

The first part of this goal relates to all homeownership regardless of income. It also suggests that the homeownership rate is somehow problematic and increasing the rate of homeownership is of benefit to the County and that the County somehow has the means to influence the overall homeownership rate. 92 percent of the new housing built from 2000 to 2013 was multi-family, approximately two thirds of the multi-family stock is apartments. The goal to increase homeownership in light of a development pattern in which the share of ownership stock is diminishing presents contradictions.

- Should an affordable housing policy be concerned about the overall homeownership rate?
- Is ownership the issue or is transience/stability of the population the issue?

¹ Affordable Homeownership Study: Preliminary findings and Recommendations, February 2013, page 2.

Affordable Housing Study Working Group

Homeownership Task Force

The second part of this goal is directed at income-defined populations (low – 60% AMI, and moderate – 80% AMI) and identifies one activity, homeownership education, and a concept of homeownership opportunities.

- What is the meaning of homeownership opportunity?

Target 9A: Increase the home ownership rate from 46.4% to 47% with a stretch goal of 50% throughout the County by FY 2015.

It is unclear how this target is related to affordable housing as it relates to the overall homeownership rate regardless of household income. The issues raised regarding the goal are also pertinent to target 9A.

- Recommendation regarding homeownership rate target

Target 9B: Provide home ownership education to 700 households with incomes below 80% of median and annually assist 50 households with incomes below 80% of median to become homeowners.

This target is directly tied to the County's homeownership program. It deals with two different aspects and should be separated into two targets for greater clarity. The first part regarding homeownership education is fairly clear. A precise definition of homeownership education would be of use here, there is homebuyer education as well as a variety of education activities geared towards homeowners (the condo initiative, foreclosure counseling, the spring home show for example). This has traditionally been interpreted as homebuyer education provided through AHOME. The target should be looked at in light of past performance and the level of effort supported.

The second part of this target has been interpreted to mean the number of households receiving direct County Assistance through the MIPAP program. Other financing mechanisms are also available and have had greater use in recent years (VHDA loan).

Target 9C: Increase the home ownership rate for minority households from 24.2 to 30% by 2015.

This target may not measure ownership that relates to affordability for low/moderate income households. It is entirely possible that the homeownership rate for minority (non-white non-hispanic) households increases due to lower income minorities moving out of Arlington while higher income homeowner minority households remain. It is unclear exactly what the County's role is in contributing to the minority homeownership rate. This target is also detached from any meaning of affordability. If minority homeownership increases due to greater participation in home purchases above the median home price, how does this advance affordable housing in Arlington?

- What might have been the intent of this target?
- Should a target that the County has no direct influence on through its programs be a target?

Affordable Housing Study Working Group Homeownership Task Force

2. County Board/County Manager Direction

The task force will analyze the following subjects and provide recommendations

- Development and redevelopment opportunities (including an analysis of ways to increase the stock of owner-occupied housing through the development of County controlled properties).
- Program Effectiveness; County, AHOME (Homebuyer education and counseling, foreclosure counseling) and AHC.
- Market Opportunities and Best Practices.
- Fiscal implications and comparisons of homeownership opportunities to rental opportunities.