



# Increasing Black Homeownership in the Puget Sound Region

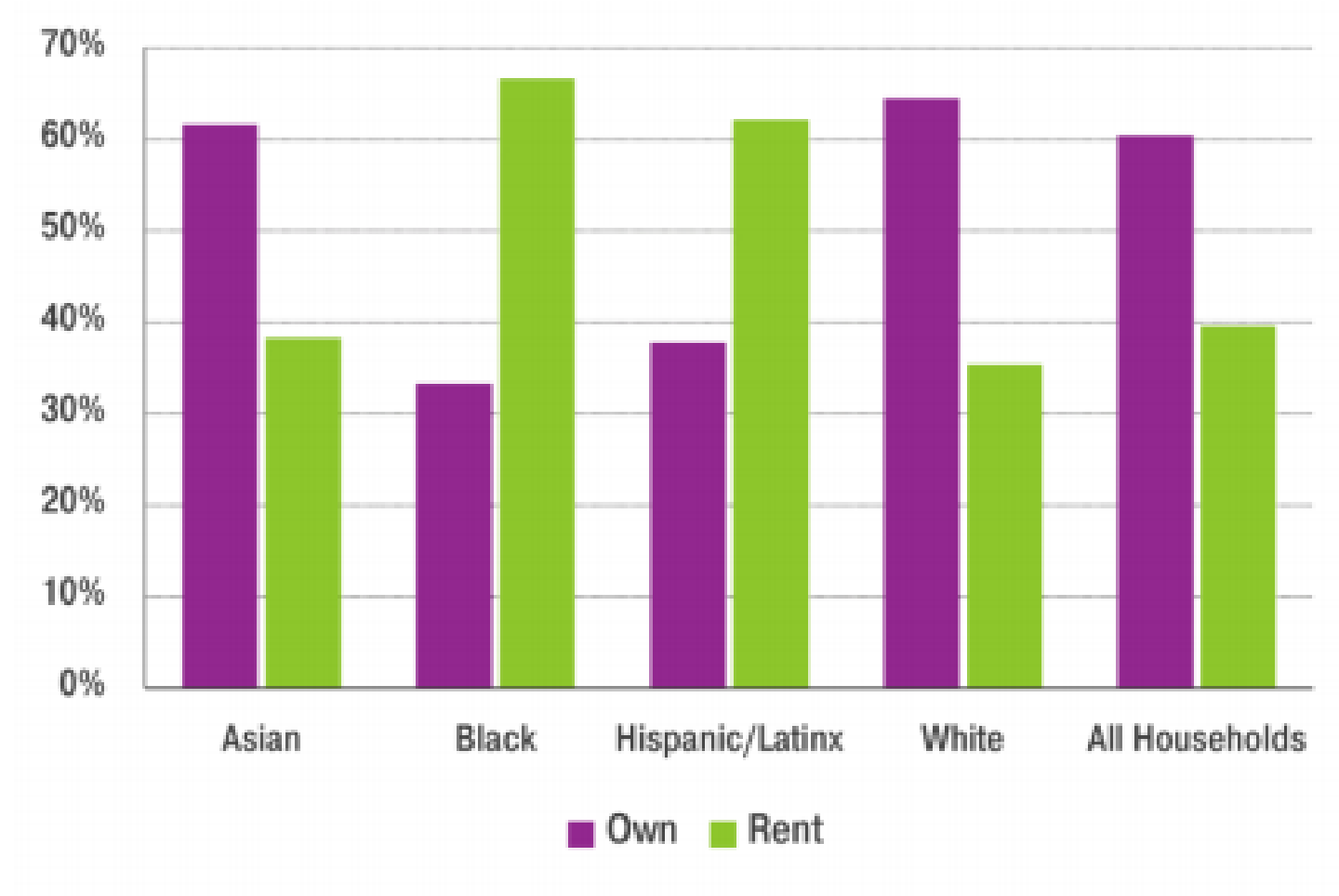
January 14<sup>th</sup>, 2022



**COALITION FOR MORE  
HOUSING CHOICES**



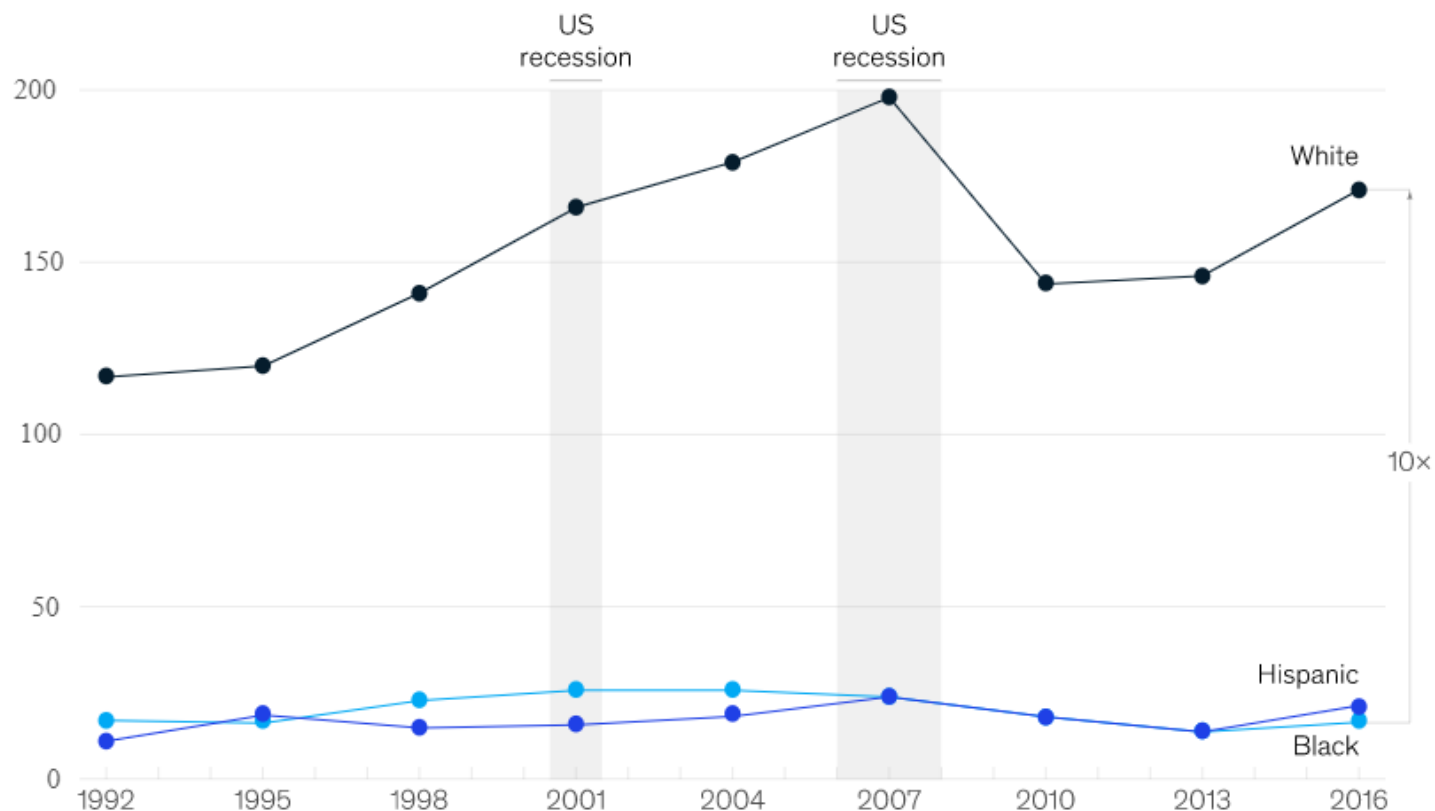
# Ownership and Renting Rates by Race – Puget Sound



Source: American Community Survey 5-Year Estimates

# The Racial Wealth Gap - Nationally

Median family wealth in 1992–2016 by ethnicity/race, \$ thousand<sup>1</sup>



<sup>1</sup>2016 dollars.

Source: "2016 survey of consumer finances," Federal Reserve Board, September 2017, [federalreserve.gov](https://www.federalreserve.gov/consumersurvey/documents/)

# BLACK HOMEOWNERSHIP INITIATIVE PARTNERS



Opening doors to a better life



## Challenge Statement

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- We aspire to reach a time when the homeownership rates for BIPOC communities in Washington state will be equal to those of their white peers. Our immediate focus is on increasing and sustaining Black homeownership.
- **Challenge statement-** By 2041, we will increase Black homeownership rate in the Puget Sound region sufficient to close the Black-white homeownership gap.



# 7-Point Plan

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# Strategic Objectives

1. Marketing and Outreach	2. Pre-Purchase Counseling	3. Purchase Supports/Tools	4. Credit and Lending	5. Housing Production	6. Policies and Practices	7. Sustaining Existing Owners
<b>1A.</b> Connect with the Black population including the diaspora to ascertain interest in homeownership and proactively share potential opportunities	<b>2A.</b> Develop new- and grow existing - comprehensive programs tailored for ready, near-ready and long-term-ready homebuyers	<b>3A.</b> Create an array of buyer readiness tools and resources to complement pre-purchase counseling programs	<b>4A.</b> Modify underwriting and lending practices to expand access to appropriate and affordable loans and address any systemic discrimination	<b>5A.</b> Build sector capacity to increase and sustain scaled delivery of homes	<b>6A.</b> Enact zoning and regulatory reform policies that meaningfully increase supply and access to affordable entry-level, and market-rate homes for first-time homebuyers	<b>7A.</b> Proactively make comprehensive post-purchase education, counseling, foreclosure prevention and repair resources widely and readily available
	<b>2B.</b> Expand program effectiveness through a network of partnerships among agencies, lenders and real estate agents that elevates homeownership as a process not an event	<b>3B.</b> Expand access to, and amount of, down payment assistance funding available		<b>5B.</b> Launch a comprehensive land identification, mapping, and acquisition initiative	<b>6B.</b> Substantially increase tools that capture land value through acquisition and assemblage to preserve affordability and stave off displacement	<b>7B.</b> Ensure programs and services don't perpetuate or increase disparities
				<b>5C.</b> Scale the production and sustain the inventory of a healthy mix of for-sale home types, sizes, and prices	<b>6C.</b> Coordinate efforts to address regulations and practices that unnecessarily impede development of, and prevent access to, homeownership opportunities	
				<b>5D.</b> Create new and significant predevelopment and construction capital	<b>6D.</b> Expand public grants that finance affordable home construction to create sustainable homeownership opportunities	

# 1. Marketing and Outreach

## FOCUS AREA 1: MARKETING AND OUTREACH

### Strategic Objectives

**1A.** Connect with the Black population including the diaspora to ascertain interest in homeownership and proactively share potential opportunities

### Strategies for the Next 1–2 Years

**1A1.** Create a network of community-based organizations, faith, community leaders etc. to facilitate trusted connections with community members for ongoing two-way communication

**1A2.** Work with trusted brokers to develop outreach tools and tactics specifically tailored to, and appropriate for, the Black population

**1A3.** Implement affirmative marketing and outreach strategies presenting a full spectrum of homeownership products, services, and providers and track activities and outcomes

**1A4.** Update and promote an expanded definition of First Time Homebuyer (FTHB) to help with uptake of FTHB programs

**1A5.** Ensure tracking mechanisms are in place to follow interested households from first-time homebuyer classes such as the those sponsored by the WSHFC



## 2. Pre-Purchase Counseling

### FOCUS AREA 2: PRE-PURCHASE COUNSELING

Strategic Objectives	Strategies for the Next 1–2 Years
<b>2A.</b> Develop new- and grow existing – comprehensive programs tailored for ready, near-ready and long-term-ready homebuyers	<p><b>2A1. Develop a system of intake and assessment that helps triage interested buyers and provides them with a tailored plan for readiness and complete an online portal for coordinated intake and assessment</b></p> <p><b>2A2.</b> Provide one-on-one housing counseling and seek to cultivate long term relationships, increasing the number of counselors to implement</p> <p><b>2A3.</b> Utilize tools to support buyers with longer term purchase timelines such as through Homebuyer Clubs and individual development accounts (IDAs)</p>
<b>2B.</b> Expand effectiveness through a network of partnerships among agencies and lenders that elevates homeownership as a process, not an event	<p><b>2B1. Cultivate a wider ecosystem of collaboration between partners (i.e. formal sector lenders, financial institutions, and real estate agents), creating a network of trusted brokers that understands the array of credit, debt remediation programs and how to refer denied applicants to resources and alternative homeownership programs</b></p> <p><b>2B2.</b> Develop a cohesive pathway for applicants from the time of interest/intake to move in/occupancy that has seamless handoffs of deferring and referring to appropriate programs like credit and debt remediation</p>

### 3. Purchase Support/Tools

FOCUS AREA 3: PURCHASE SUPPORTS/TOOLS	
Strategic Objectives	Strategies for the Next 1–2 Years
<b>3A.</b> Create an array of buyer-readiness tools and resources to complement pre-purchase counseling programs	<b>3A1.</b> Develop and expand use of “homebuyer clubs” and incentive savings programs such as individual development accounts (IDAs) <b>3A2.</b> Design and implement a debt remediation revolving loan fund that can be used to take out excessive debt that ensues from life events <b>3A3.</b> Expand and maintain a central repository for all down payment assistance and LMI lender offerings that would be accessible to homebuyers, banks, housing counselors, and other service providers <b>3A4.</b> Create partnerships with credit counseling agencies to deliver context-responsive credit counseling and remediation
<b>3B.</b> Expand access to, and amount of, down payment assistance (DPA) funding available	<b>3B1.</b> Increase the amount of DPA available for more low- and moderate-income households from a variety of sources including private and philanthropic initiatives <b>3B2.</b> Increase the number of financial institutions that provide and allow use of DPA

## 4. Credit and Lending

### FOCUS AREA 4: CREDIT AND LENDING

#### Strategic Objectives

**4A.** Modify underwriting and lending practices to expand access to appropriate and affordable loans and address any systemic discrimination

#### Strategies for the Next 1–2 Years

**4A1.** Standardize underwriting guidelines and provide uniform income and acquisition limits for increased DPA utilization.

**4A2.** Increase training for lending partners on how to use DPA products.

**4A3.** Expand the number of community-based lending professionals using down payment assistance that allow third party subordinate liens

**4A4.** Use direct interventions like special purpose credit programs (SPCP) and social investment pools.



## 5. Housing Production

### FOCUS AREA 5: HOUSING PRODUCTION

Strategic Objectives	Strategies for the Next 1–2 Years
<b>5A.</b> Build sector capacity to increase and sustain scaled delivery of homes	<b>5A1. Secure new resources for pre-development, operations, and staffing capacity of community-based and community-facing nonprofit organizations</b>  5A2. Develop and deliver comprehensive training and technical assistance for all homeownership sector partners, including funders, lenders, and developers
<b>5B.</b> Launch a comprehensive land identification, mapping, and acquisition initiative	<b>5B1. Secure due diligence on all potential underutilized and surplus public and faith owned lands and acquire when feasible</b>  <b>5B2. Accelerate the use of community ownership models in partnership with community-based organizations and coalitions.</b>  <b>5B3.</b> Boost the capability of existing land acquisition funds, including the WSHFC Land Acquisition Program (LAP), to increase capacity for acquisition and to foster a predictable pipeline for public capital funding planning
<b>5C.</b> Scale the production and sustain the inventory of a healthy mix of for-sale home types, sizes, and prices	<b>5C1. Encourage the continued increased investment of public subsidy – in the form of equity – in affordable homeownership</b>  <b>5C2. Broaden the use of creative methods of affordable homeownership such as shared equity, limited equity and other cooperatives, lease purchase, ADUs</b>  5C3. Expand use of turnkey and joint venture production with private developers and general contractors

## 6. Policies and Practices

### FOCUS AREA 6: POLICIES AND PRACTICES

Strategic Objectives	Strategies for the Next 1–2 Years
<b>6A.</b> Enact zoning and regulatory reform policies that meaningfully increase supply and access to affordable entry-level and market-rate homes for first-time homebuyers	<p><b>6A1.</b> Enact a robust state zoning reform bill that expands the ability of property owners to build certain housing types, like multiplex housing options in residential zones to increase choices with comprehensive tools that include ADU condos, fee simple ADUs for affordable homeownership. As part of any zoning bill, include financial and regulatory incentives through shared equity programs such the community land trust model, limited equity co-ops, etc.</p> <p><b>6A2.</b> At the local level, limit Design Review to allow for shorter time and more predictability and create a threshold for any design review at 20 units or more</p> <p><b>6A3.</b> At the state level, reform and reduce the maximum lot size of R6 (7200sf) in historically suburban communities</p> <p><b>6A4.</b> Encourage jurisdictions to work with impacted communities to co-create sensitive and tangible reparative measures as part of the major update to their Comprehensive Plans</p>
<b>6B.</b> Substantially increase tools that capture land value through acquisition and assemblage to preserve affordability and stave off displacement	<p><b>6B1.</b> Prioritize preserving multi-family residential housing to create condo and cooperative ownership opportunities</p> <p><b>6B2.</b> Enact Housing Benefit District legislation (HB 1128) giving authority to counties and cities to an HBD for affordable low- and middle-income housing projects and specify homeownership minimum threshold with AMI targets</p> <p><b>6B3.</b> Expand the use of tools such as affirmative marketing, disparities studies and community preference policy for subsidized ownership units</p>

# 7. Sustaining Existing Homeowners

## FOCUS AREA 7: SUSTAINING EXISTING OWNERS

### Strategic Objectives

**7A.** Make comprehensive post-purchase education, counseling, and resources widely and readily available

### Strategies for the Next 1–2 Years

**7A1.** Proactively reach out to Black homeowners and offer foreclosure prevention services and seek opportunities for outreach and marketing with utilities and public assistance as channels

**7A2.** Ensure there is adequate funding for all facets of foreclosure prevention programs

**7A3.** Increase widespread awareness by lending and real estate professionals about post-purchase education opportunities and resources

**7A4.** Establish a continuous relationship between homebuyers and housing counselors that endures post-closing to ensure homeowners have a known, trusted source for advice and assistance during their homeownership tenure

**7A5.** Build relationships with loan officers and other operations staff, not just CRA officers; and partner with lenders to provide information to customers facing difficulties, by using a variety of media/channels to avert foreclosure



# Thank You

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*‘It will take sustained, multi-sector collaboration and action to close the Black-white homeownership gap – join us!’*

