

## Homeowner Access Programs

### Program Description & Goals

The Portland Housing Bureau's (PHB) Homeowner Access program invests in services to increase access to homeownership opportunities, and to close the minority homeownership gap. Support for low income, first-time homebuyers includes prepurchase education and counseling as well as down payment assistance programs. Services are administered by PHB's Neighborhood Housing Program (NHP) staff along with partnerships with nonprofit community service providers.

The goals of the Homeowner Access program include, but are not limited to, increasing the number of new homebuyers, addressing racial homeownership disparities, and providing generational wealth creation opportunities, by prioritizing households and families that are displaced or at risk of displacement, and improving financial stability for residents.

Performance	Actuals FY 2019-20	Actuals FY 2020-21	Target 2021-22	Target FY 2022-23	Strategic Target
Percentage of households receiving homebuyer education or counseling and subsequently purchasing a home	13%	15%	10%	10%	10%
Percentage of households receiving homebuyer subsidies from Communities of Color	83%	80%	60%	60%	60%
Count of households receiving homebuyer education or counselling	1,429	1,589	975	975	975

### Explanation of Services

Creating additional homeownership opportunities is one of a few tools necessary to support the housing continuum, providing a pathway from homelessness to homeownership options in the market. Renters have been faced with increasing rents and rising living costs, while incomes haven't met that same level of growth; homeownership provides a stabilized, long term affordable housing option.

In a very competitive and tight housing market, creating new homeowners continues to be a challenge. However, homeownership counseling and education through reputable and trusted community partners help to: 1) identify residents with a desire to improve their financial wellbeing and 2) provide necessary education that is culturally appropriate ,

Down Payment Assistance (DPA) subsidies are available in the form of a forgivable loan to first time homebuyers at or below 100% AMI. To address the higher priced market in the area, the maximum per household subsidy in the Interstate URA is \$100,000, with other areas of the city capped at \$80,000 per household. TIF resources require that 10% of the subsidy are designated for use as a Home Improvement grant to be used within six months of closing.

## Equity Impacts

PHB Homeowner Access Programs support the PHB mission of addressing the unmet housing needs of Portlanders by partnering with local nonprofit organizations to provide pre- and post-homeownership counseling and education, and by investing resources to support low income, first time homebuyers with down payment assistance.

Communities of color continue to face significant challenges in becoming homeowners, such as limited to no generational wealth, impacts from generations of disinvestment in communities resulting in credit and debt challenges, and most importantly communities of color continue to earn less than their white counterparts here in Portland and Multnomah County. PHB partners with a host of culturally specific service providers who support Portland residents with one-on-one and group financial counseling. Partners leverage additional resources necessary to support households' homeownership goals in the city of Portland, a tight and competitive housing market, targeting communities of color and communities that have been displaced or at risk of displacement, to ensure access, and their participation in the economic opportunities that quality housing investments create.

Down payment assistance is necessary in addressing the homeownership disparities, and policies should improve access and lessen challenges and barriers in obtaining resources. Success in this program should increase the number of homeowners from communities of color, improve their financial wellbeing, and strengthen trust from the community as it relates to past government actions.

## Changes to Program

There are no significant changes to this program.

## Program Budget

	Actuals FY 2019-20	Actuals FY 2020-21	Revised FY 2021-22	Requested Base FY 2022-23	Requested with DP FY 2022-23
<b>Bureau Expenditures</b>					
Personnel Services	230,065	276,757	297,781	311,426	311,426
External Materials and Services	4,862,910	3,074,734	3,866,716	2,786,523	2,786,523
<b>Bureau Expenditures Total</b>	<b>5,092,975</b>	<b>3,351,491</b>	<b>4,164,497</b>	<b>3,097,949</b>	<b>3,097,949</b>
<b>Requirements Total</b>	<b>5,092,975</b>	<b>3,351,491</b>	<b>4,164,497</b>	<b>3,097,949</b>	<b>3,097,949</b>
<b>FTE</b>	<b>1.75</b>	<b>2.22</b>	<b>1.82</b>	<b>2.12</b>	<b>2.12</b>

## Budget Narrative

<b>Resources</b>	Funding sources for Homeowner Access Programs include federal funds (Community Development Block Grant, which has income and usage limitations), and Tax Increment Financing (TIF) in the Lents and Interstate urban renewal districts (which are limited by location to the districts and require a small construction component).
<b>Expenses</b>	As some of these programs involve direct service, staffing costs as a ratio of funds disbursed to citizens tend to be higher than multifamily programs. But funds disbursed via subrecipient contracts and loans are still the primary expense of the program.
<b>Staffing</b>	The different service delivery models require different skill sets within the team. Subrecipient contract with community partners require contract development, management, and monitoring. DPA loans require coordination with community partners to identify potential buyers, income qualification, loan origination, and where a home improvement grant is paired with a DPA loan, construction coordination. There are 2.52 FTEs dedicated to this program.
<b>Assets and Liabilities</b>	This program assists in financing the acquisition of homes by citizens, owned by those citizens through DPA loans. These are deferred payment loans, but the bureau holds liens on the properties, and loans are due upon change of occupancy. For loans originated after 2015, the forgiveness model described under Explanation of Services is in effect. Data indicates that many loans are paid off within the first 15 years, though since the DPA program is barely 15 years old, that trend will need to be monitored. The value received by the City for those loans not yet paid off is the benefit of a new homeowner, which represents a significant and critical component in the affordable housing resources available to the residents of Portland.

## Program Information

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