



Joint Interim Task Force on Addressing Racial Disparities in Homeownership

September 27, 2018



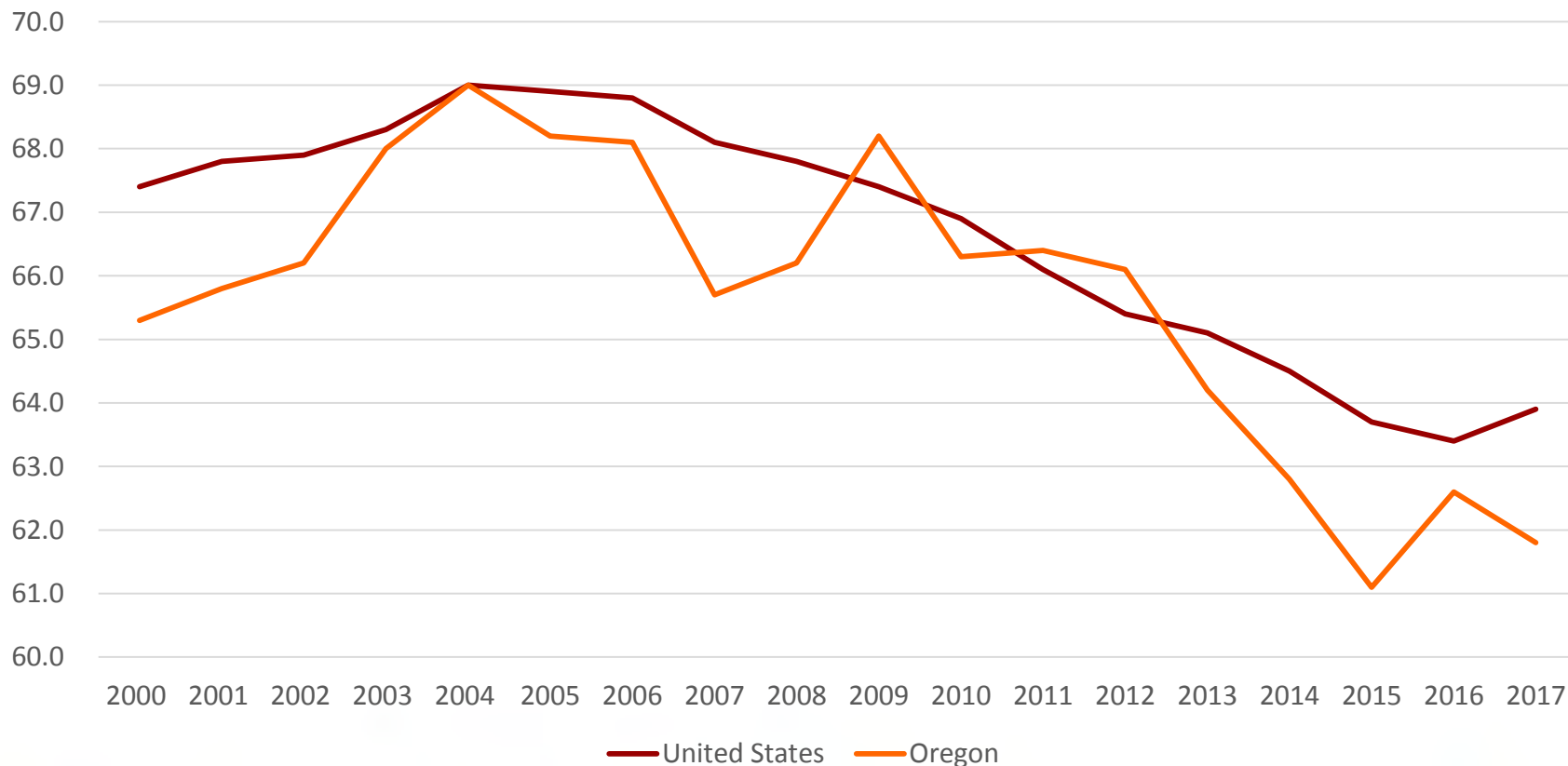
Current OHCS Landscape

- State and County-Level Data
- OHCS Homeownership Programs
- New Programs and Opportunities
- Statewide Housing Plan



Homeownership Rates

Homeownership Rates in the US and Oregon, 2000-2017

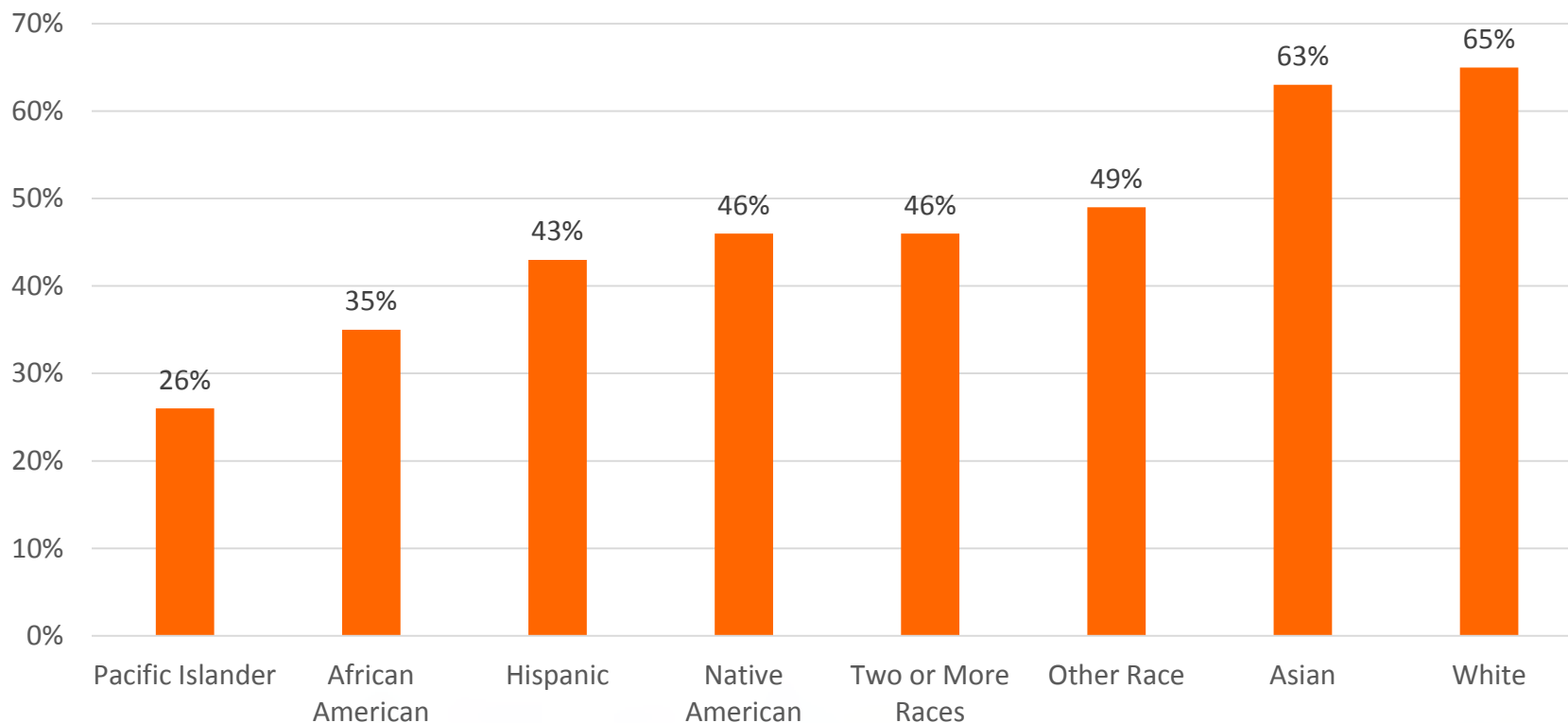


Source: U.S. Census Bureau, Housing Vacancy Survey, Historic Data



Homeownership Rates

Oregon Homeownership Rates by Race and Ethnicity, 2017

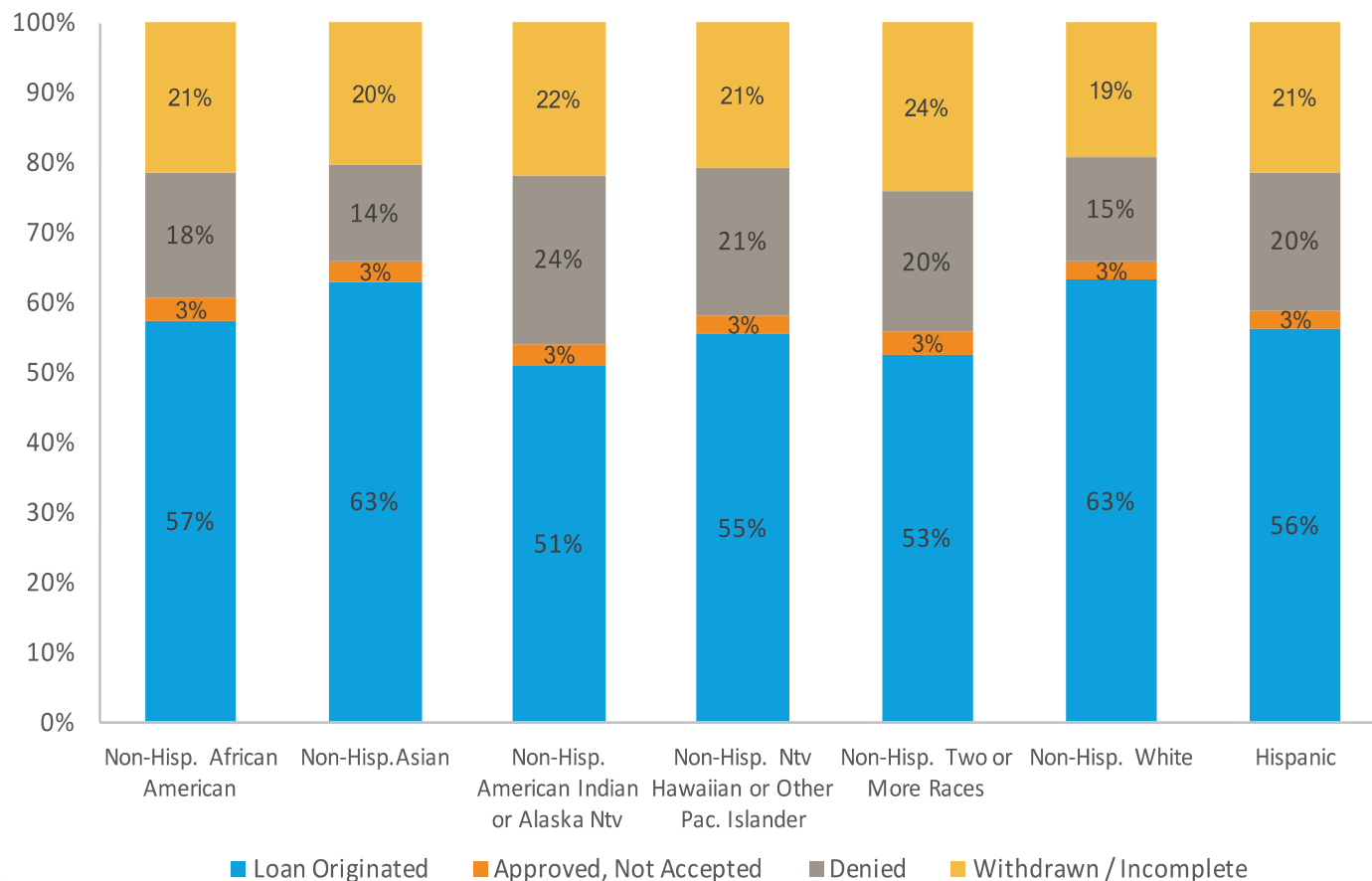


Source: U.S. Census Bureau, American Community Survey 1-Year Estimates, 2017



Borrower Outcomes

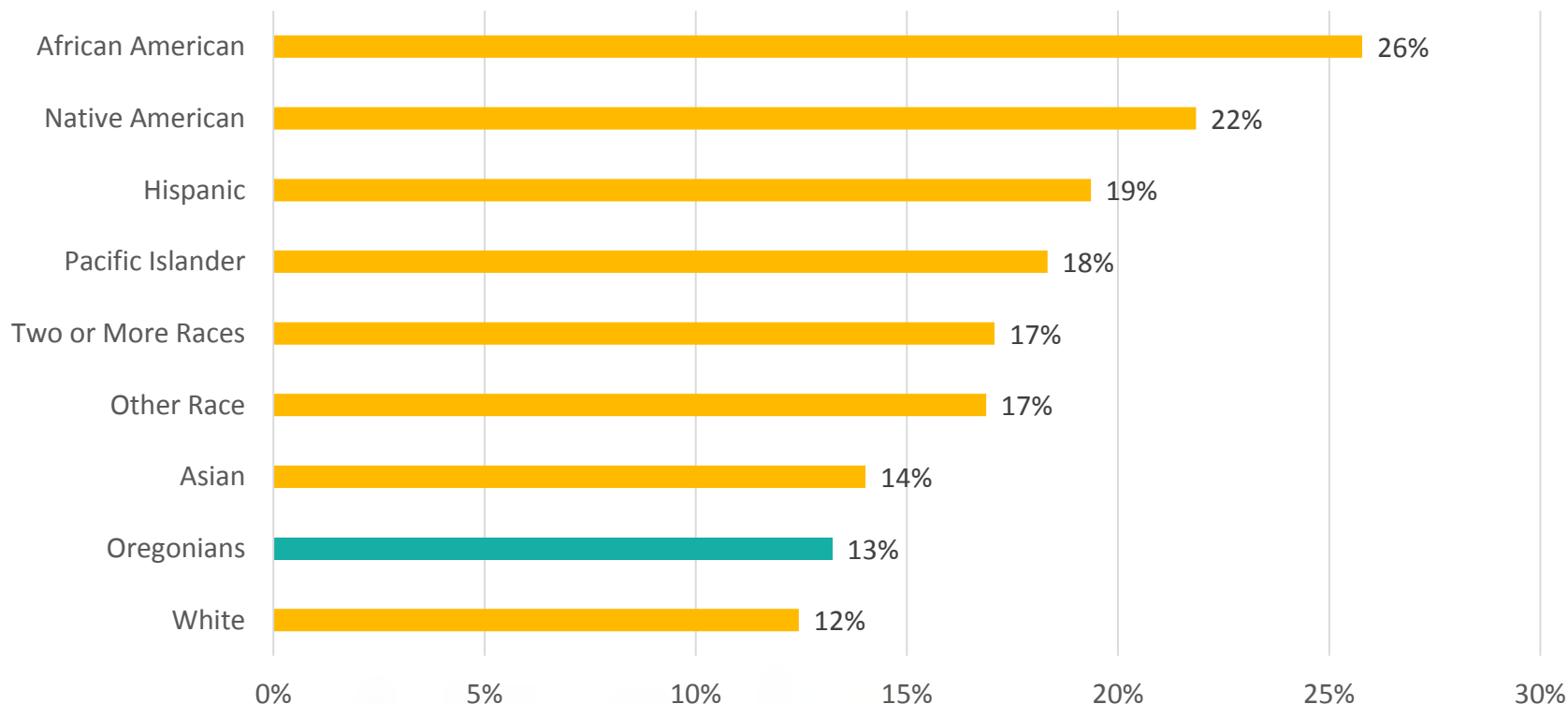
Borrower Outcomes for Home Purchase Loan Applications, by Race/Ethnicity, 2016



Source: ECONorthwest calculations; U.S. Consumer Financial Protection Bureau, Home Mortgage Disclosure Act.

Poverty Rates

Oregon Poverty Rates by Race and Ethnicity, 2017

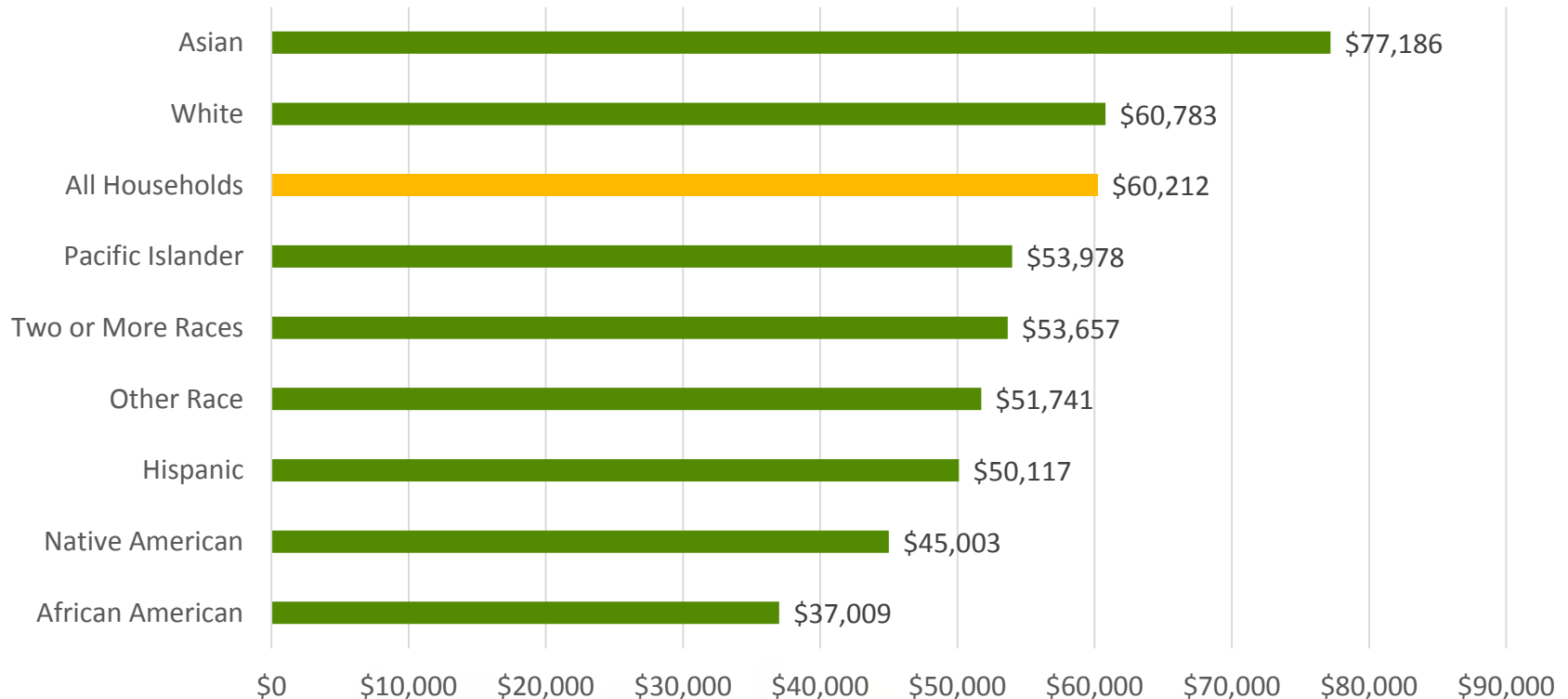


Source: U.S. Census Bureau, American Community Survey 1-Year Estimates, 2017



Median Household Income

Oregon Median Household Incomes by Race and Ethnicity, 2017



Source: U.S. Census Bureau, American Community Survey 1-Year Estimates, 2017



County Level Data

OHCS is building data dashboards to illustrate this data at the county level:

- Homeownership rates and overall demographics:
<https://public.tableau.com/profile/oregon.housing.and.community.services#!/vizhome/HomeownershipRatesbyRaceEthnicity/HomeownershipRatesbyRaceEthnicity>
- Loans made through the OR Bond Residential Loan Program, all loans through the Home Mortgage Disclosure Act (HMDA), and overall demographics:
<https://public.tableau.com/profile/oregon.housing.and.community.services#!/vizhome/ORBondResidentialLoanProgramData/Dashboard1>



Homeownership Centers

County Service Area	Agency Name
Baker, Grant, Union, Wallowa	Community Connection Housing Resource Center
Benton, Lincoln, Linn	Willamette Neighborhood Housing Services
Clackamas, Multnomah, Washington	African American Alliance for Homeownership
	Hacienda Community Development Corporation
	Native American Youth and Family Center
	Portland Housing Center
	Open Door Counseling Center (Washington County only)
Clatsop, Columbia, Tillamook	Northwest Oregon Regional Housing Center/Community Action Team
Coos, Curry, Douglas	NeighborWorks Umpqua/Umpqua CDC)
Crook, Deschutes, Jefferson	NeighborImpact Homeownership Center
Harney, Malheur	Community in Action
Hood River, Sherman, Wasco	Mid-Columbia Housing Resource Center/Columbia Cascade Housing
Jackson, Josephine	ACCESS
Klamath, Lake	Klamath and Lake Homeownership Center
Lane, Marion	Neighborhood Economic Development Corporation/NEDCO
Umatilla, Morrow, Gilliam, Wheeler	Community Action Program of East Central Oregon
Polk, Yamhill	Housing Authority of Yamhill County



Core Services Provided by Homeownership Centers

- Pre-Purchase Homebuyer Education
- Financial Coaching & Pre-Purchase Homebuyer Counseling
- Financial Literacy Education
- Homeowners Produced



Down Payment Assistance

- First-time homebuyers
- At or below 100% AMI
- \$15,000 per Household
- Homebuyer education required
- Funds administered by non-profit partners in 26 counties
- Funded by the document recording fee



Veterans Home Improvement Program

- Funds dedicated for health and safety home improvements
- At or below 80% AMI
- Funds administered by 10 non-profit partners
- Funded by the document recording fee



Oregon Bond Residential Loan Program

The OHCS Oregon Bond Residential Loan Program provides below-market mortgage interest rates to help first-time homeowners increase their home purchasing power and keep their monthly house payments affordable.

- Funded through tax exempt mortgage revenue bonds issued by OHCS
- Program is subject to property/purchase price limits, income limits, and targeted/non targeted area



New Programs and Opportunities

New OHCS Homeownership Division

OHCS Down-Payment Guarantee

- Down payment assistance product unique to state housing finance agencies
- Enables OHCS to create funding for modest down payment with slightly elevated interest rates for low to moderate income Oregonians

First-Time Homebuyer Savings Account

- HB 4007 (2018)
- DOR program, begins tax year 2019



Statewide Housing Plan

Guiding Principles

- Respond to the housing inequities and disproportionate impacts of housing instability on people of color, protected classes and underserved communities.
- Maximize and leverage resources to advance department's mission.
- Work holistically with people at the center - create economic opportunity and stability for Oregonians using housing as a platform for stability and success.
- Strengthen partnerships among public, private and non-profit organizations and between state agencies to effectively create more affordable housing and community services.

Priorities and Goals

- Equity and Racial Justice
- Homelessness
- Permanent Supportive Housing
- Affordable Rental Housing
- Homeownership
- Rural Communities



Priority: Equity and Racial Justice

Advance equity and racial justice by identifying and addressing institutional and systemic barriers that have created and perpetuated patterns of disparity in housing and economic prosperity.

2019-2023 Goal: OHCS will collaborate with its partners and stakeholders to create a shared understanding of racial equity and to overcome the systemic injustices faced by communities of color regarding housing discrimination, access to housing and economic prosperity. Communities of color will experience increased access to OHCS resources, and achieve greater parity in housing stability, self-sufficiency and homeownership.



Priority: Homeownership

Provide more low- and moderate-income Oregonians with the tools to successfully achieve and maintain homeownership, particularly in communities of color.

2019-2023 Goal: OHCS will assist at least 6,500 households in becoming successful homeowners while sustaining efforts to help existing homeowners retain their safe and stable housing. OHCS will increase the number of homebuyers of color in our homeownership programs by 50 percent as part of a concerted effort to bridge the homeownership gap for communities of color while building pathways to prosperity.



Anti-gentrification & Wealth Building Through Affordable Housing

PCRI's Pathway 1000 Initiative

Presented by Maxine Fitzpatrick

Introduction to Presenter

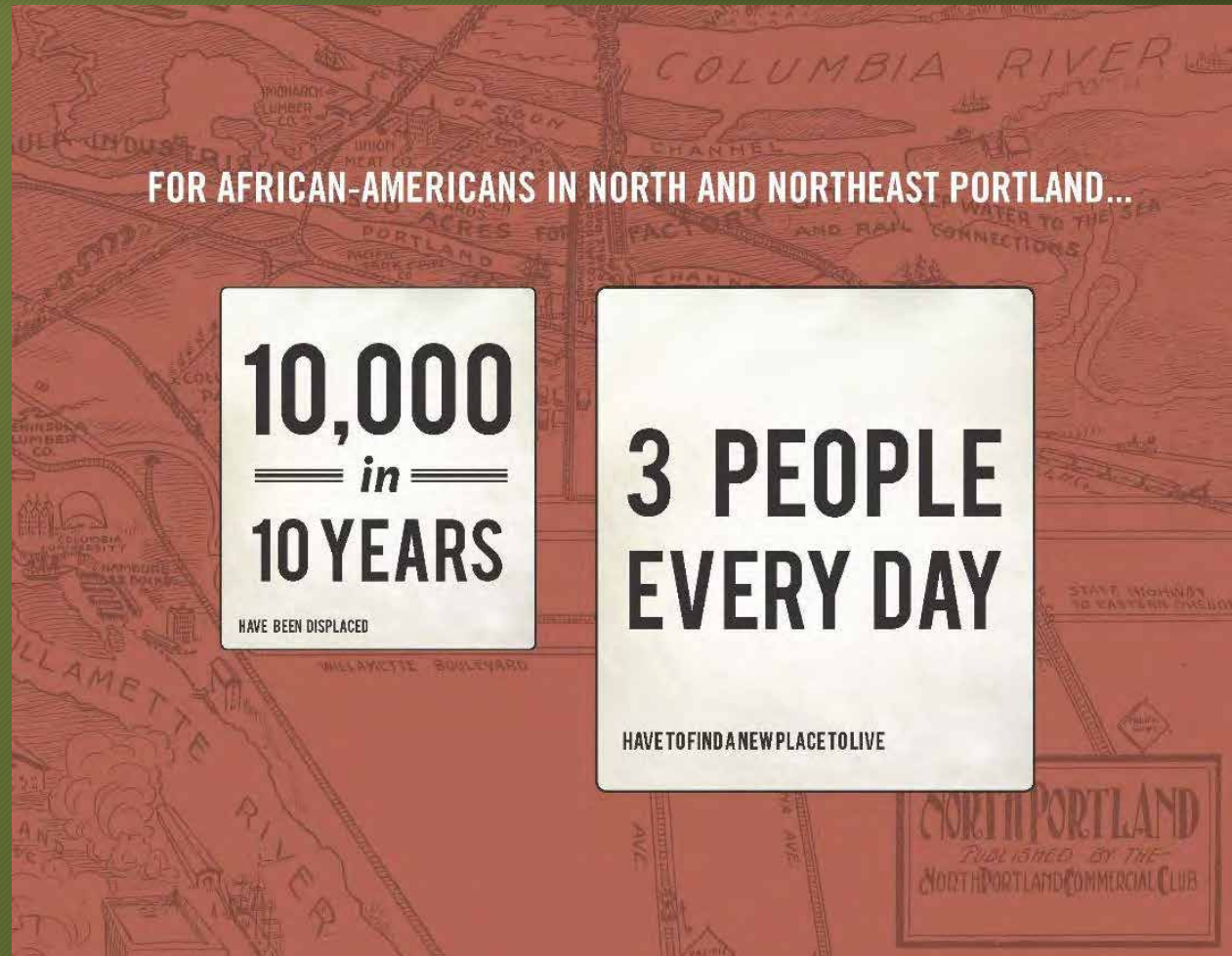


- Maxine Fitzpatrick
 - Executive Director of PCRI

Introduction to PCRI

- **Portland Community Reinvestment Initiatives**
 - Owner, developer, and manager of housing
 - 25 years serving the N/NE Portland community
 - 800 units of affordable rental housing
 - 34 neighborhoods -1/3 of Portland neighborhoods
 - Developing homes for rent and for sale
 - Culturally-responsive organization serving historically African-American neighborhoods
 - 53% of residents and clients are African American

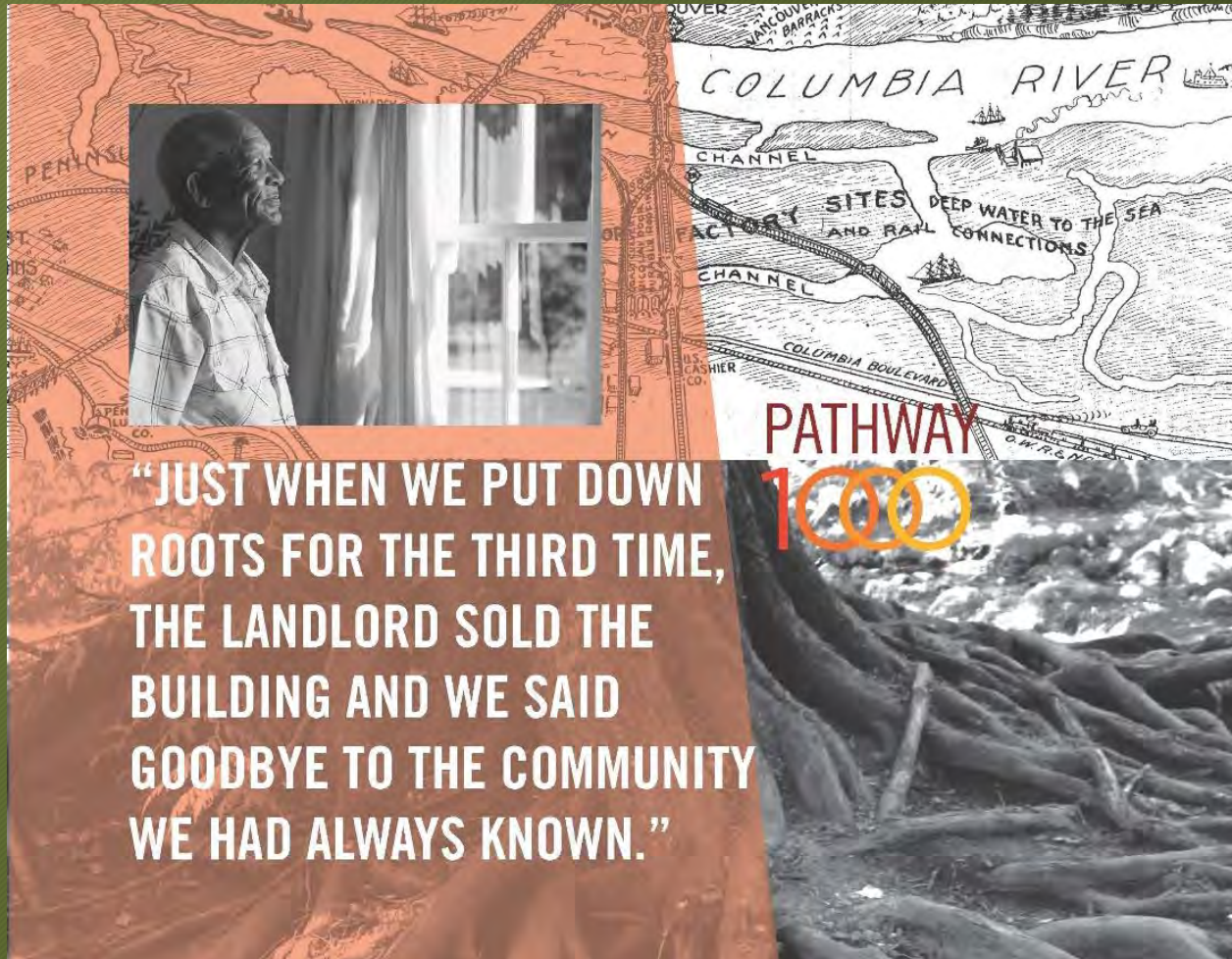
History of Gentrification in N & NE Portland



History of Gentrification in N & NE Portland

- Serial involuntary displacement
- Local funding policies and practices
- Prior disinvestment
- Current reinvestment and Urban Renewal
- Disparate outcomes for Communities of Color, especially African Americans

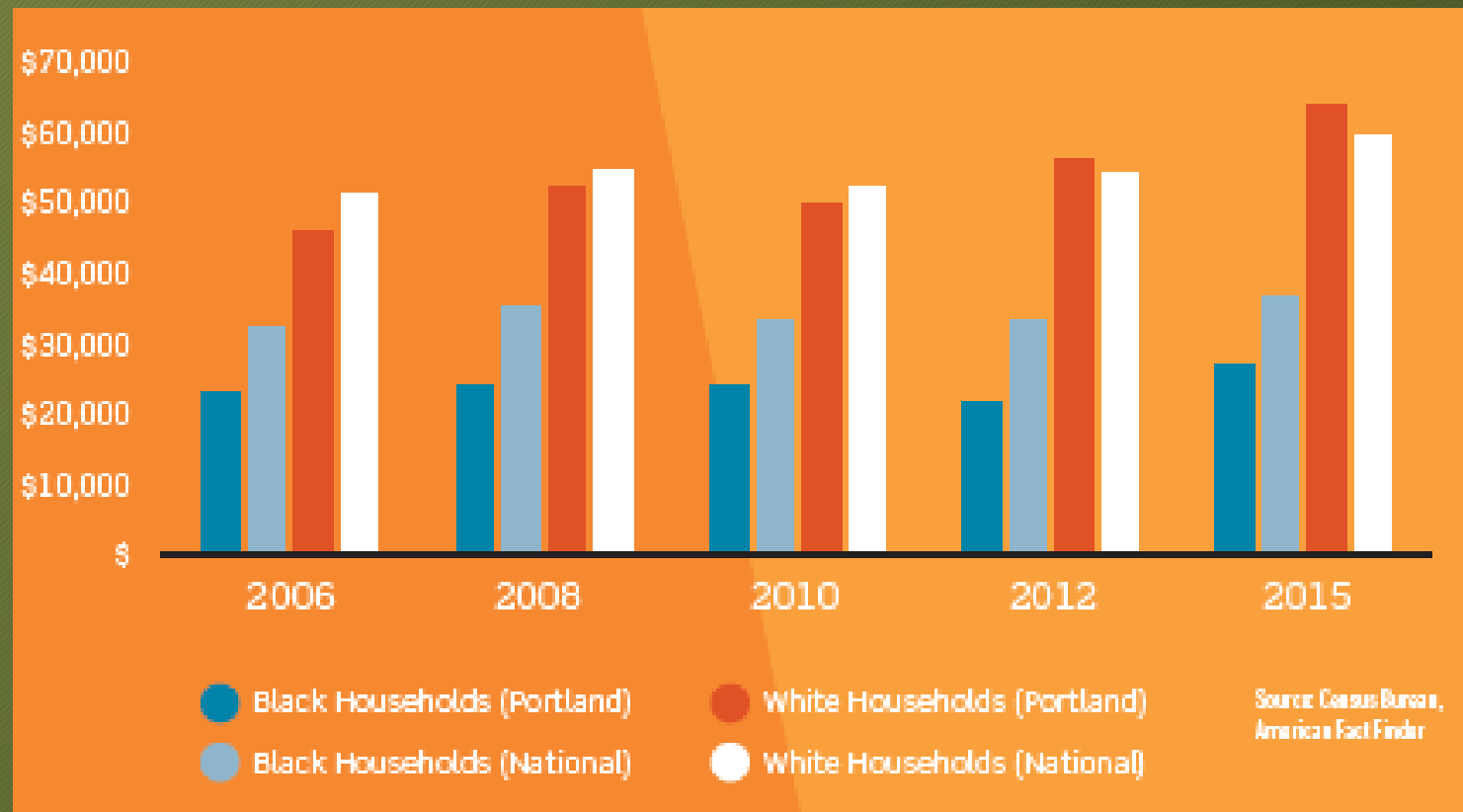
History of Gentrification in N & NE Portland



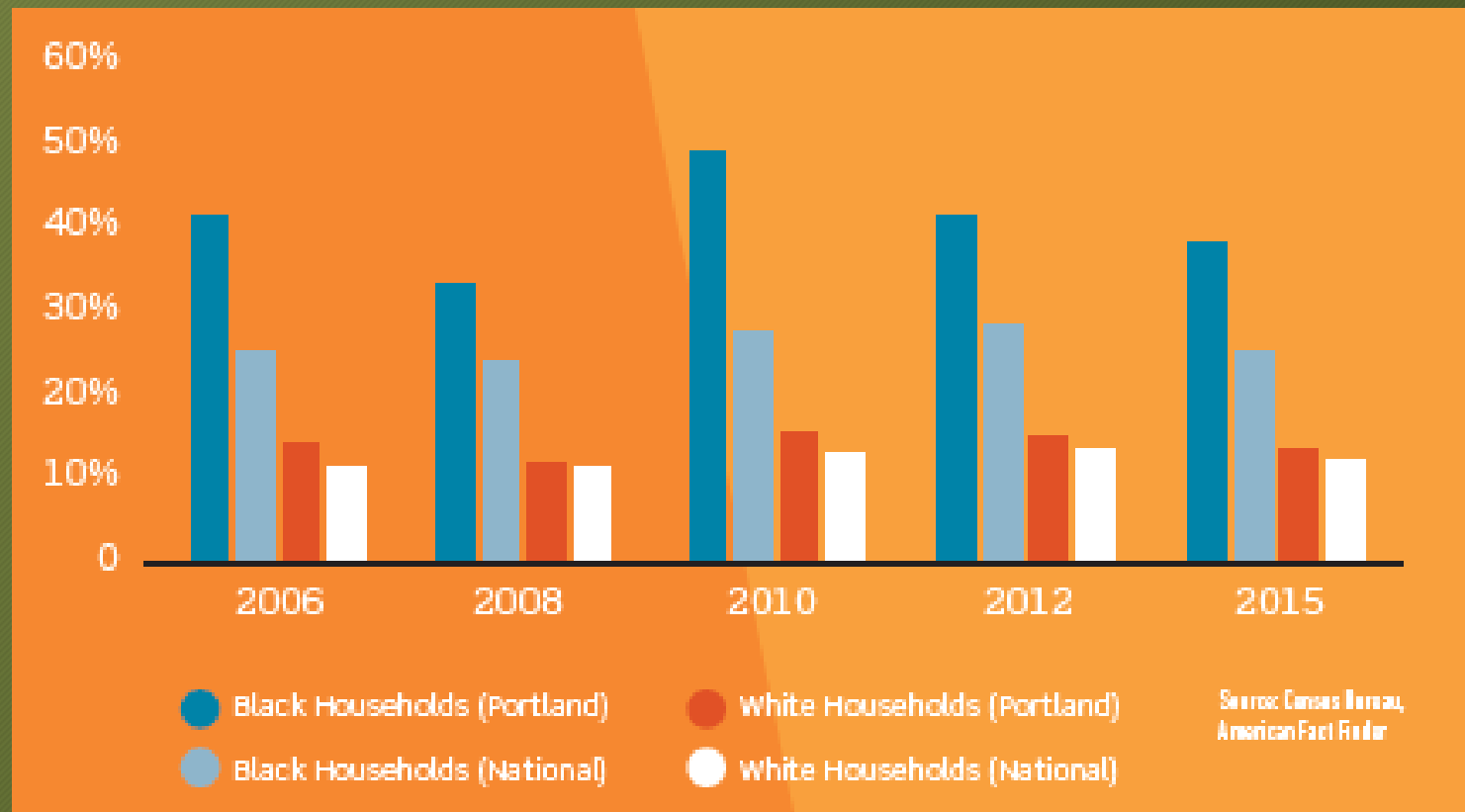
Housing Crisis Created by Our History

- Slum conditions drove development of new housing by government programs.
- Middle class grows through homeownership
- Historically marginalized people are not included in government homeownership programs.
- Eventual investment in housing and homeownership for people of color grew the black middle class.
- Effective programs to build wealth for people of color.
- Unfortunately, the growth of the Black middle class ceased during the Regan Administration - and this is the status today.

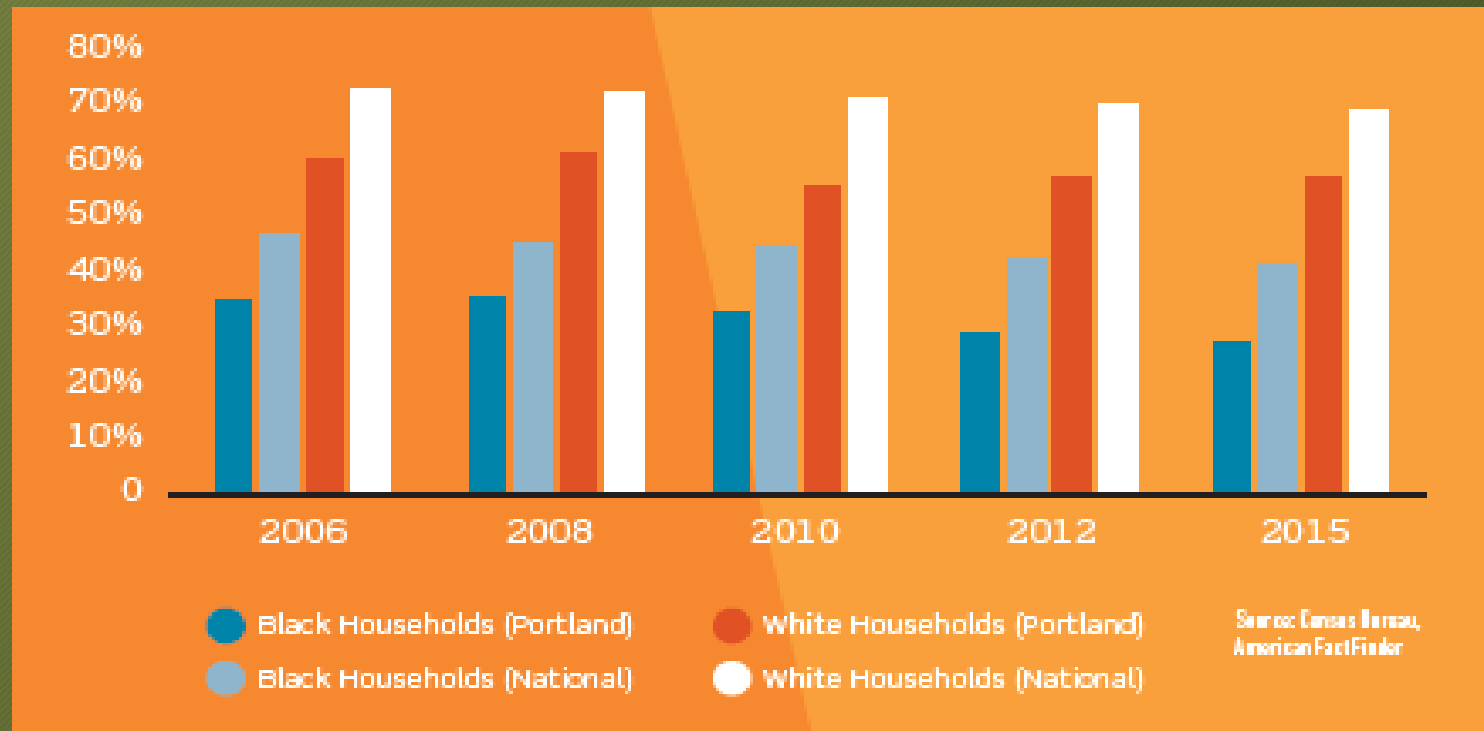
Portland & National Median Black & White Household Income



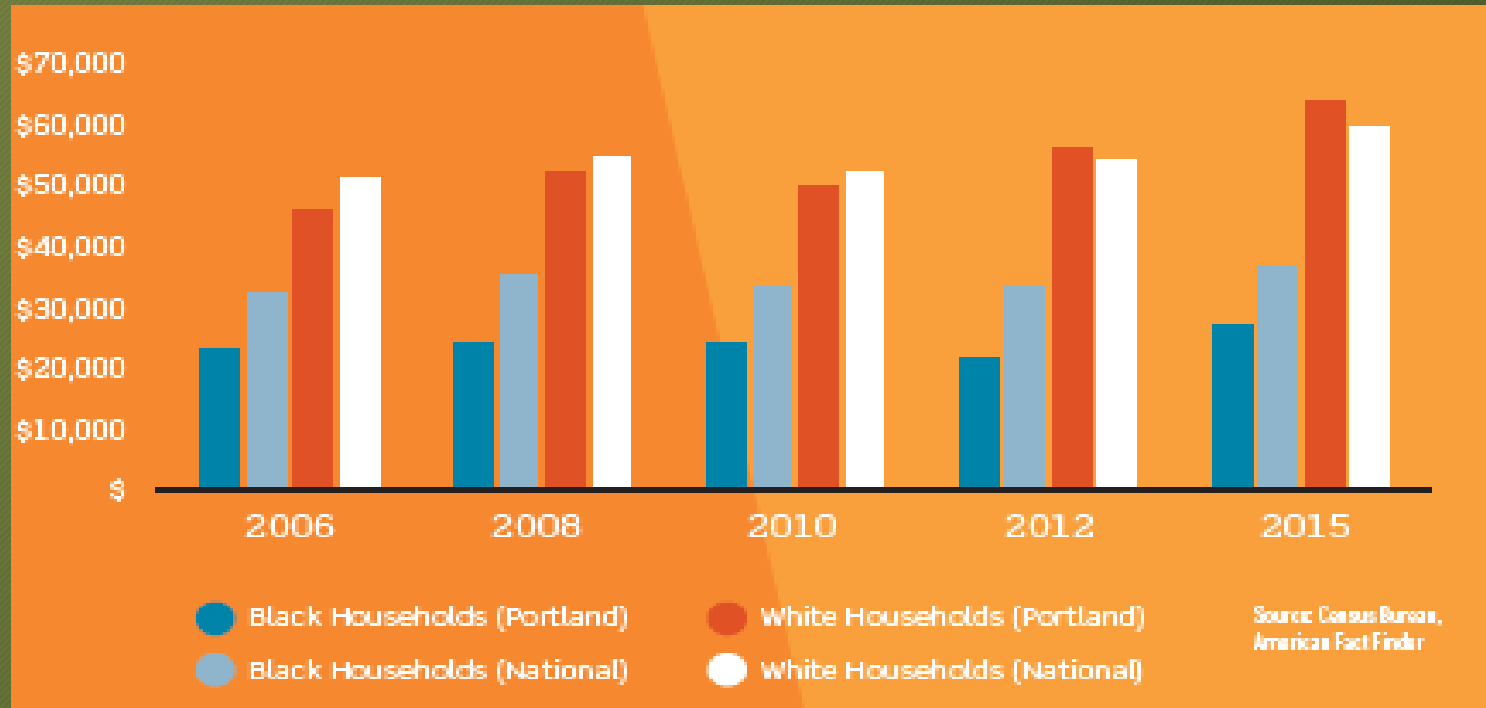
Portland & National Percentage of Black & White Households Living in Poverty



Portland & National Black & White Homeownership Rates



The Widening Racial Wealth Gap, 1984-2013



Subsidized Cost of Homeownership & Rental Housing Comparison

	AFFORDABLE RENTAL HOUSING	AFFORDABLE HOMEOWNERSHIP
DEVELOPMENT COST	\$337,000 per unit avg. - \$84,250 est. 25% debt financing \$252,750 75% PUBLIC SUBSIDY	\$300,000 per home - 200,000 owner financing \$100,000 PUBLIC SUBSIDY (development & direct assistance)
20 YEAR AFFORDABILITY SUBSIDY	\$230,208 ¹	\$25,713 ²
TOTAL SUBSIDY	\$482,958	\$125,713

¹ 20 year continuous occupancy; 2-bedroom affordable to a 3-person family at 50% median income; 150% cost barrier; based on rent reduction from market rent of \$1,023 per month (5/2016); 7.5% annual increase.
² 20 year occupancy with 10 year partial property tax exemption; 2 bedroom home with \$300,000 total value; based on property tax exemption on \$200,000 of improvement value; 3% annual increase.

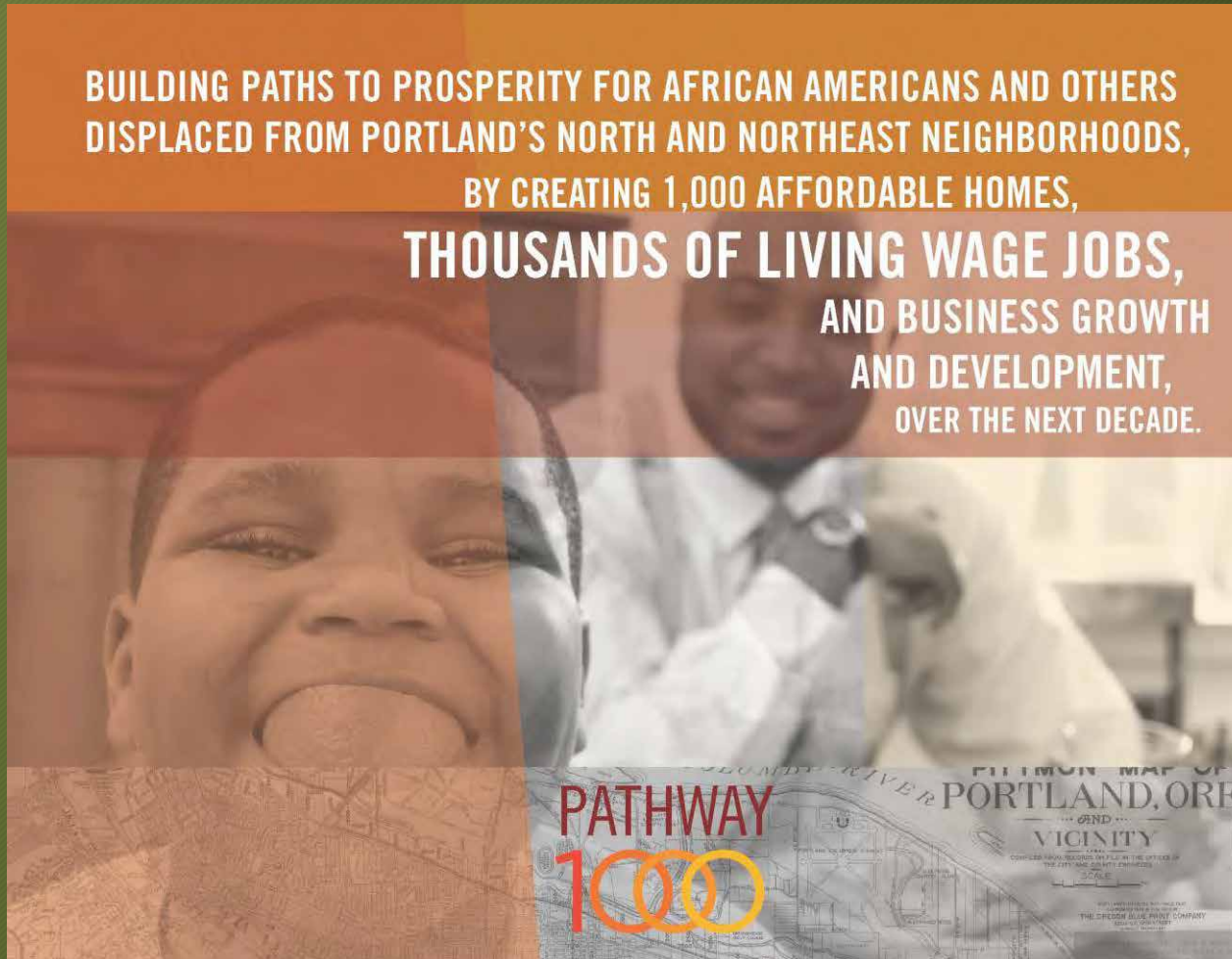
Mitigating Prior Displacement

- Community building to advocate for action
- Predicting outcomes and planning for them
- Equitable investment of public funds
- Leadership from within the community
- Accountability

Preventing Future Displacement Through Homeownership

**BUILDING PATHS TO PROSPERITY FOR AFRICAN AMERICANS AND OTHERS
DISPLACED FROM PORTLAND'S NORTH AND NORTHEAST NEIGHBORHOODS,
BY CREATING 1,000 AFFORDABLE HOMES,**

**THOUSANDS OF LIVING WAGE JOBS,
AND BUSINESS GROWTH
AND DEVELOPMENT,
OVER THE NEXT DECADE.**



Concept to Prevent Future Displacement

- Advocacy and action by community-based organizations
- Sustainability through anti-poverty strategy
- Ensuring economic opportunity and stability for existing businesses and residents
- Prioritizing housing stability for existing residents
- Measuring performance

Key Benefits from Pathway 1000

Table 5: Summary of Pathway 1000 Economic Impacts

10 YEAR TOTAL IMPACTS ¹	DIRECT (CONSTRUCTION)	INDIRECT AND INDUCED	TOTAL
Total Jobs	838	743	1,581
Total Labor Income	\$53.6 million	\$50.5 million	104.1 million
Total Household Income ²			\$341.8 million
Total Household Expenditures ³			\$256.4 million
Employment Generated by Household Expenditures		325	325
Indirect Labor Income		\$91.5 million	\$91.5 million
Property Tax Revenue to City ⁴			\$43.2 million
Total Output			\$837 million

Source: Derived from the DRA IMPLAN Economic Impact Analysis

¹ Impacts are based on the high scenario.

² In 2016 Dollars.

³ After deductions for federal and state income taxes, Social Security and Medicare (FICA) taxes, and personal savings, based on data from the Tax Policy Center for households at the income levels projected.

⁴ Based on a property tax rate of 2.4 percent derived from a range of property tax levies in the city of Portland from "Multnomah County Table of Consolidated Tax Rates for Levy Code Areas 2015-2016".

Pathway 1000: Use of Housing to Prevent Displacement

- Housing PCRI Develops
- Multi-family/mixed use affordable housing
 - Beatrice Morrow apartments
 - 80 affordable units + 6000 sf commercial/retail
 - King + Parks apartments
 - 70 affordable units
 - Prioritized for residents/businesses with roots in N/NE Portland
 - Financed with US Bank construction loans, LIHTC and RETC.



Pathway 1000: Use of Housing to Prevent Displacement

- Infill affordable rental homes
 - Recent developments include triplex row homes on a former single-family lots
 - Increased housing in residential neighborhoods sensitive to form and scale of adjacent properties



Pathway 1000: Use of Housing to Prevent Displacement

- Homes for purchase by first-time homebuyers.
 - **Supported by PCRI's HUD-certified** homeownership education program
 - New homes developed in N. Portland in 2010
 - 22 new homes under development now, prioritized for buyers displaced/at risk of displacement from N/NE Portland.



Pathway 1000: Use of Housing to Prevent Displacement

- Overall economic opportunity, economic multipliers
- Targeted use of Professional Service Firms, Contractors and Workforce aimed at increasing opportunity for historically under-represented populations
- Successes, challenges

Pathway 1000: Use of Housing to Prevent Displacement

- Financing for homeownership development can sync with mortgage lending.
- Referral and support for financial education programming minimizes risk, maximizes success for all.

Q&A

- Any questions?