

COVERING THE BASICS

# OHCS HOMEOWNERSHIP PROGRAMS

**Margaret Salazar**, *Director,*  
*Oregon Housing and Community Services*


**Emese Perfecto**,  
*Assistant Director, Homeownership*  
*Oregon Housing and Community Services*



# TABLE OF CONTENTS

- 1. The Statewide Housing Plan**
- 2. Homeownership Overview**
- 3. Homeownership Programs**
  - Oregon Bond Residential Loan Program
  - Local Innovation and Fast Track Housing Program (LIFT)
  - Homeowner Assistance Program (HOAP)
  - Oregon Homeownership Stabilization Initiative (OHSI)
  - Oregon Foreclosure Avoidance Program (OFA)
- 4. OHCS Programs Intersecting Homeownership**
  - Individual Development Accounts (IDA)
  - Weatherization
  - Manufactured Housing
- 5. Homeownership Goals**





**Breaking  
New Ground**  
OREGON'S STATEWIDE HOUSING PLAN

2019-2023

## OHCS Priorities 2019 – 2023

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

## **OHCS promotes stable homeownership as a pathway to housing stability and wealth building for Oregonians**

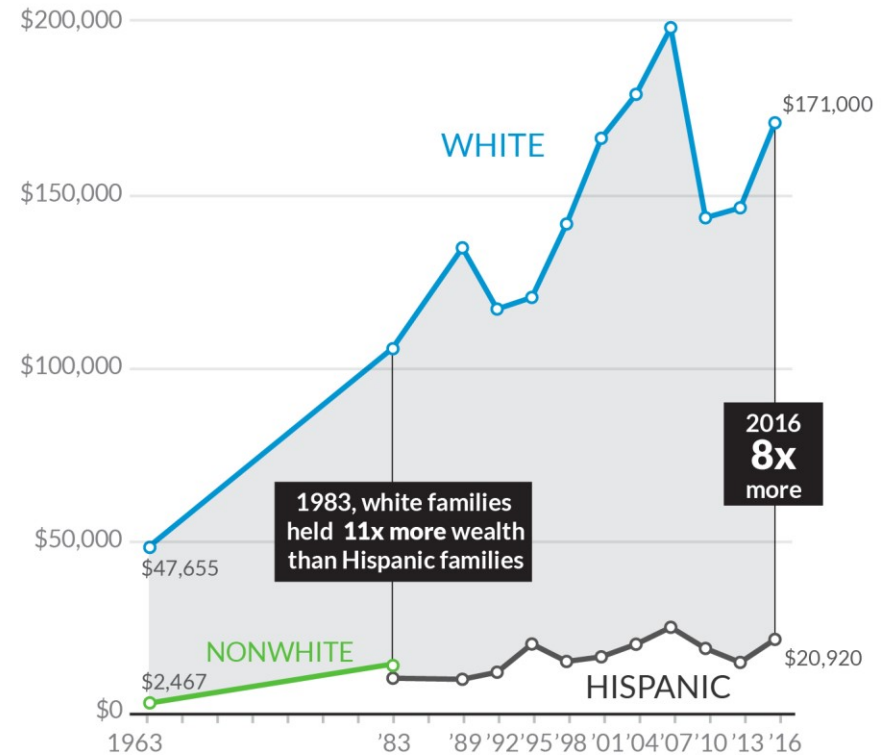
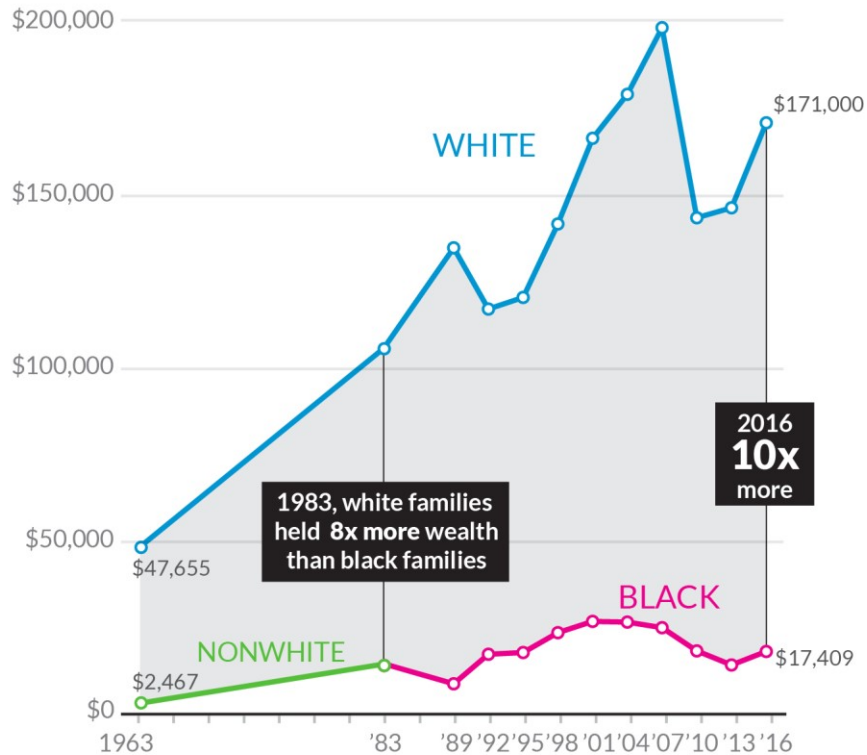
Activities supported include:

- First time homebuyer loans
- Homeownership education and counseling
- Down payment assistance
- Home rehabilitation assistance
- Affordable homeownership development
- Foreclosure assistance



# The Wealth Gap Across Race/Ethnicity

## Median Family Wealth by Race/Ethnicity, 1963–2016

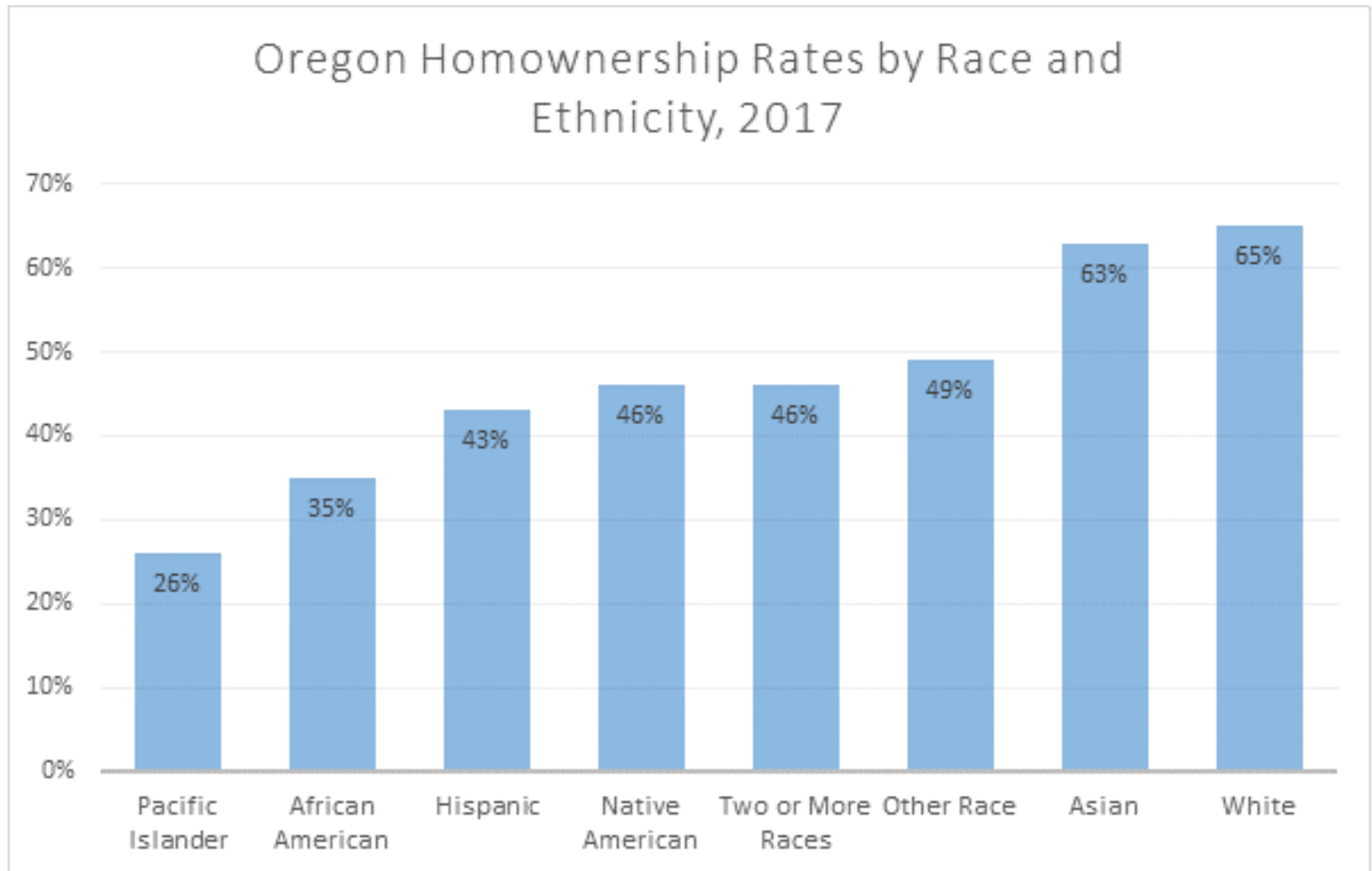


Source: Urban Institute calculations from Survey of Financial Characteristics of Consumers 1962 (December 31), Survey of Changes in Family Finances 1963, and Survey of Consumer Finances 1983–2016.

Notes: 2016 dollars. No comparable data are available between 1963 and 1983. Black/Hispanic distinction within nonwhite population available only in 1983 and later.

URBAN INSTITUTE

# Racial Disparities in Oregon Homeownership



Source: 2017 American Community Survey 1-Year Estimates

# Homeownership Programs

**Oregon Bond  
Residential Loan  
Program**

**Homeowner  
Assistance  
Program (HOAP)**

**Local Innovation  
and Fast Track  
Housing Program  
(LIFT)  
Homeownership**

**Oregon  
Homeownership  
Stabilization  
Initiative (OHSI)**

**Oregon  
Foreclosure  
Avoidance (OFA)  
Program**

# Homeownership Programs

<p><b>Oregon Bond Residential Loan Program</b></p>	<p><b>Homeowner Assistance Program (HOAP)</b></p>	<p><b>Local Innovation and Fast Track Housing Program (LIFT) Homeownership</b></p>	<p><b>Oregon Homeownership Stabilization Initiative (OHSI)</b></p>	<p><b>Oregon Foreclosure Avoidance (OFA) Program</b></p>
<p><b>\$200mm annually</b></p> <p>Funded through allocation of tax-exempt mortgage revenue bonds</p>	<p><b>\$7.7mm 2017 - 2019</b></p> <p>Funded through the Document Recording Fee, which was tripled in 2018.</p>	<p><b>\$80mm in 2018 (up to \$16mm - homeownership)</b></p> <p>Funded through Article XI-Q Bonds</p>	<p><b>\$247mm in assistance 2014 – 2018</b></p> <p>Funded through U.S. Treasury Hardest Hit Funds</p>	<p><b>\$1.3mm in funding 2017-2019</b></p> <p>Funded through General Funds</p>

## OHCS State and Federally Funded Levels for Homeownership

13-15 Biennium  
\$114.6mm

15-17 Biennium  
\$225.2mm

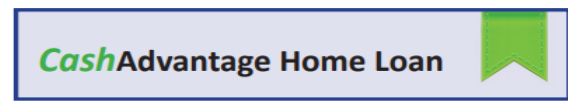
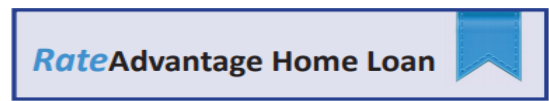
17-19 Biennium  
\$459.3mm



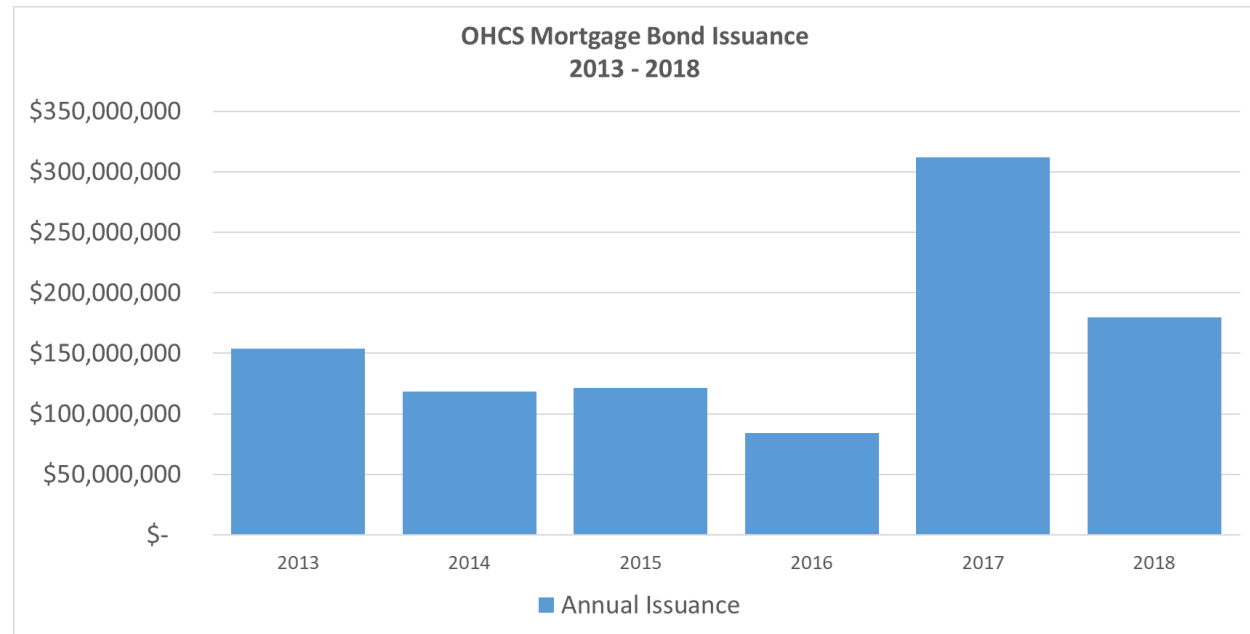


## OHCS's low rate products create wealth-building homeownership opportunities for Oregonians

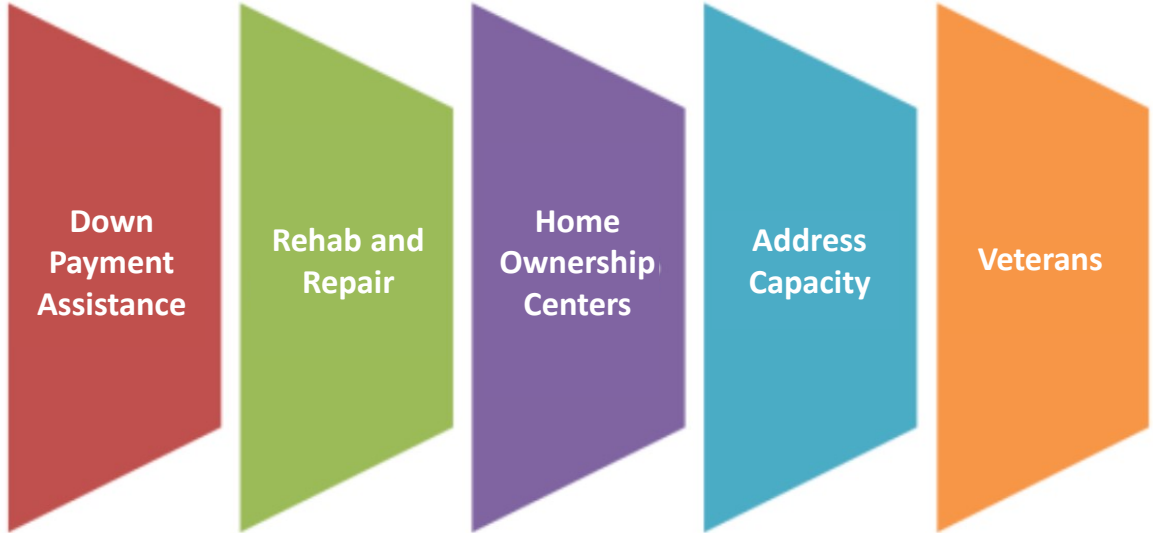
- Tax exempt mortgage revenue bonds are issued annually to support two competitive interest rate mortgage loan products for Oregon homebuyers:



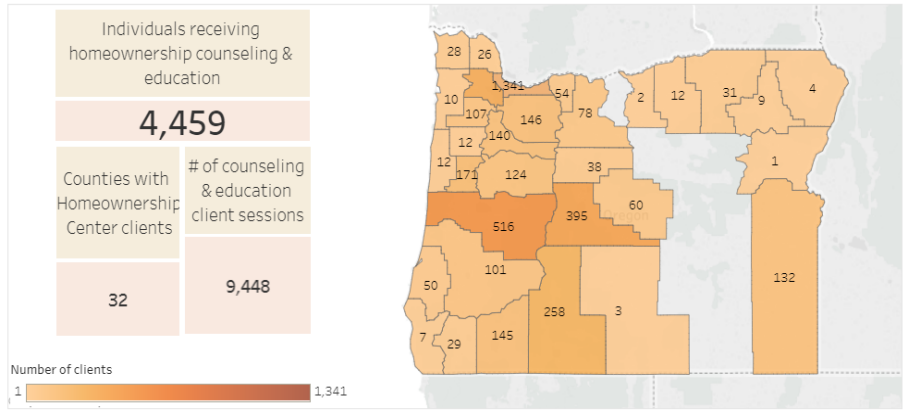
**In FY 2018, 714 home loans were funded, totaling more than \$156 million**



# Homeowner Assistance Program (HOAP)



2019-2021 Biennium Funding Estimate		\$12,400,000
<b>HOAP General (75%)</b>	<b>Proposed</b>	<b>\$9,300,000</b>
Down Payment Assistance	39%	\$3,237,000
Homeownership Centers	34%	\$2,822,000
Rehab / Repair	12%	\$996,000
Technology	3%	\$249,000
Training	2%	\$166,000
OHCS Admin	10%	\$830,000
OFA 19-21 only	\$1,000,000	\$1,000,000
<b>Veterans HOAP (25%)</b>	<b>Proposed</b>	<b>\$3,100,000</b>
Down Payment Assistance	60%	\$1,860,000
Rehab / Repair	30%	\$930,000
OHCS Admin	10%	\$310,000



Counseling & Education at Homeownership Centers: July 1, 2017 - June 30, 2018

## Local Innovation and Fast Track (LIFT)



- Established in 2015 by State Legislature to develop housing for families in underserved communities
- Program funded through General Obligation Article XI-Q bonds. (80% multi-family – 20% homeownership)
- Funding history:
  - 2016: \$40 million for rental
  - 2018: \$80 million for rental and homeownership
  - 2019-21: Governor’s Budget includes \$130 million for rental and homeownership
- LIFT Homeownership provides \$75,000/unit maximum subsidy, serving households below and up to 80% AMI.
- The State maintains an owner/operational interest in properties, often taken in the form of a Community Land Trust.

## The Oregon Foreclosure Avoidance Program brings homeowners and lenders together with a facilitator to preserve homeownership



Oregon Foreclosure  
Avoidance Program

### Services Provided through OFA

- Free housing counseling
- A secure portal to exchange documents
- Information about the client's loan
- A face-to-face meeting with the lender
- Neutral oversight by a professional facilitator

- Senate Bill 558 (2013) established a residential Foreclosure Avoidance Program for the State of Oregon in 2013.
- OHCS receives general funds for the OFA program to support foreclosure counselors statewide.
- DOJ administers separate funding for Mediation Case Managers and overall program oversight
- The 2017 Legislature funded OFA at \$1.3 million and included a budget note that this would be the final installment for the program.



*OHSI has been administering Hardest Hit Fund (HHF) foreclosure prevention programs since 2011, providing assistance to more than 15,000 Oregon homeowners. Originally slated to end in 2017, US Treasury extended HHF through 2020. OHSI will begin the wind down process this year.*

**PR/LE** Principal Reduction and Lien Extinguishment



**Home Rescue Program**

Mortgage Payment Assistance + Reinstatement

**LPA**

Loan Preservation Assistance

**HEV**

Homeowner Education and Verification

COVERING THE BASICS

# OHCS HOMEOWNERSHIP PROGRAMS

## Programs Intersecting Homeownership



# Individual Development Accounts (IDA)

## IDA Uses



Home Purchase



Education



Small Business



Vehicle



Retirement



Home Repair Or Replacement



Assistive Technology



Rental\*



Credit Building\*



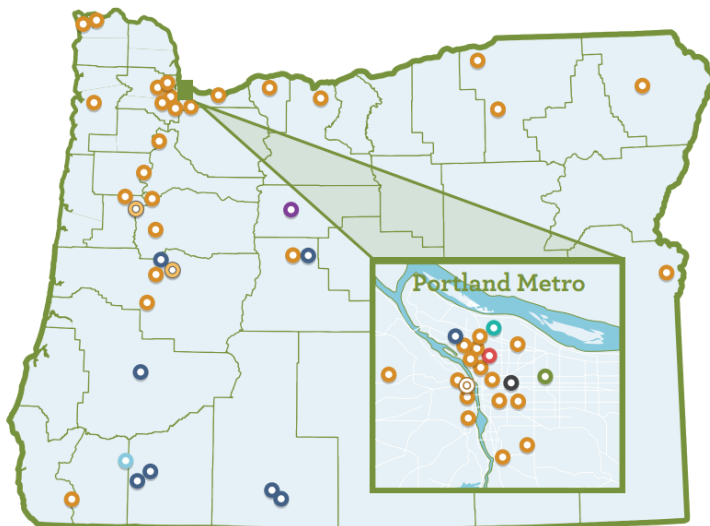
Credit Repair\*

\*These goals have additional requirements

IDs are matched savings accounts that change the financial futures of qualifying Oregonians with lower incomes.

Oregon  
IDA Initiative

- ▶ More than 13,000 Oregon residents have saved in IDAs
- ▶ IDs have been opened in 35 of Oregon's 36 counties
- ▶ Collectively, IDA participants have saved more than \$23 million
- ▶ All participants are provided financial education and support to build their financial capability and successfully reach their goals
- ▶ \$37 million in matching funds have been distributed to approximately 7,000 savers for asset investments
- ▶ More than 3,000 people are currently saving



- College Dreams
- Community and Shelter Assistance Corporation of Oregon (CASA) Network
- Immigrant and Refugee Community Organization (IRCO)
- Mercy Corps Northwest (MCNW)
- Micro Enterprise Services of Oregon (MESO)
- The Native American Youth and Family Center (NAYA)
- Neighborhood Economic Development Corporation (NEDCO)
- NeighborWorks Umpqua (NWU) Network
- Portland Housing Center (PHC)
- Warm Springs Community Action Team (WSCAT)

# Weatherization and Homeownership

## ENERGY BURDEN

When energy costs exceed 6% of household income, it leads to difficult decisions, like forgoing heat to pay for groceries and medicine.

LOW-INCOME HOUSEHOLDS PAY A LARGER PORTION OF THEIR INCOMES IN ENERGY COSTS.



In 2017 Oregon households with incomes of below 50% of the federal poverty level paid **nearly a quarter of their annual income on their home energy bills.**

OREGON'S ENERGY BURDEN IS AN ESTIMATED **\$345 MILLION ANNUALLY.**

## Energy Assistance Programs

2017-2018: 74,466 households served

Low-Income Home Energy Assistance Program (LIHEAP)

\$35mm in funding through US HHS

Oregon Energy Assistance Program (OEAP)

\$20mm in State funding to reduce service disconnections to PGE and Pacific Power

## Weatherization Programs

FY 2017: 2,582 households served through OMEP and WAP

Oregon Multifamily Energy Program (OMEP)

Weatherization Assistance Program (WAP)

Energy Conservation Helping Oregonians (ECHO)

Ratepayer resource – utility ratepayers (\$14mm)

State Home Oil Weatherization (SHOW)

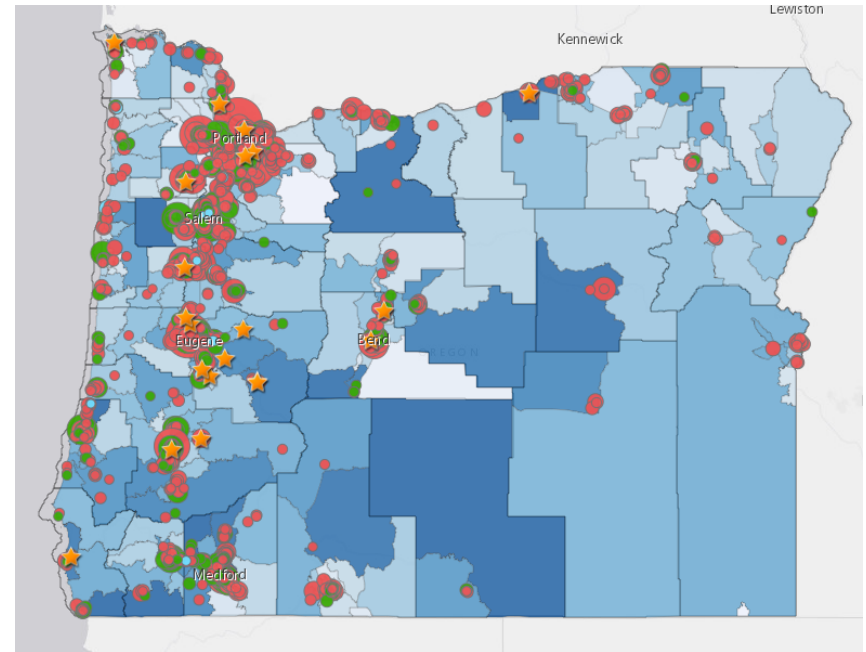
LIHEAP Weatherization (\$5.25mm – US HHS)

Weatherization Assistance Program (\$2.3mm – US DOE)



# Manufactured Housing and Homeownership

- Manufactured home purchases through Oregon Bond Residential Loan Program
- Improvement and weatherization
- IDA and DPA program down payment assistance
- Preservation and park improvement
- Pad rent stabilization
- Manufactured Communities Resource Center promotes cooperative community relationships and positive alternatives to the court system.



## OHCS Interactive Manufactured Housing Park Map and Directory

Preserved Manufactured Home Parks



Manufactured Home Parks

Park Type

● Family

● 55+

● Unknown

Number of Spaces

○ > 499


○ 400

○ 250

○ 100

○ < 0

36 Where We're Headed




**PRIORITY**  
**Homeownership**

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

**Why This Matters**

Affordable homeownership is a critical component of any forward-thinking strategy that seeks to address both housing and prosperity. Homeownership is the key method by which most Americans build wealth. In markets with rising home prices, homeownership is one of the best paths to housing stability, as most mortgages do not fluctuate with housing prices; this insulates homeowners from displacement pressures that renters may experience. Ownership also creates financial opportunity in other ways: owners can access home equity to invest in college education, business start-up or other key financial needs.

**BY THE NUMBERS** 

"The median net wealth of low-income homeowners is dramatically higher than the median net wealth of low-income renters. For example, in 2001 the median net wealth of owner households with less than \$20,000 of income was **\$72,750**, but that of renters was only **\$900**. Although this reflects to some degree the greater wealth concentration of elderly who are income-poor but endowed with housing wealth, even among those under sixty-five the difference is dramatic."<sup>31</sup>

Homeownership rates for all categories of people of color are lower than for white Oregonians. For White non-Hispanic Oregonians, the home ownership rate is **63%**. For Hispanic and non-White Oregonians, it is **42%**. For many, homeownership rates have fallen between 2005 and 2016.<sup>32</sup>

"Prior to the Great Recession, **35%** of subprime loans were issued to borrowers who qualified for prime loans, and Blacks and Latinos were **80%** and **70%** respectively more likely to receive subprime loans than white borrowers, after controlling for income, credit scores, and other factors. Furthermore, when facing foreclosure, Black and Latino mortgage holders were **76%** and **71%** more likely to have lost their homes than White borrowers."<sup>33</sup>

## OHCS Homeownership Goals 2019 – 2023

OHCS will assist at least 6,500 households in becoming successful homeowners through mortgage lending products while sustaining efforts to help existing homeowners retain their homes.

OHCS will double the number of homeowners in our homeownership programs as part of a concerted effort to bridge the homeownership gap for communities of color while building pathways to prosperity.

# RESOURCE LINKS AND FINAL QUESTIONS

OHCS Homepage

<https://www.oregon.gov/ohcs/>

OHCS Homeownership Activities Dashboard:

<https://tabsoft.co/2GPvR4b>

**Margaret Salazar**, Director,  
Oregon Housing and Community Services

**Emese Perfecto**, Assistant Director, Homeownership  
Oregon Housing and Community Services

