

# Joint Task Force Addressing Racial Disparities in Home Ownership

## Homeownership Organization Funding and Capacity Proposal August 18, 2022

### Proposal

- Funding for Tribal Homeownership:
  - Direct Oregon Housing and Community Services (OHCS) to create dedicated, noncompetitive, and flexible funding set-aside that is responsive to unique tribal homeownership needs, including but not limited to down payment assistance, homebuyer education, and home repair.
  - Recommend the Legislative Assembly allocate \$4 million in one-time funding to each of the nine federally recognized Oregon tribes, to support the expansion of homeownership operations and activities, with baseline funding of \$120,000 per tribal organization and additional funding based on tribal membership size and need.
- Funding for Homeownership Centers and Culturally Responsive Organizations supporting homeownership:
  - Allocate \$200,000 per biennium to up to 24 homeownership centers or culturally responsive organizations to the OHCS base budget to support operations costs for organizations supporting or expanding homeownership services for communities of color.
- Training/Technical Assistance:
  - Direct OHCS to partner with homeownership and culturally responsive organizations to co-facilitate regular, consistent peer learning and networking opportunities, specifically geared toward new and continuing housing counselors.
  - Allocate \$200,000 to OHCS for the 2023 – 2025 biennium to convene virtual trainings to support homeownership center counselors in fulfilling annual training requirements, and to maintain an online calendar of those trainings on its website.
- Reporting/Evaluation:

- Direct OHCS to investigate various state program evaluation requirements, and any relevant evaluation platforms/software, and recommend strategies for streamlining evaluation and reporting processes for grantees/subgrantees to the Oregon Housing Stability Council by June 30, 2024.

## **Background**

Oregon Housing and Community Services (OHCS) has formal funding relationships with 17 homeownership centers throughout the state to support homebuyers and potential homebuyers in various stages of the process. In addition to these formal funding partners, community-based, culturally specific organizations provide homeownership support, either utilizing nonstate funds or as subgrantees of homeownership centers.

The previous Joint Task Force on Addressing Racial Disparities in Home Ownership (Task Force) recommended that the legislature convene a work group with Oregon's nine federally recognized tribes to identify homeownership needs and develop recommendations for state programs and investments to increase homeownership rates for tribal members.

To more deeply explore organizational funding and capacity issues that limit or prevent organizations from supporting homeowners or potential homeowners of color, the Task Force determined it would directly reach out to organizations that support homeownership in Oregon. In July 2022, the Legislative Policy and Research Office (LPRO), which staffs the Task Force, fielded a series of surveys over a two-week period. Three separate surveys were tailored to three recipient groups, which included homeownership centers (10 responses from 17 recipient organizations), tribal leadership or housing directors (six responses from nine tribal organizations), and culturally specific organizations (five responses from seven recipients) that do not have a formal funding relationship with OHCS related to homeownership support.

## **Problem Statement**

Homeownership centers currently funded by OHCS face recruitment and retention challenges as they struggle to offer a competitive salary or consistent professional development opportunities for their staff. Many organizations have particular difficulties in hiring and retaining HUD (Housing and Urban Development) -certified counselors, specifically those with experience working with Black, Indigenous, and people of color (BIPOC) communities. Homeownership centers utilize training and technical assistance support provided by OHCS but note that available training dollars are insufficient to support staff participation in all required annual trainings.

Barriers that limit some homeownership centers in reaching BIPOC clients include limited funding for outreach and culturally specific programming, client access to technology, and complex documentation requirements. Homeownership centers say they are sometimes burdened by the extensive reporting and evaluation requirements

attached to state funding, in particular, due a lack of integrated software and programs, as well as a lack of in-house staff dedicated to reporting and evaluation.

Tribal organizations either have no current homeownership funding relationship or a limited funding relationship with OHCS. Most tribal organizations do not have dedicated homeownership or housing counselor staff. According to survey respondents, the top barriers to homeownership among tribal members include: high home prices; a lack of mortgage and home loan education and support; a lack of support for home repairs to preserve habitability; and limited or restricted water access on buildable lots. Tribal organizations say they are limited in their ability to support homeownership due to: current staff capacity issues; limited funding for outreach and advertising; client technology barriers; and lack of flexible homeownership funding to meet the unique needs of tribal community members.

### **Homeownership center survey results illustrated the following organizational capacity challenges**

- **Recruitment barriers.**
  - Inability to offer competitive salary
  - Limited opportunities for professional growth or development
  - Competition with other employers
- **Hiring qualified staff.** Respondents indicated their greatest challenges include hiring HUD-Certified Counselors (five out of 10 respondents) and hiring certified counselors who are bilingual or have BIPOC customer service experience.
- **Employment tenure.** Nine out of 10 respondents indicated the average length of employment for homeownership counselors is five or fewer years. Six out of 10 respondents indicated the average length of employment is three to five years.
- **Vacant positions.** Respondents were asked about the number of current vacant or unfilled homeownership positions in their organization. Two centers reported having one or two vacant positions for six to 12 months, on average . A third center reported having five or more unfilled positions, for one to three months, on average.
- **Employee training.** Respondents indicated the below barriers to supporting necessary staff training.
  - Training grants provided by OHCS cover some training, but the budget is used up quickly for NeighborWorks Training Institute (approximately \$5,000 per person).
  - Need additional funding to cover employee travel to certifications/trainings
  - Challenges with course availability for HUD or foreclosure counselor certification
- **Barriers to serving clients from communities of color.** The top three most frequently identified barriers in serving clients from communities of color were:
  - limited funding for outreach;
  - clients having limited or no access to technology, such as email or internet; and

- other reasons described by respondents, including:
  - limited staff capacity to engage in more intense service delivery models;
  - limited capacity and funding to create BIPOC-specific programming;
  - too many documents required of an individual to access counseling or concerns about sharing personal information;
  - need for evening/weekend counseling to align with working client schedules; and
  - limited Spanish-speaking lenders.
- **Support needed to improve reach to communities of color.** Suggestions to improve client reach among BIPOC and other communities of color include:
  - stable funding to support hiring and retention of housing counselors, since senior counselors leave the organization for better pay;
  - funding for dedicated, culturally specific staff positions to effectively serve each community of color;
  - funding for three-to-five-year pilot programs focused on quality (people better served) versus. quantity (number of people served);
  - peer-to-peer networking and learning opportunities with community organizations working more directly with BIPOC communities; and
  - additional funding to help community members access and use technology.
- **Barriers to evaluation and reporting.**
  - System inefficiencies
    - State reporting requirements require different formats or programs
    - Software/platforms are not integrated
    - Cumbersome work of pulling information from client database to meet unique reporting requirements
  - Staffing challenges
    - Limited staff time dedicated to this function relative to the time it takes
    - Difficulty hiring data analysts without competitive pay
  - Disconnect between actual service, reported outcomes, and funding
    - Some current state funding is fee-for-service based but does not account for the cost/time of reporting, or program management.
    - Evaluation typically does not account for work agencies due to support clients who do not end up submitting paperwork which converts them to “billable” status.
- **Support for reporting and evaluation.**
  - Reducing “red tape” with state funding
    - Reduce multiple reporting platforms to single (or fewer)
    - Creation of report templates that can align with client management system
    - Verbal consent form as alternative when signatures cannot be obtained

- Reduce time it takes for funding to be made available to organizations
- Training videos, best practices, and direct technology support for reporting software (CounselorMax specifically)
- Additional funding for grant management or data/evaluation staff positions

**Tribal Organization survey results illustrated the following organizational capacity challenges and opportunities**

- **Homeownership staff.**
  - Three tribal organizations indicated they have three to five staff members who work on homeownership programs. Three organizations indicated they have one to two staff members focused on homeownership.
  - Of six respondents, four indicated they have no certified homeownership counselors on staff, And two indicated they have one to two certified counselors on staff.
- **State funding and access to services.**
  - Five tribal organizations indicated they do not receive state funding for homeownership. One organization indicated they receive state funding for rental counseling and rent assistance.
  - Five respondents indicated their services are available to tribal members only, and one respondent indicated tribal services were available to all community members. One organization indicated a tribal member must own a home on a tribal reservation to receive services.
- **Barriers to achieving homeownership.** All six respondents pointed to the lack of available land and affordable housing supply as barriers to achieving homeownership. Additional barriers included:
  - cost of purchasing home on reservation higher than off reservation;
  - lack of mortgage and home loan education and support for many tribal members who are first-generation homebuyers;
  - lack of support for home repairs to preserve habitability; and
  - limited or restricted well water access on buildable lots.
- **Barriers to serving clients interested in homeownership.** Staff and organizational capacity, as well as language barriers (three responses each), were the top barriers to serving homeownership clients, slightly above limited funding for outreach or advertising, or client technology barriers (two responses each). Other barriers included:
  - Racism in institutions/systems that leads to programs/grant structures that are not designed for tribal people; too many conditions are placed on the housing that is provided.
  - New (housing) programs would require additional staffing.
  - Inability to serve families over HUD income limits.
- **Growing homeownership services.** Respondents indicated a number of areas in which they would like to grow their organization to meet tribal community homeownership needs.

- The top responses included down payment assistance, homeownership counseling, and affordable homeownership development (four responses each).
- Other services identified by respondents included land title records office information, and post-purchase training for homeowners, such as budgeting and maintenance.
- **State support and resources needed.** Respondents indicated the top barriers to accessing state funds are lack of flexible funding sources, lack of administrative funds for staff/capacity, and contractual obligations that are in potential conflict with tribal sovereignty (three responses each).

When describing state resources that would be most useful in supporting tribal homeownership, respondents indicated the following priorities:

- flexible, noncompetitive resources to meet specific tribal needs;
- surplus or excess state land returned to tribes for affordable housing development;
- combined tribal set-asides from state housing-related programs into a single block grant that allows tribes to determine their priority for spending;
- a more coordinated approach to tribal engagement to assist state agencies in their work with tribes;
- clarity from state and tribal governments about how each operates in regard to housing opportunities;
- education and training for staff; and
- the need for more water tanks to build on reservation areas in rural settings.
- **Building affordable homes for purchase.** Respondents indicated the top barriers their tribal communities face in affordable homeownership development include:
  - cost of development;
  - buildable land availability; zoning challenges for nontrust lands;
  - lack of available subcontractors/construction crews;
  - aging infrastructure/infrastructure gaps (access to well water); and
  - limited lending options on Trust land.

**Culturally specific survey results illustrated the following organizational capacity challenges and opportunities:**

- **Homeownership staff.**
  - Only one organization indicated it has three to five staff who work on homeownership programs, while two organizations indicated they have one to two staff focused on homeownership, and another two said they have no staff dedicated to homeownership.
  - Of five respondents, only one has a certified housing counselor (one to two) on staff.
- **State funding relationship.** Three of five respondents indicated they receive funds from Oregon Housing and Community Services (OHCS) as subgrantees.

Two organizations indicated they do not receive OHCS funds; one of those organizations said it is because they currently do not provide direct housing services.

- **Growing homeownership services.** Respondents indicated a number of areas in which they would like to grow their organization to meet affordable homeownership for their clients or community members:
  - The top responses included rental counseling/rental assistance (three responses) and down payment assistance (two responses).
  - Other services identified by respondents included assuring homeowners have access to justice and legal service, and support for clients to catch up on past dues.
- **State grant readiness.** Respondents were asked about their organization's readiness to apply for state government grants. Four respondents indicated they were "very ready" or "ready." One respondent indicated their organization does not intend to apply for state funding.
- **State support needed.** Respondents described the types of support or resources from OHCS they would need to apply for state or other government funds, including:
  - funding (competitive salary) to hire new staff;
  - capacity building—more time to support clients in foreclosure;
  - low-barrier grant application process with clear/understandable guidelines; and
  - financial support for full-time housing staff to support deaf, blind, and hard of hearing Oregonians in their native language.
- **Technical assistance.** Respondents indicated technical assistance is needed to support homeownership that includes:
  - expanding services to historically underserved communities (two responses);
  - housing development (one response);
  - peer learning opportunities (one response); and
  - training in preparing and submitting government grant applications (one response).