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Increasing Minority Homeownership

March 15, 2023

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AFFORDABLE HOUSING CATALYST PROGRAM

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Catalyst Training Schedule



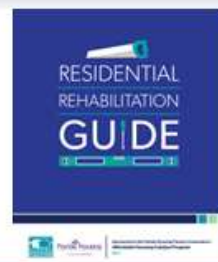
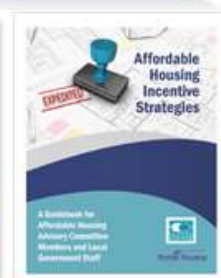
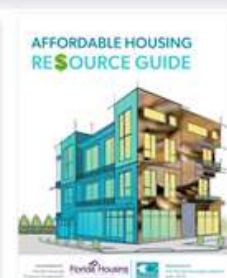
The Coalition is Florida's affordable housing training and technical assistance provider.

www.flhousing.org



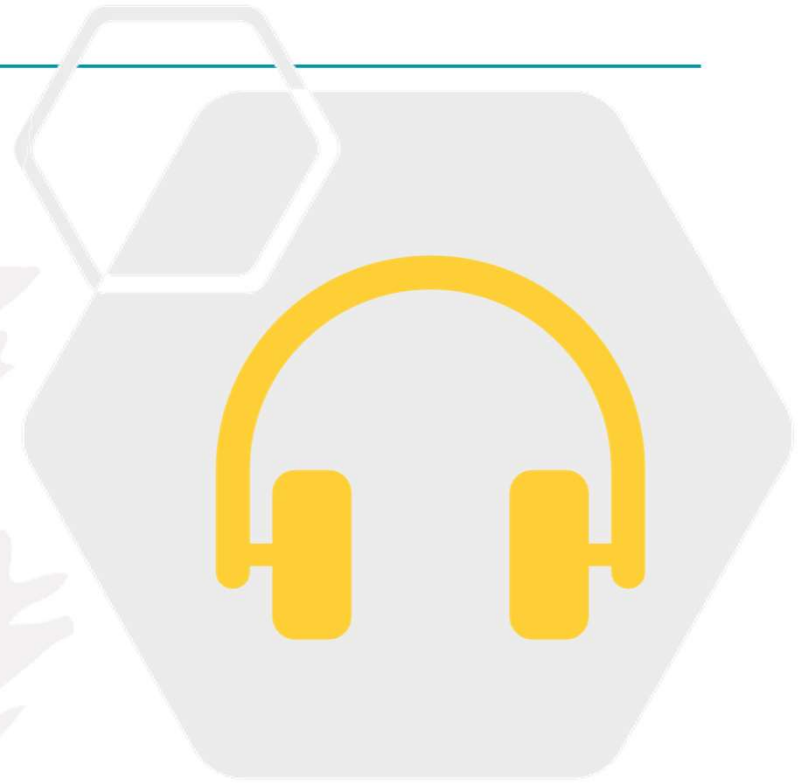
FLORIDA HOUSING COALITION PUBLICATIONS

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Webinar Logistics

- Participants are muted
- Enter your questions in the box in your webinar panel
- If non typing capability, click raise your hand button
- This webinar is being recorded and will be available at www.flhousing.org
- Use headphones for best audio
- A survey will immediately follow the webinar; *please* complete it! Thanks!



Overview



➤ **Analyzing Patterns of Inequality**

Wis Benoit

FHC Technical Advisor



➤ **Strategies for Closing the Gap**

➤ **Best Practices for Engaging Homebuyers**

Carter Burton

FHC Director of Housing & Community Development
Realtor

Analyzing Patterns of Inequality

The Equity Profile

Historical Data

Demographic and Socioeconomic Data

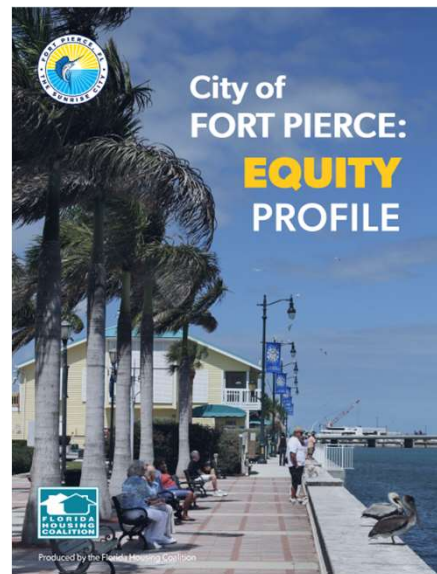
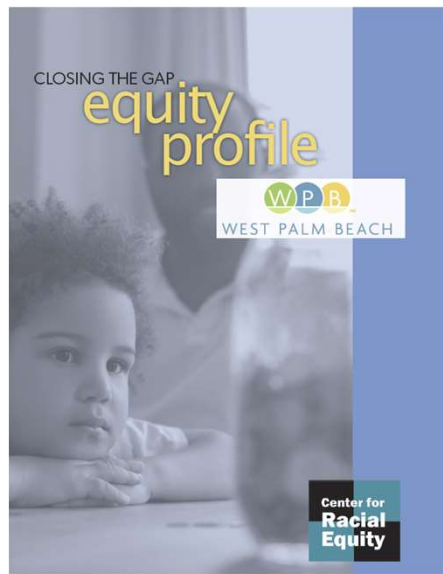
Housing Market Data

Local Policies and Program



Introducing an Equity Profile

- What is an [housing] equity profile?
 - An equity profile is a comprehensive analysis of various data points that help to identify patterns of inequality in housing and homeownership and provide a set of strategies to inform future progress.



Equity Profile Objectives

1. Identify and Analyze Disparities in Homeownership
2. Inform Policy and Planning Decisions
3. Encourage Community Engagement and Advocacy

Historical Data

- Data Types:
 - Oral Histories and Community Stories
 - Local Archives
 - Newspapers
 - Past Studies

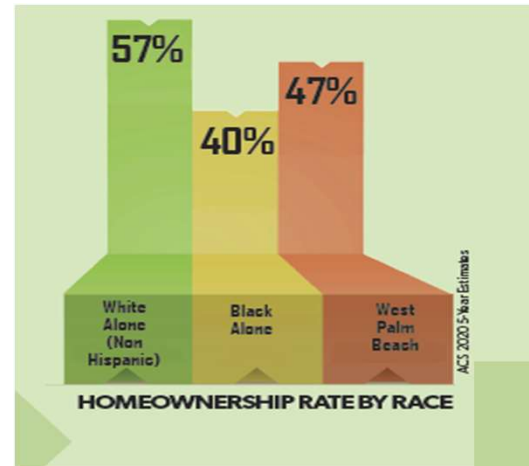


Historical Themes

- Time periods
 - Pre-1990s, 1930s – 1940s, 1950s – 1960s, 1970s – Present
 - National Trends
- Segregation
 - Racially restrictive covenants
 - Physical boundaries or barriers

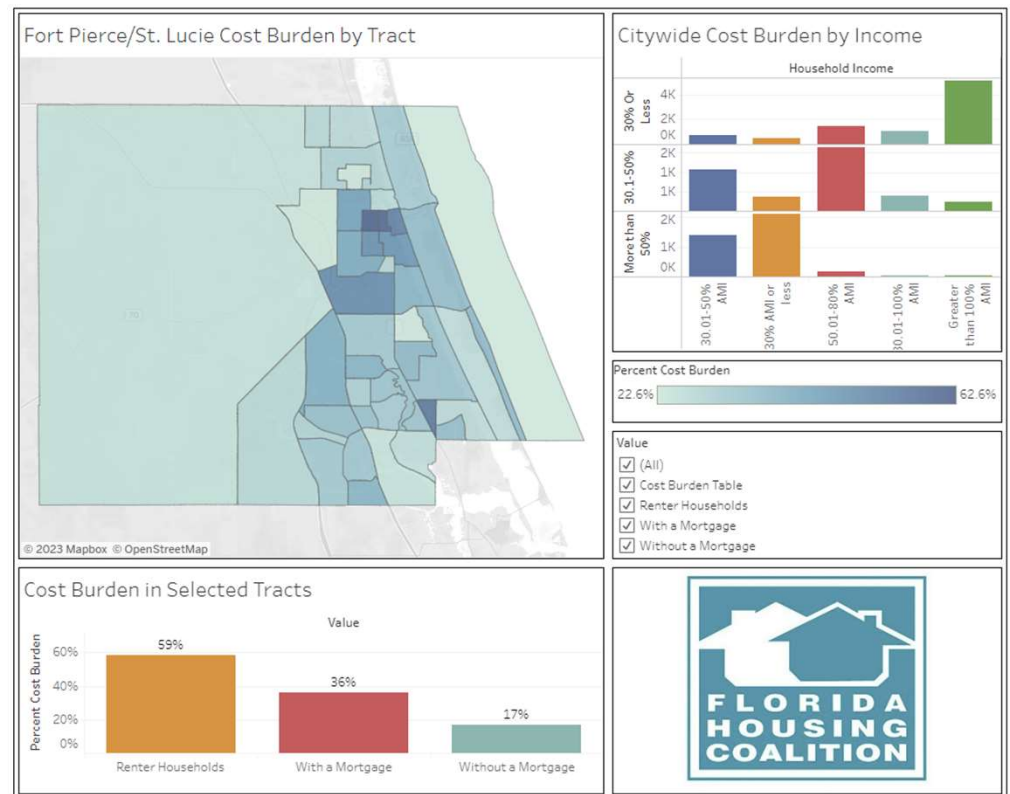
Demographic and Socioeconomic Data

- Types of Data Point
 - Population
 - Housing
 - Economic
 - Opportunity Atlas
- Key Data Points
 - Homeownership Rate by Race
 - Median Income by Race
 - Cost Burden by Census Tract



Cost Burden

- What are the trends?
- How do they differ by neighborhood?
- How do they compare across various demographic groups?



Identify disparities in housing affordability and accessibility.

SWOT Analysis for Key Areas

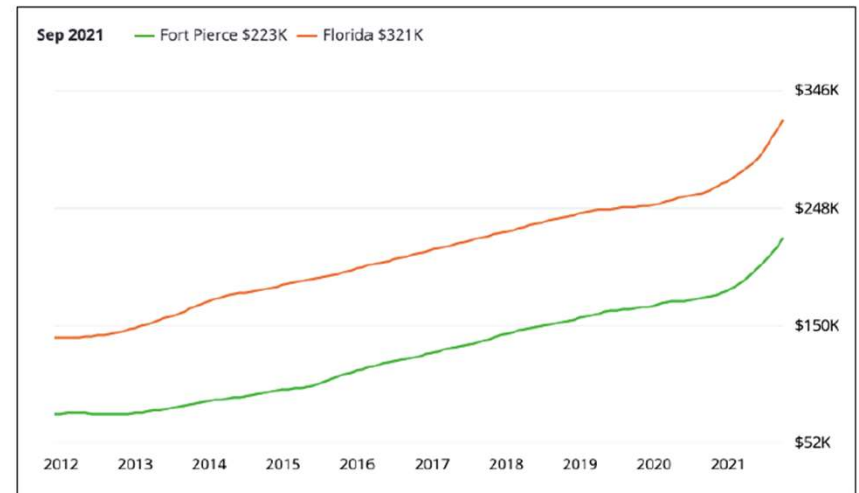
- Key Indicators
 - High renter areas
 - Concentration of single-parent households
 - Vacancies



Comparative analysis of key neighborhoods where targeted interventions may be most impactful.

Housing Market Data

- Key Data Points
 - Trends in Housing Prices
 - Trends in access to Credit
 - Development Sector
- Key Resources
 - Florida Realtors, Zillow, Redfin Data Center, Freddie Mac House Appreciation Index
 - Building Permit Data
 - HDMA Data (Via Shimberg Center)

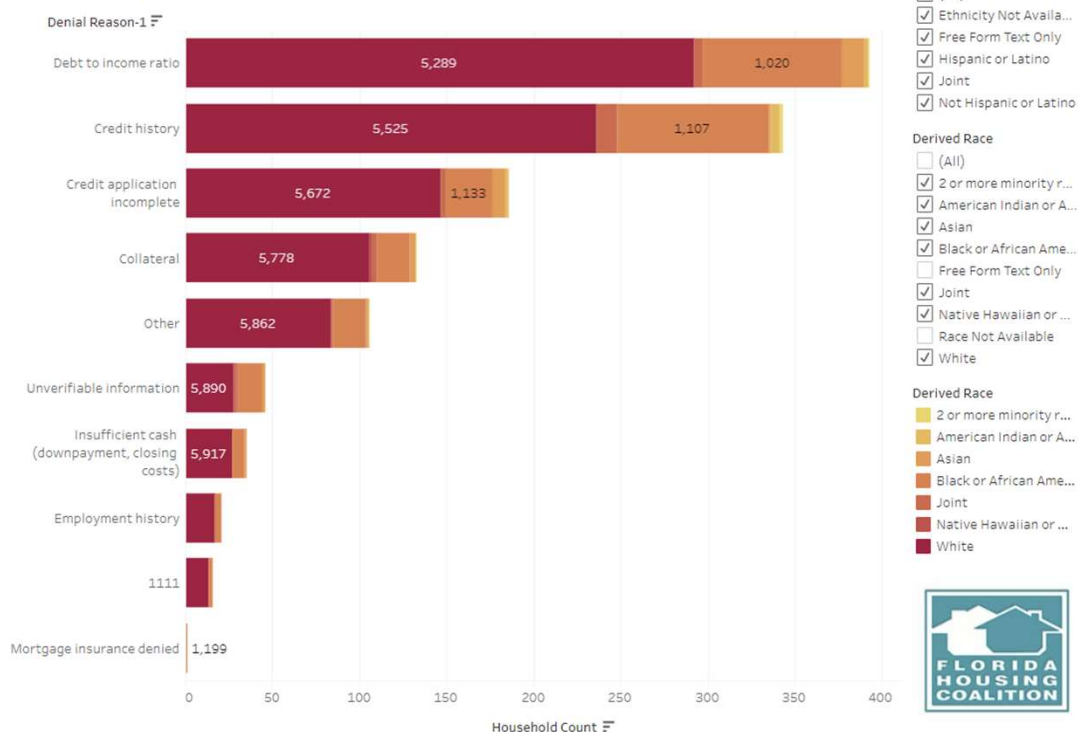


Source: Zillow

Home Mortgage Disclosure Act Data

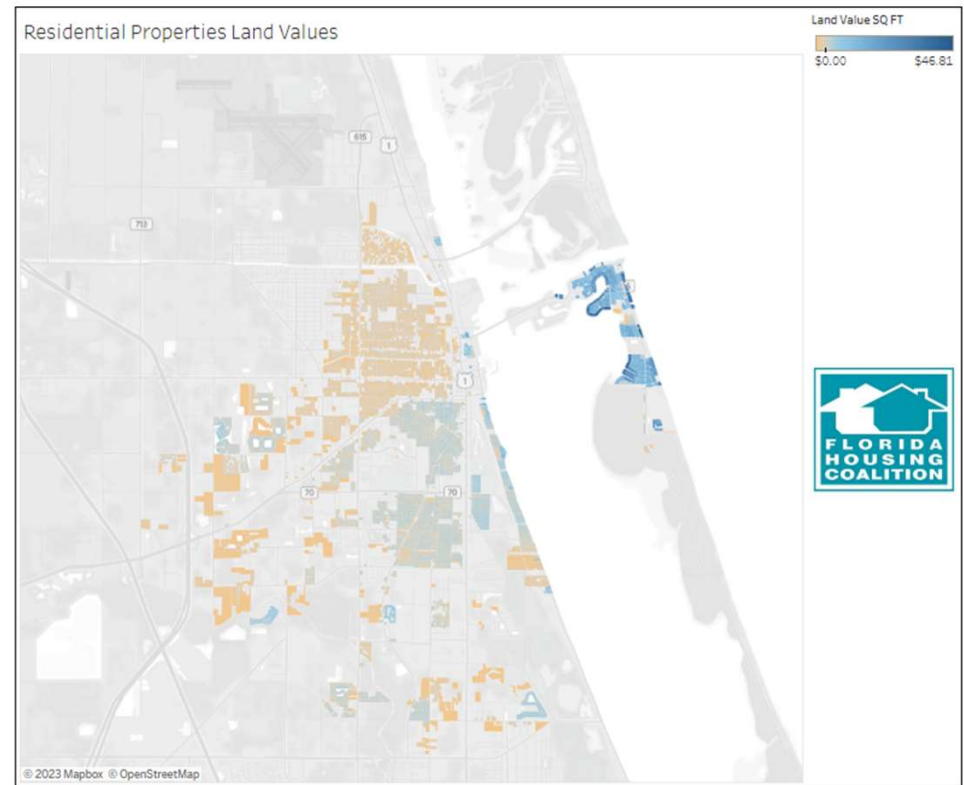
- The Home Mortgage Disclosure Act (HMDA) is a federal law that requires certain financial institutions to collect and report data on their mortgage lending activities.
- The law was enacted in 1975 to help identify and prevent discriminatory lending practices and promote access to credit for underserved communities.

Denial Reason by Race



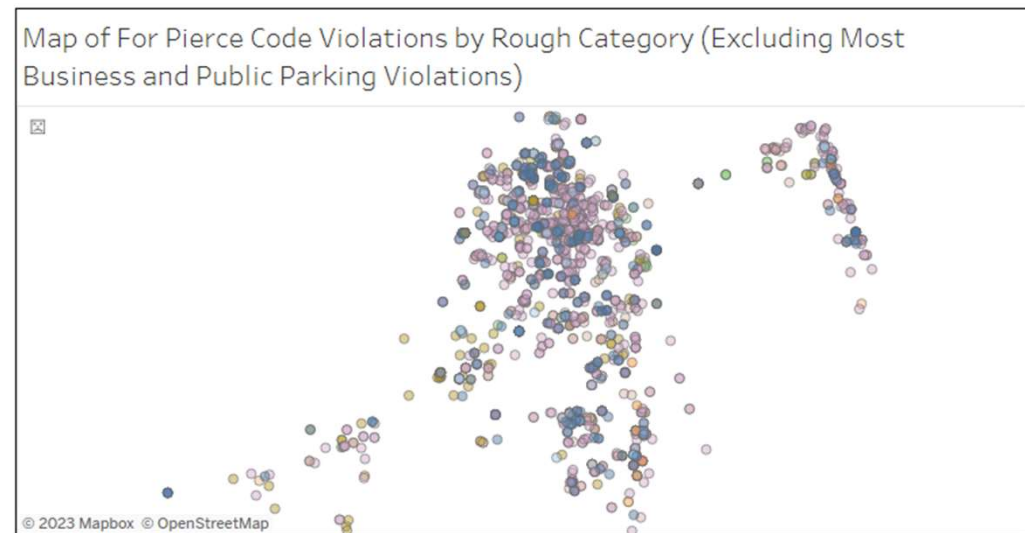
Development Sector

- Development Activity and Experience of Developers
- Key Sources
 - Building Permit Data
 - Property Appraiser Land and Building Values
 - Builder Association and Non-profit Developers
- Examples of challenges
 - Land Availability
 - Vacant Properties
 - Low Appraisals



Local Policies and Programs

- Condition of State and Federal Programs
 - State Housing Initiatives Partnership Program (SHIP)
 - U.S. Department of Housing and Urban Development (HUD)
- Local Departments Plans and Practices
 - Code Enforcement
 - Planning and Zoning
- Working with Program Administrators
 - What's working? What's not?
 - Housing Authority



Strategies for Closing the Gap

NRSA

Homebuyer's Club

Purchase Assistance

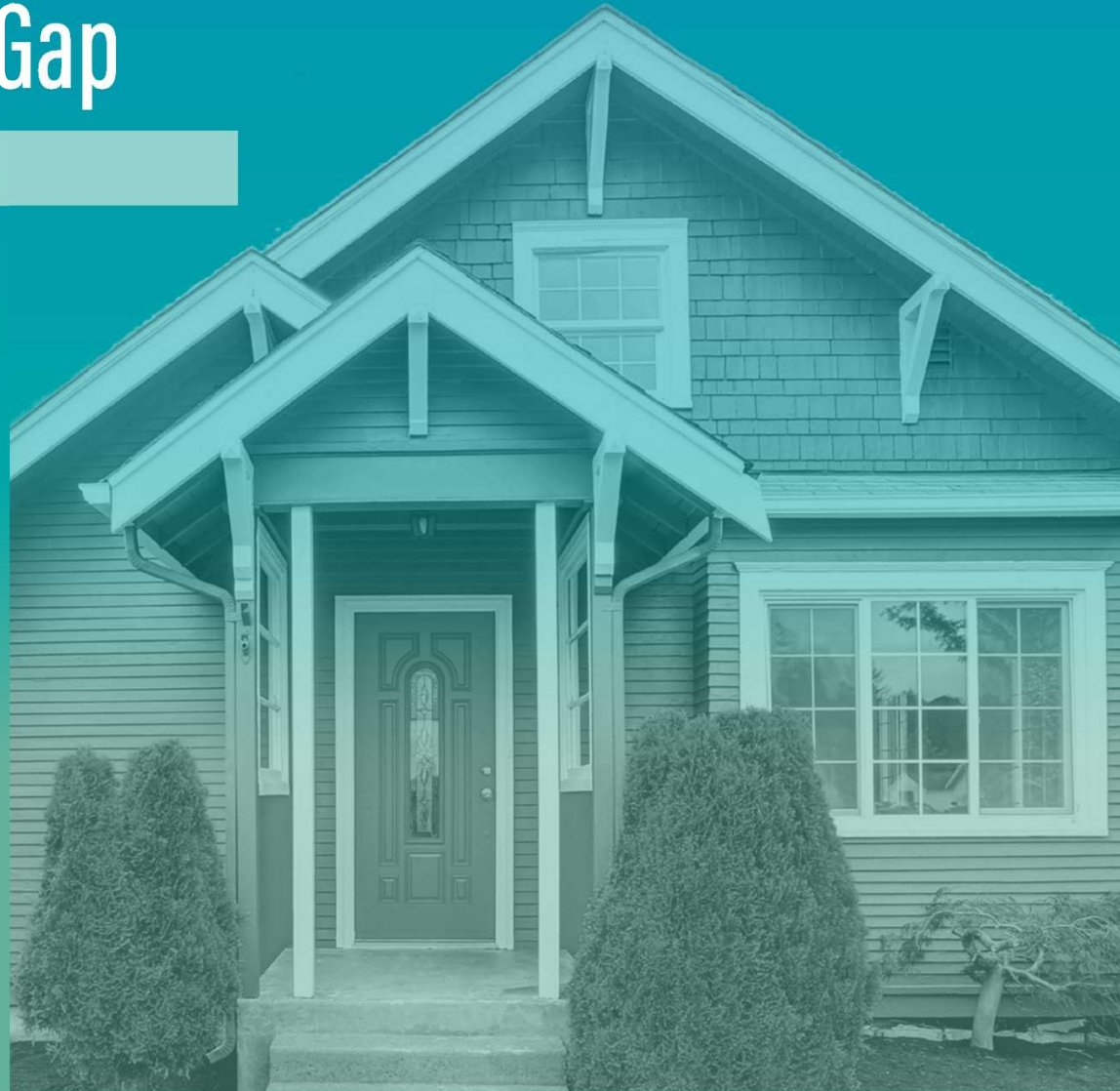
Housing Expansion

Housing Rehabilitation

Heir's Property

Community Land Trust

Infill Housing



Neighborhood Revitalization Strategy Area (NRSA)

- Strategy:

Designate a Neighborhood Revitalization Strategy Area (NRSA), through the Community Development Block Grant (CDBG) program, to support a comprehensive approach to addressing economic development and housing needs in areas of opportunity. Activities will focus on promoting innovative programs in economically disadvantaged areas to increase access to affordable housing, expanded services, and economic opportunity.

Neighborhood Revitalization Strategy Area (cont.)

- A Community Development Block Grant (CDBG) grantee designated area targeted for revitalization.
- A very low-income geographic target area.
- The grantee must develop a NRSA plan and have it reviewed and approved by HUD.

Neighborhood Revitalization Strategy Area (cont.)

- Impact:
 - Enhanced flexibility for the use of federal block grant funds
 - Preserves the affordable housing stock
 - Maintains current workforce housing stock (60-120% AMI)
 - Increases access to public services, including housing counseling
 - Promotes neighborhood investment
 - Supports economic growth

Homebuyer's Club

- Strategy:
Create an all-inclusive method and expand upon current efforts in the community to increase homeownership opportunities, specifically for minority homebuyers. Activities will focus on helping homebuyers navigate the purchase process, prepare for, and achieve homeownership.



Homebuyer's Club (cont.)

- A successful homebuyer's club will have several components including:
 - Program policies and materials
 - A membership process
 - Homebuyer counseling
- Member benefits could include:
 - Access to a comprehensive learning curriculum
 - Peer interaction
 - Wait-list priority

Homebuyer's Club (cont.)

- Impact:
 - Increases confidence of homebuyer's
 - Increases financial responsibility
 - Raises credit scores
 - Decreases overall debt
 - Increases assets
 - Reduces housing cost burden

Purchase Assistance



- Strategy:
Elevate components of a traditional purchase assistance program, building in flexibilities to address barriers to homeownership in the context of the current and future markets. Activities will focus on decreasing costs for prospective homebuyers to obtain homeownership.

Purchase Assistance (cont.)

- Incorporate counseling to educate homebuyers for success.

Pre-Purchase Topics:

Qualifying Process

Purchase Process

Financial Management

Credit Repair

Loan Products

Parties Involved

Post-Purchase Topics:

Home Maintenance

Homestead Exemption

Escrow Shortages (minimum balance)

Shopping for Services

Estate Planning

Purchase Assistance (cont.)

- Impact:
 - Makes homeownership attainable
 - Improves individual net worth
 - Improves credit profile
 - Offsets premiums/mortgage insurance
 - Maintains and grows savings accounts
 - Supports generational wealth building

Housing Expansion

- Strategy:

Build wealth, create multigenerational housing, and decrease rental costs through housing expansion, such as adding detached accessory dwelling units. Activities will focus on expanding existing single-family homes, including minority owner-occupied units, through additions and/or divisions into multiple units to address the renter cost burden and expand the number of units available for sale or rent.

Housing Expansion (cont.)

- Requires compliance with land use and zoning codes.
- Review policies and codes to ensure expansion activities are allowable.
- Many communities are revising codes to allow for accessory dwellings units.

Housing Expansion (cont.)

- Impact:
 - Expands the affordable housing stock
 - Increases income for current homeowners
 - Decreases renter cost burden
 - Increases the variety of housing types
 - Supports inclusive housing
 - Houses vulnerable populations

Housing Rehabilitation

- Strategy:
Maintain the existing affordable housing stock by providing decent housing for vulnerable populations, including minority homeowners. Activities will focus on bringing homes to code, mitigating hazardous conditions, and energy efficiency to reduce housing costs and keep those who already own in their homes.



Housing Rehabilitation (cont.)

- Utilize state and federal funds to carry out rehabilitation activities:
 - State Housing Initiatives Partnership Program (SHIP)
 - Community Development Block Grant (CDBG)
 - HOME Investment Partnerships Program (HOME)
- Can be paired with purchase assistance programs to increase homeownership opportunities.

Housing Rehabilitation (cont.)

- Impact:
 - Preserves the affordable housing stock
 - Enables vulnerable populations to remain in home
 - Decreases owner cost burden
 - Supports generational wealth building
 - Reduces healthcare costs
 - Increases property values

Heirs' Property

- Strategy:

Increase neighborhood stability and individual wealth while decreasing involuntary land loss by owners of heirs' properties which tends to be concentrated in low-income, minority neighborhoods. Promote generational wealth-building by providing homeownership opportunities for the most vulnerable populations, including minority residents. Activities will focus on providing access to property ownership by gaining clear titles to their homes.

Heirs' Property (cont.)

- Work with Property Appraisers Office to identify known heirs' properties.
- Partner with the local Legal Aid to design and implement a title remediation program.
- Holding a probate and estate planning summit can raise awareness and help prevent heirs' property issues.

Heirs' Property (cont.)

- Impact:
 - Prevents generational loss of land/property
 - Supports clean property title through estate planning
 - Increases access to collateral, capital, and disaster relief
 - Blocks court-ordered sales to developers
 - Protects family legacies
 - Preserves the affordable housing stock

Community Land Trust

- Strategy:

Create a permanent stock of affordable housing and increase opportunities for homeownership for low- to moderate-income renters who might not otherwise be able to afford homeownership and serve as a proactive measure against displacement due to gentrification. Activities will focus on establishing a Community Land Trust and being certified through the Florida Housing Coalition's CLT training and certification program.

Community Land Trust (cont.)



- Strategy:

Create a permanent stock of affordable housing and increase opportunities for homeownership for low- to moderate-income renters who might not otherwise be able to afford homeownership and serve as a proactive measure against displacement due to gentrification. Activities will focus on establishing a Community Land Trust and being certified through the Florida Housing Coalition's CLT training and certification program.

Community Land Trust (cont.)

- The vehicle of separating ownership of the land from the building.
- The nonprofit holds title to the land and administers a ground 99-year lease.
- Can only be sold to other income-eligible homebuyers at an affordable price.
- Benefits include:
 - Creation of permanent affordable housing
 - Reduces subsidy needed to serve the same number of households
 - The homebuyer is provided stewardship to sustain homeownership

Community Land Trust (cont.)

- Impact:
 - Expands the affordable housing stock
 - Makes homeownership attainable
 - Supports permanent affordability
 - Provides resistance to gentrification
 - Prevents eviction and foreclosure
 - Preserves and builds homeowner equity

Infill Housing

- Strategy:
Increase the availability of affordable homes for vulnerable populations, including minority residents. Activities will focus on maintaining a stock of affordable housing and redeveloping urban neighborhoods to help equitably distribute homeownership opportunities.



Infill Housing (cont.)

- Start with identifying vacant properties appropriate for infill development.
- Review local land use development regulations to identify any barriers to development.
- Identify sources of funds and leverage funds to maximize development potential.
- Work with a Community Development Financial Institution (CDFI) and banking partners to identify development finance products and end loan products, including the potential for partnering with a CDFI for a revolving loan and working capital program for developers.

Infill Housing (cont.)

- Impact:
 - Expands the affordable housing stock
 - Increases the variety of housing types
 - Increases proximity to jobs, services, and transportation
 - Promotes neighborhood investment
 - Supports economic growth
 - Reduces crime and public health hazards

Best Practices for Engaging Homebuyers

Limited English Proficiency Plan
Community Engagement
Ambassador Program
Create Partnerships
Fair Housing



Limited English Proficiency (LEP)

- LEP persons are those whose proficiency in speaking, reading, writing, or understanding English, as a result of national origin, is such that it would deny or limit their meaningful access to programs and services if language assistance were not provided.
- Recipients of federal financial assistance are required to take reasonable steps to ensure meaningful access to their programs and activities by limited English proficient (LEP) persons.

Limited English Proficiency Plan

- A plan detailing how the community will provide meaningful access and equitable opportunity to participate in and provide input on programs, activities, and services.
- Benefits of a Limited English Proficient Plan or Language Access Plan:
 - Removes language barriers
 - Improves customer service
 - Provides guidance for department staff
 - Provides high-quality communications for linguistically diverse audiences

Community Engagement

- Trust is built through community engagement.
- Involving community neighbors, results in better decisions when addressing community issues.
- Engaging residents and housing partners increases satisfaction with organizational performance.
- The community will be more likely to accept recommendations.

Community Engagement (cont.)

- Methods of Engagement:
 - Surveys
 - Polls
 - Discussion forums
 - Social media groups
 - Focus groups/community meetings
 - Community events
 - Public comment
- Use multiple methods of engagement and provide opportunities to engage both in person and virtually.



Ambassador Program

- Select a diverse group of advocates to raise awareness and implement marketing efforts for homebuyer programs and services.
- Task ambassadors with networking and outreach efforts consistent with a marketing plan.
- Use incentives for ambassadors to promote homebuyer programs long-term.
 - Awards, discounted services, gift cards, promotional items

Create Partnerships

- Identify key housing partners and create reliable long-term relationships through:
 - Participation in policy-making
 - Quarterly meetings
 - Organizational task forces
 - Funding housing counselors
 - Offering racial equity classes and trainings
 - Offering HOME and SHIP certification classes
- Involve, engage, and partner with organizations serving minority populations.

Fair Housing

- Ensure compliance with local, state, and federal fair housing law.
- Example statement:
 - The City of XYZ is committed to reducing racial disparities in homeownership and must collect data specific to minority populations for these purposes. While the city has pledged its commitment to equality in homeownership, all housing programs administered by the city and any funds allocated in relation to such programs will comply with all federal, state, and local fair housing, civil rights, and nondiscrimination laws and requirements, including the Fair Housing Act.

Fair Housing (cont.)

- Fair Housing Act of 1968, prohibits discrimination concerning the sale, rental, and financing of housing based on:

Race

Color

National Origin

Religion

Sex

Disability

Familial Status



Federal Protected Classes

THE FLORIDA HOUSING COALITION



Fair Housing (cont.)

- Examples:
 - A refusal to sell, rent, or show available housing
 - Being told that the dwelling isn't right for you or your family
 - Harassment or intimidation
 - Offering non-standard and unfavorable terms in the purchase of a home or property insurance
 - Terms of availability that change between a phone call and an in-person visit
 - Being steered to racially segregated neighborhoods during your home search
 - Excessive or inappropriate questions upon requesting information about a dwelling.

Local Government Perspective

City of Fort Pierce
FHC Center for Racial Equity -
Closing the Gap Participant



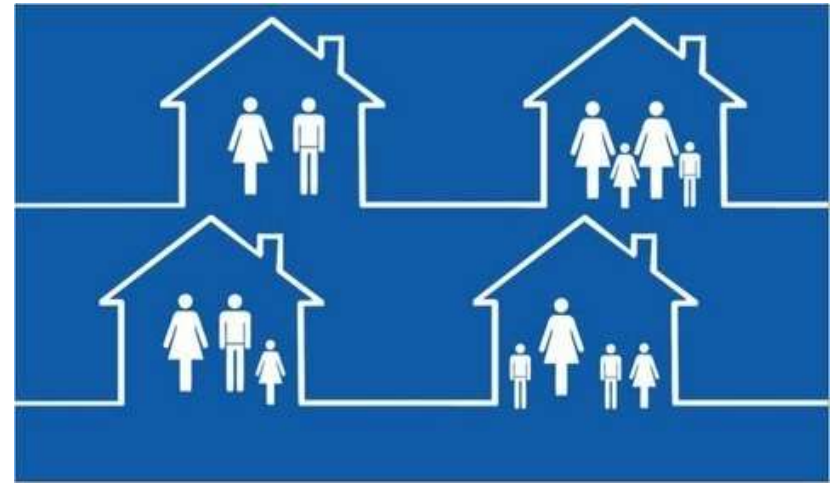
Purpose of the Program

- To meet the housing needs of populations impacted by COVID-19 pandemic, including very low, low, and moderate-income households;
- To expand production of and preserve affordable housing; and
- To further the housing element of the local government's Comprehensive Plan specific to affordable housing



Program Eligibility

- According to the SLFRF Rule, applicants for housing-related funding must either be impacted or disproportionately impacted by COVID-19 pandemic



Allocation

- \$900,000 of ARPA-SLFRF funds
 - Would assist up to 20 Very Low-Income households
 - Would assist up to 20 Disproportionately Impacted households

Purchase Assistance Strategy

- Provide funds for home purchase within City limits
- Down payment and/or closing cost assistance
- First-time homebuyers to purchase a newly constructed or an existing home as primary residence
- Allowing the maximum of \$45,000 per household created a gateway for those who would not otherwise be able to purchase a home

Impact Level	AMI %	Maximum Award
Disproportionately Impacted	At or below 80% AMI	\$45,000
Impacted	81% to 120% AMI	\$25,000

Income Eligibility

- Extremely Low Income (at or below 30% of AMI)
- Very Low Income (at or below 50% of AMI)
- Low Income (at or below 80% of AMI)

Income Limit	AMI %	1 person	2 people	3 people	4 people	5 people	6 people	7 people	8 people
Extremely Low	30%	\$16,800	\$19,200	23,030	\$27,750	\$32,470	\$37,190	\$41,910	\$46,630
Very Low	50%	\$28,000	\$32,000	\$36,000	\$40,000	\$43,200	\$46,400	\$49,600	\$52,800
Low	80%	\$44,800	\$51,200	\$57,600	\$64,000	\$69,150	\$74,250	\$79,400	\$84,500
Moderate	120%	\$67,200	\$76,800	\$86,400	\$96,000	\$103,680	\$111,360	\$119,040	\$126,720

*Source: Housing and Urban Development ([What Is Area Median Income \(AMI\)? — HUD.Loans](#)).
HUD – Office of Policy Development and Research ([Income Limits | HUD USER](#))

Impacted Households

- Moderate-income or below 120% AMI
- Experienced unemployment
- Experienced increased food or housing insecurity
- Qualifies for Children's Health Insurance Program, CCDF, or Medicaid
- Qualifies for the National Housing Trust Fund or Home Investment Partnership Program
- May use other information to justify the household or population was impacted by the pandemic.

Disproportionately Impacted

- Low-income or below
- Resides in a Qualified Census Tract
- Qualifies for TANF, SNAP, Free- and Reduced- Price Lunch, etc.
- May use other information to justify the household or population was impacted by the pandemic.

Income Limit	1 person	2 people	3 people	4 people	5 people	6 people	7 people	8 people
Extremely Low	\$16,800	\$19,200	23,030	\$27,750	\$32,470	\$37,190	\$41,910	\$46,630
Very Low	\$28,000	\$32,000	\$36,000	\$40,000	\$43,200	\$46,400	\$49,600	\$52,800
Low	\$44,800	\$51,200	\$57,600	\$64,000	\$69,150	\$74,250	\$79,400	\$84,500

Program Challenges

- Conditions of the homes for purchase
- Housing inventory is low
- Impacted category of recipients are still lacking enough funds for downpayment and closing cost
 - Rising sales prices
 - Interest rates
- Addressed some issues with First-Time homebuyer workshops 1x a month

Next Steps for Closing the Gap

- Initiate financial workshops
 - Credit repair
 - Financial literacy
- Initiate homeownership workshops
 - Home maintenance and repair

For More Information

- Please contact the Grants Administration at:
 - Telephone – 772-467-3161
 - Email – GrantsAdministration@cityoffortpierce.com
 - Website – www.cityoffortpierce.com/170/Grants-Administration
 - Address: City Hall, 100 N. U.S. 1, Fort Pierce. FL 34950, 2nd Floor

Questions?



Please Complete the SHIP Survey





Looking for Trainings?

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Technical Assistance is Available

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Options for Further Assistance Include:

- ❖ Phone and Email consultation
- ❖ Site Visits

Register at www.flhousing.org for:

- ❖ Workshops
- ❖ Webinars

Thank YOU!



Wis Benoit
Technical Advisor
850-570-6267
benoit@flhousing.org



Carter Burton
Director of Housing &
Community Development
(407) 864-5424
burton@flhousing.org