

Black Homeownership Strike Force Meeting
July 28th, 2022
10am
Draft Agenda

Public registration link: https://us06web.zoom.us/webinar/register/WN_4Jhcn40uS9Cr3Ch6jq68Qg

Time	Topic	Lead
9:30am	Meeting opens for Strike Force members	
10:00am	Call to order Confirm Agenda	<i>Don Edwards, JSA</i>
10:00am	Welcome from Co-Chairs	<i>Reverend Hagler and Director Cozart</i>
10:05am	Process Design Review	<i>Brian Schwartz, JSA</i>
10:10am	Previous Meeting Summary	<i>Don Edwards</i>
10:15am	Discussion on Homeownership Goal	<i>Don Edwards</i>
11:10am	Public Comment	<i>Don Edwards</i>
11:25am	Closing Comments	<i>Director Cozart and Reverend Hagler</i>
11:30am	Adjourn Next Meeting: Thursday, August 4 th , 10am	



**Black Homeownership Strike Force
Meeting #5 Draft Notes
Zoom Webinar
Thursday, July 28th, 2022
10:00AM to 12:00PM**

Strike Force Members Attendees: Sheila Alexander Reid, Sasha Gaye Angus, Dedrick Asante-Muhammad, Harrison Beacher, Rev Thomas Bowen, Ayana Douglas, Sheila Cross Reid, Anita Cozart, Drew Hubbard, Graylan Hagler, Amber Hewitt, S Kathryn Allen, Joanne Savage, Babatunde Oloyede, Anne Ford, Susanne Slater, Karima Woods, Havey Yancey

Other Attendees: Will Oliver, Jordan Chafetz, Gentry Alexander, David Selman, Richard Livingstone, LaShawn Douglas, Sophia Maguigad, Wendi Redfern, Jessica Williams, Tosha Skolnik, Sophia Marcus, Kevin Chavous, Stacey Lincoln, Tiphonie Jones, Sakina Khan, Michelle Hammonds, Scott Bruton, Melissa Millar, Kathy Marshall, Charles Lowrey, Sakina Thompson, Pamela Johnson, Danilo Pelletierre, Umba Mwika, Zein Shukri, Akeem Hector, Lou Vivas, Fola Sade Pyne, Kennetta Calloway, Nena Perry-Brown, Valerie Piper, Amanda Chulick, Alex Cross, Susan Longstreet

Deputy Mayor's Office for Planning and Economic Development (DMPED): Ana Van Balen, Timothy White,

Consultants: Don Edwards (JSA), Josh Babb (JSA), Evelyn Mitchell (JSA), Nina Young (JSA), Brian Schwartz (JSA), Katie Fallon (Urban Institute), Dr. Haydar Kurban (Howard University), Janneke Ratcliffe (Urban Institute),

Next Meeting: Thursday, August 3rd, @ 10:00AM via Zoom

Call to Order and Welcome	<ul style="list-style-type: none">• Don Edwards, Justice and Sustainability Associates (JSA), called the meeting to order at 10:00am• Anita Cozart welcomed the group, looking forward to continuing the progress we've been making.• Rev. Hagler also welcomed the group and stated it was important for us to have faith in the work we are doing and the power to make a difference.• Don Edwards reiterated that the focus of today's meeting will discuss goal-setting and the questions the Mayor has asked us.
Ground Rules	<ul style="list-style-type: none">• Brian Schwartz (JSA) reviewed the ground rules for participating in the Strike Force. He reminded the group that this is a public meeting and that 15 minutes will be set aside for public comment at each Strike Force meeting. Recordings are available by request.



	<ul style="list-style-type: none">• Brian also reiterated expectations around the dissemination of Strike Force materials.• Don asked if members had any revisions from the previous meeting summary.
Strike Force Charge	<ul style="list-style-type: none">• Create a goal for increasing the number of Black Homeowners in DC by 2030• Develop recommendations on how to address problems in financing homeownership, increasing the supply of homes and preserving homeownership• Provide recommendations for use of a \$10 Million Black Homeownership Fund proposed in Mayor Bower's Fair Shot budget
Goal Setting Discussion	<p>Janneke Ratcliffe of the Urban Institute briefly reviewed the slides around goal-setting.</p> <p>Ana Van Balen of DMPED reviewed the possible methodology to reach Black homeownership goals</p> <ul style="list-style-type: none">• Looked at three buckets: sales of existing stock, new production of homes, preservation of current housing stock.• 14% of DC buyers each year are Black, some may be repeat buyers• Data on increasing the amount of Black homeownership through supply initiatives<ul style="list-style-type: none">○ New production of homeownership units○ Know that there is an additional set of projects underway, unknown if they are homeownership or rental units. Often developers do not decide until later in the process.○ Single-family Condo conversions○ Vacant Properties and Lots in DC○ Tax Sales• Q: Where did the 20% come from?<ul style="list-style-type: none">○ A: A percentage we utilize assuming some policy reservations. It's illustrative of what is possible. Where we land with any one of these would still have to be vetted and agreed upon.• 37% of Homeowners in DC are Black• Preservation Priorities:<ul style="list-style-type: none">○ Reduce annual tax sales○ Reduce foreclosure rates○ Retaining the homes of senior Black homeowners through estate planning or another strategic initiatives○ Using this formula we would preserve around 7,000 homes over the next 7 years



- C: Just to comment that based on these numbers there are over 20,000 Black homeowners in DC over 65 in the coming years some of those homes may turn over, something to consider.
- That would be a loss because of natural transitions, correct?
 - A: Yep.
- Q: 9,230, and 7,270 that rounds up to around 16,000. To focus our attention that is getting close to the parity goal. In your view from the standpoint of the data, is this formula a viable pathway forward?
 - C: Don't think you could simply add that.
 - C: There are 3 bottom lines:
 - C: One question is where will these homes come from? The biggest sector is homes being re-sold every year. Lots of DC real estate is the rental market too. If a given individual wants to become a homeowner, they may be buying a previously owned home, or they may be buying a rental that is being converted. What tools or levers can we think about to supplement? You can't even guarantee the 14.5%. Do a campaign to get rental owners to sell to buyers. Push hard to get the new units made affordably and into the hands of the Black homeowners. Can we hit that 20% year after year, even with Senior homeownership at risk if they transition?
- Don: The real issue for the Strike Force is what number we are going to bet on, would like to hear from the Strike Force members on this.
- C: I believe we should shoot for the stars. If that 16,000 number is aspirational, we should let the market correct us. I think it helps from a messaging and communications standpoint.
- Q: Wanted to clarify that 2/3 of the single-family homes in DC are rentals?
 - A: It is about 60%, very renter centric. This includes all the housing in DC.
- Ok, so could it include condos and multi-family units as well?
 - A: Generally, yes.
 - C: Got it.
- C: Condos are an interesting middle ground, lots of those are good opportunities for homeowners, but many are rentals currently.
- Q: What are the criteria to determine affordability? Right now we are in an environment with accelerating housing prices and inflation.
 - A: The district uses an MFI of 80% or below to determine affordability.
- Q: What about people at 40-60% of AMI?



- A: This is just the projects currently in the pipeline and the ones that have been chosen are at 80% or below. To increase that number requires strategy and support, not an easy number to move higher due to the subsidies needed.
- C: Understood, just wanting to point out that those at the lower AMI percentages often need more support.
- C: Understood, but that is a small number compared to some of the existing numbers shown here.
- Don: We want to continue to receive input from Strike Force members on these presentations.
- Q: If we use parity as a goal, it's about 2,600 net new Black homeowners per year. Do we think that is achievable? Do we have any information on Black homeowners who are not buying affordable? What is our universe?
- The numbers shown include homes at all price points.
- Q: The 14,500 increase in Black homeownership is across all income levels?
 - A: Correct that is the data based on trends today.
- In order to meet a goal of 18,000 net new homeowners and baseline is 2,600 a year and parity divide that by 7. Without any policy interventions now, there would be 14,500 over those same 7 years, is that correct?
- C: That's a fair way to think about it in order of magnitude. We would also be having some loss; this number is a baseline.
- C: Just to be clear when you say 27,000, which would be around 3,800 per year.
 - C: Got it, just to clarify I was working with the parity goal.
- C: Think we should factor in those Black homeowners that relocate from other areas. The slide discussing the rental market in the District, want to think about those homeowners renting out their homes as a wealth building mechanism, something to factor in.
- C: On the tax sale issue, there are two pieces: the annual tax sale in July, then there is a 6-month waiting period, and a foreclosure court process. After that completes there is a new home deed is created. I think only 100 properties a year are lost that way, and many aren't inhabitable homes per say. I would also suggest looking at ways we can convert those with a good rental history to homeowners.
- Thank you for that, to your point we know there are likely some duplicative numbers which is why we discouraged adding them.
- Q: Is the 2,600 net new homes?
 - A: Will follow up.
- Q: Is the 1450 number of Black home purchases that happen annually, do we have an estimate of how many of those are first time?



- A: Didn't try to estimate that, I think around 40-50% of all purchases are first time buyers. Think Black homeowners might even be a little higher percentage. If someone who owned their home in North Carolina sold it and bought a house in DC, that would be considered a net new homeowner for DC.

Don asked for Strike Force members to review the potential benchmarks and give any thoughts on their thinking:

- Q: Has anyone investigated how many vacant or blighted houses in DC that are running up tax bills?
 - A: That was included in the new supply, about 5,900 homes and lots in DC.
- C: As a suggestion 23,153 about 3,300 a year with 1,400 of the 3,300 occurring somewhat naturally. Between the 3x30 and parity goals.
- W: Wanna think about what the word aspirational means. To achieve an increase of 2-3% points would be a significant change. Even a 10% increase is a super aspirational step. Currently trending in the negative direction as it stands.
- C: Seeing these numbers is really helpful in seeing how we might line up with parity or exceed it. I am intrigued about single-family rental conversions, what would 10% look like?
- C: I am for 3x30, thinking aspirational. DC is trying to increase its population which is aspirational to begin with. Rents are higher than mortgages right now.
- C: Want to echo what Kathryn put out there with parity as a floor and the 3x30 as a ceiling. Allow us to hedge our bets while being aspirational.
- C: More in agreement with parity. As an anecdotal example we just lost out on a house in Deanwood to a non-black buyer. These more affordable units are enticing to everybody. Keep coming back to how we can better position Black homeowners for this competitive market.
- C: Think about this as a breakdown between my sales staff and admin staff. For the sales staff the bigger number is what you need to deal with, it gets the people motivated by money to participate and get bigger. Completely respect the administrative support which is needed to execute the plan.
- C: The Housing Production Trust Fund – those numbers could be increased tremendously if we looked at those policies, I am on that Board, and know they do not do a lot of work on homeownership, mostly rental. Working with them to increase their leverage in the home ownership piece.
- C: Very inspired by what the mortgage bankers association is doing in Memphis and Columbus. Think we need some bigger guns to help us achieve



beyond parity ideally, getting the mortgage bankers association involved, working with Fannie Mae and Freddie Mac as well.

- C: Think we should go with the bigger number. 73% of homes East of the River are renters. There is a lot of land there to develop. Getting the teams to help get this out and focusing on home ownership. It's outrageous that the majority of homes in DC are renters.
- C: Support the 3x30 goal, this is a moment we can't let slip by. Need to pressure all actors to meet this goal.
- C: Still stuck at parity, many renters in my building say it's cheaper to rent. Still unsure of where to go.
- C: Like the 3x30 as an aspirational goal with parity as the floor. I am really struck by the information presented here, thankful for being able to review all this with experts.
- Q: Do the numbers include those already being built?
 - A: Correct.
- C: Must be realistic but want to go with the 3x30 aspirational. The HPTF methodology changes could be extremely helpful as well. With rental housing there is little opportunity to create generational wealth. Very little affordable housing in NW and NE.
- C: Really think about the 2030 timeline. 7 years is not a lot of time. If we reach a 10% increase, I think that would be a significant achievement. Shouldn't stop at 2030, in order to exceed parity, we need to bring in others. The supply issue is significant. HPTF also needs to be revised from an underwriting standpoint. For parity but also shooting slightly above that.
- C: Leaning towards 3x30, want more data on the rental unit situation.
- C: Given my charge, I think parity is too low. Leaning for a number in between that and 3x30.
- C: Still at parity as a goal based on what those yields. The time crunch we are under is on my mind, setting further timeline goals beyond 2030 could be useful.
- C: Start thinking about a wholly separate home ownership fund for this issue. Undoing the HPTF would create a lot of issues with other developers.
- C:: Would focus less on parity but that we are losing 500 Black homeowners are year. Framing this that we are looking to increase it to 1,800 a year from an annual loss that is a huge change.
- Ana: Excited to hear about people thinking around the goals. Like the idea of framing a goal beyond 2030, and thinking of longer-term horizons. Knowing some of these strategies may take time to implement. Creating bold programs to support our goals.



Community Engagement	<p>Tim White of DMPED updated on the group on Community Engagement</p> <ul style="list-style-type: none">• They are working with agency heads to push out the survey more to their native networks• Focus group conversations are beginning to take shape, have spoken with appraisers about getting something lined up next week.• Tim will send a slide deck tomorrow with recommendations from lender conversation in the community.• Large community event on this work planned for August 9th.
Public Comment	<ul style="list-style-type: none">• Can you set a goal for keeping existing people in their homes?<ul style="list-style-type: none">○ Have discussed these issues in the Preservation Working Group.• What percentage of the renters make up investment development in DC?<ul style="list-style-type: none">○ These questions are part of the record and will be answered between now and the next Strike Force meeting.• Can a moratorium be placed on apartment development?<ul style="list-style-type: none">○ Will follow-up.
Closing Words	<ul style="list-style-type: none">• I want to thank Ana and Janneke for their helpful presentation. I appreciate everyone hanging in there and doing math on the fly. Do feel like we are making strong progress. Keep making the linkages between the numbers.• Rev Hagler thanked the group for paying good and close attention to the numbers. Think about if what we can do is achievable to beyond achievable. In closing DC continues to lose Black population, concerned about them being forced out due to pricing.
Meeting Chat	<ul style="list-style-type: none">• Thanks to JSA team for the notes. I referred to them this week to remind me of what we discussed re: preservation ideas.• Isn't it 8 years?• assumes time remaining after bureaucratic start up• Roll off meaning pass away?• The housing production number can be increased with changes in policies of the Housing Production Trust Fund.• Aren't most of the homes being bought by Blacks affordable?• Wasn't the number between 2010 to 2020 about 500 a year loss.• So to get 2600 plus we need 3100 a year (making up for 500 loss).• I believe nationally about 50% of Black home buyers are new homeowners. Do we believe this is similar in Washington DC?• 2600 I thought was net new so took the loss into account??• S Kathryn, would you chat your recommendation that's between parity and 3by30? Just trying to follow the conversation.



- I believe she said approx 23,000
- 21, 153
- Basically, do average between 3x30 and parity. that goal would then be 23,153. Then divide that by 7 years= 3300 per year net new. Then factor in 1400 are happening every year anyway gets you to 1900.
- Or everyone wants to make money by buying affordable units and renting them out...
- What would the number of households be if we tied it to percentage of Black residents in the District?
- I agree Drew. We need a separate fund from HPTF for production
- I agree with Drew that a devoted Trust Fund would be ideal.
- I also concur with Drew who is most familiar with the intricacies of the HPTF. This is a great suggestion of a separate home ownership production fund.
- Big fan of creating a new fund/vehicle that is focused on specifically creating ownership units, seems like this could also be a great vehicle to syndicate and get new sources of big bank and institutional money involved.
- Circling back to the public comment last week from the speaker who was fighting a Medicaid lien on her home, I want to provide a few resources: DC residents age 60+ can call the Legal Counsel for the Elderly hotline at 202-434-2120. If under 60, we suggest trying Tzedek DC at (202) 274-7386 or The Legal Aid Society at 202-628-1161. To be clear, those are potential resources for any individual seeking legal advice or assistance.
- I am trying to gather more info on the impact of Medicaid recovery and may try to bring more info to the Preservation working group. I will say, my office reports that some of our clients actually decline health care services to avoid the possibility of recovery against the home that they desire to pass on.

Adjourn

The meeting adjourned at 11:50AM.

Black Homeownership Strike Force

Meeting 5

July 28, 2022



**JUSTICE & SUSTAINABILITY
ASSOCIATES**



Today's Agenda

- Call to Order
- Welcome by Co-Chairs
- Process Design Review, Previous Meeting Summaries
- Goal-Setting
- Community Engagement
- Public Comment
- Closing and Evaluation

Strike Force Co-Chairs

Director Anita Cozart and Reverend Graylan Hagler

DC Office of Planning

Plymouth Congregational United Church of Christ
& Faith Strategies, LLC



Ground Rules

- Respect the Process
- Be Present and Engaged
- Follow the Facilitators' Directions
- Allow Every Voice to be Heard
- Speak Courteously and Respectfully to Others
- Maintain Zero Tolerance for Any Comment (Verbal or Written) that is Meant to Attack or Intimidate Another Person, or is Obscene



Process Design: Public Meeting Regulations

- All public observers are asked to provide their name in the chat (contact information is optional.)
- Public observers will have 15 minutes set aside at the end of every meeting for commenting in the chat. Observers are asked to hold all comments until the end of the meeting.
- Strike Force meetings will be recorded and are available to the public upon request.



Process Design: Strike Force Expectations

- The Strike Force will follow a consensus-based decision-making process guided by a facilitation team
- Agendas will be posted two days before the meeting on blackhome.dc.gov
- Follow-up materials will be provided after every meeting; members are expected to review all materials; any comments on materials are expected within two business days of distribution
- Meeting summaries will be disseminated within 48 hours (two business days) of a meeting



Strike Force July 21st Meeting Summary



What is the Strike Force's Charge?

- Create a goal for increasing the number of Black homeowners in DC by 2030.
- Develop recommendations on how to address problems in financing homeownership, increasing the supply of homes and preserving homeownership.
- Provide recommendations for uses of a \$10 million Black Homeownership Fund proposed in Mayor Bowser's Fair Shot budget.

Goal Setting



What would it take: potential benchmarks

“3x30” => 27,669 net new Black homeowner households

- Based on [Black Homeownership Collaborative](#) goal of 3 million net new Black homeowners across the U.S. by 2030, based on [Urban analysis and methodology](#).
- Share of the national goal proportionally allocated to Washington, DC.

Parity => 18,638 net new Black homeowner households

- Reaching 2019 white homeownership rate in the District.

10% more by 2030 => 12,318 net new Black homeowner households

- Represents a 10 percentage point increase in Black homeownership rate over 2019.

Break even => 5,000 net new Black homeowner households

- DC had a loss of 5,042 Black homeowners 2010-2020

Considerations/alternate goals

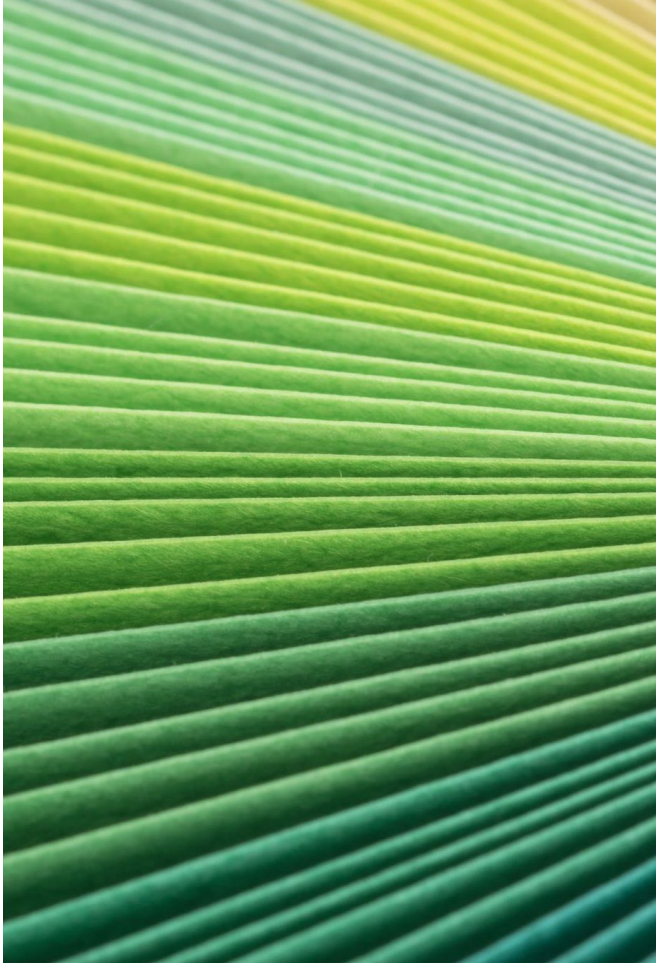
- **Prevent/offset exits from homeownership**
 - Prevent foreclosures and home losses
 - Share of population 65+ highest for Black HHs (>US avg); Black HO rate is higher (48.9%) than general Black HO rate
- **Reduce denial rates among Black mortgage applicants**
 - 13.4% (2019) to city average (5.5%)
- **Increase homeownership among young Black adults (18-45)**
 - 11,356 young adult Black homeowners (27.5% HO rate)
- **Build wealth for Black homeowners and encourage intergenerational transfer**
 - 2019 Black households had -\$227,000 in avg housing value compared to white households
- **Expand the number of housing units that are affordable to first time Black buyers**
 - 8.4% of 2020 sales were affordable to Black first time home buyers
- **Increase yearly new Black homeowners**

Possible Methodology to Reach Goals

These scenarios use broad assumptions and should not be considered precise or recommendations for implementation.

Please note that the numbers are not additive and there is overlap (for example, tax sales are listed both as a preservation strategy and as a potential supply.)

None of these will be easy to achieve. The objective is to identify which strategies are most achievable by 2030.



New Black homebuyers using existing stock

~10,000 homes resold
each year of which
~3,686 are affordable

- 14.5% or 1,450 Black buyers/year (some repeat DC buyers)
- => ~10,150 potential homes for new Black homebuyers over 7 years

~23,220 rentals that could be
sold to owner occupants
(Note statistic updated with
Census Data)

- Target 10% to transition from rental to Black homebuyers
- => ~14,448 potential homes for new Black homebuyers over 7 years

Increase to Black homeownership based on new supply

Strategy to increase homeownership	Annually	Affordable	20% for Black residents	Total for 7 years
New production of homeownership units	1,554	155	310	2,170
Probable production of homeownership units	1,400	140	280	1,960
SF Condo Conversions	1,100		220	1,540
Vacant prop and lots (OTR) current stock*	5,900		1,180	1,180
Tax sale* (current number inflated due to moratorium)	1,700		340	2,380
Total potential new supply for Black owners:				9,230

Preserving current Black homeowners

- Reduce annual tax sales: current homeowners on today's list is 1,700. Applying DC share of Black homeowners (37%) could lead to ~4,403 fewer tax sales over 7 years.
- Reduce foreclosure rates: the average number of foreclosures between 2011-2019 is 241 annually with an average of 1,695 homes in the foreclosure process at any point in time. Applying DC share of Black homeowners (37%) overall results in 624 Black homeowners that could be preserved.
- ~20,000 Senior Black homeowners (over age 65 today) – retaining 10% over 7 years = 2,000 homes that could be preserved.
- Potential total preserved: ~7,027 Black homeowners

Discussion



Community Engagement



Discussion



Public Comment



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Evaluation

