## Black Homeownership Strike Force Meeting
August 18th, 2022
10am
 Draft Agenda

Public registration link: [https://us06web.zoom.us/webinar/register/WN_4Jhcn40uS9Cr3Ch6q68Qg](https://us06web.zoom.us/webinar/register/WN_4Jhcn40uS9Cr3Ch6q68Qg)

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<thead>
<tr>
<th>Time</th>
<th>Topic</th>
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<tbody>
<tr>
<td>9:30am</td>
<td>Meeting opens for Strike Force members</td>
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<tr>
<td>10:00am</td>
<td>Call to order</td>
<td><em>Don Edwards, JSA</em></td>
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<td>Confirm Agenda</td>
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<td>10:00am</td>
<td>Welcome from Co-Chairs</td>
<td><em>Reverend Hagler and Director Cozart</em></td>
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<td>10:05am</td>
<td>Process Design &amp; Previous Meeting Review</td>
<td><em>Don Edwards, JSA</em></td>
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<td>10:10am</td>
<td>Discussion on Homeownership Goal and Fund</td>
<td><em>Ana VanBalen, DMPED</em></td>
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<td>10:25am</td>
<td>Discussion on Recommendations</td>
<td><em>Ana VanBalen, DMPED</em></td>
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<td>11:05am</td>
<td>Community Engagement</td>
<td><em>Tim White, DMPED</em></td>
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<td>11:10am</td>
<td>Public Comment</td>
<td><em>Don Edwards, JSA</em></td>
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<td>11:25am</td>
<td>Closing Comments</td>
<td><em>Director Cozart and Reverend Hagler</em></td>
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<td>11:30am</td>
<td>Adjourn</td>
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<td>Next Meeting: Thursday, August 18th, 10am</td>
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Today’s Agenda

- Call to Order
- Welcome by Co-Chairs
- Process Design Review, Previous Meeting Summaries
- Community Engagement
- Goal-Setting
- Recommendations
- 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
Review of the Consensus-Building Process

- Consensus-based decision-making is **one method** for reaching a decisions. There are others, e.g. "50+1", "most votes", "blackball", etc. Consensus-based decision-making processes produce solutions that are **broadly acceptable**. However, no participant is 100% satisfied. However, the decision can be endorsed, supported, and defended by **all group members** - even though the decision is not the “favorite” result of any particular individual. The decision is **actionable**.

- Consensus-based decisions prioritize "a meeting of the minds" as the most desired outcome. It also places a higher value on the members of the group **staying in the process** and also helping **implement the decision**. Consensus based decisions strengthen groups and often increases the influence of their decisions, recommendations, etc.

- Consensus is defined by Merriam-Webster as, first, **general agreement**, and second, **group solidarity** of belief or sentiment. It has its origin in the Latin word cōnsēn̄sus agreement, which is from cōnsentiō meaning, literally, to feel together. It is used to describe both the **decision** and the **process** of reaching a decision.

- Consensus decision-making is thus concerned with the process of **deliberating** and finalizing a decision, as well as the **social and political effects** of using that decision-making process.
Strike Force August 11th 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.
Community Engagement
Discussion
Goal Setting
Ended previous Strike Force meeting with the following goal:

- 2030 goal of 20,000 net Black new homeowners, until we're able to reach and maintain parity.
Discussion
Draft Recommendations
Recommendation 1:

Challenge: Many Black families have experienced difficulties in transferring homes within their families, due to lack of a will or trust, homeowners focusing on short-term or immediate needs vs long-term time planning, willingness of the market to provide all cash offers, delays in deed transfer or lack of title and tax liabilities.
Recommendation 1:

Strike force member concerns:
- Estate planning support needed especially for seniors

Resident concerns shared at townhall and through resident survey:
- Funding for heir’s property transition. Examples: Address reverse mortgages, help siblings buy each other out, and tax relief when passing the home to family
- Proactive resources for senior homeowners. Example: Automatic homestead deduction filing at closing and estate planning resources for residents.

To assist senior Black homeowners to pass their properties to family members or other homebuyers to occupy the homes, the BHSF recommends:
Recommendation 1:

The District should provide estate planning resources and financial incentives such as tax savings, reduced transfer fees, or a bridge loan to owner occupant homebuyers to support interfamily (or to owner-occupant homebuyers) transfers/sales of property.
Recommendation 2:

**Challenge**: Many long-time Black homeowners report receiving excessive unwanted calls, mailings and door-knocking from investors, real-estate agents and similar professionals seeking to purchase their homes.
Recommendation 2:

Strike Force member concerns:
- Excessive phone calls harassing homeowners to sell their homes

Resident concerns shared at townhall and through resident survey:
- Proactive resources for senior homeowners

To protect homeowners from harassment, BHSF recommends:
Recommendation 2:

The District should pass legislation to protect homeowners from unwanted solicitation by investors, real-estate agents and similar professionals regarding the sale or potential purchase of their homes, including requirements for homeowners to opt-in for such solicitation and include penalties for non-compliance.
Recommendation 3:

**Challenge:** Black homeowners are limited in the financial assistance they can receive if they miss payments on their mortgage, HOA fees, etc.
Recommendation 3:

Strike force member concerns:
- The Homeownership Assistance Fund is a time limited program. A program is needed to provide financial assistance for homeowners at risk of foreclosure, that would include mortgage assistance and also condo/HOA fees and property taxes (the latter two often key to those who have paid off their mortgages).

Resident concerns shared at townhall and through resident survey:
- Proactive resources for senior homeowners
- Support condominium associations and owners to preserve the property.
  Examples: Expanding existing programs to include condo owners and provide resources to financially stabilize associations

To support homeowners who default on their mortgages to ensure they can stay in their homes, the BHSF recommends.
Recommendation 3:

The District should create a program that aids homeowners in default of their mortgage and related housing fees in case of emergency.
Recommendation 4:

**Challenge:** One of the impacts of the racial wealth gap is that many Black homeowners in the District do not have the financial resources to make repairs to their homes. Existing programs limit financial assistance for homeowners to roofs and accessibility enhancements, which leaves other repairs unmet.
Recommendation 4:

Strike force member concerns:
☐ More is needed to support homeowners who need assistance in making timely repairs to their homes in order to help them preserve their home and their ability to stay in their homes.

Resident concerns shared at townhall and through resident survey:
☐ Support condominium associations and owners to preserve the property

To provide resources to Black families struggling to make home repairs, the BHSF recommends:
Recommendation 4:

The District should expand the Single-Family Residential Rehabilitation Program to fund additional types of repairs and consider how to reduce barriers to program participation for owner occupants of condos and co-ops.
Recommendation 5:

Challenge: Older single-family homes in the District are being acquired by investors, renovated (and in some cases, renovated poorly) and sold at market prices that are unaffordable to most Black homebuyers. This results in fewer options for Black homebuyers, and in some cases vacant homes.
Recommendation 5:

Strike force member concerns:
- Concerns about investors buying up existing housing stock and flipping at market rates driving a speculative market.

Resident concerns shared at townhall and through resident survey:
- Stronger accountability to improve the quality of home construction. Examples: Improve the workmanship of flipped houses and ability for HOA to go after builders after the LLC is dissolved.

To discourage conversion of older housing stock into housing that is unaffordable for Black homebuyers and to ensure quality housing rehabilitation, the BHSF recommends:
Recommendation 5:

The District should develop tax penalties for investors who acquire and flip (i.e. either rehab or with limited to no repairs) a property and sell the property at an increased value for more than a [percentage] of homes in the area. Establish a requirement to disclose permits for rehabbing and/or repairing properties by investors and penalties for those who fail to disclose as part of the sale.
Recommendation 6:

Challenge: There are 19,848 Black homeowners aged 62 or greater (2019 5-year ACS micro-data) in the District. Over the next 10 years, a portion of those homeowners are likely to sell for a more desirable housing arrangement. These homes are a critical part of the District’s supply of affordable ownership opportunities.
Recommendation 6:

Strike force member concerns:
- Preserving homes being sold especially by older Black homeowners for new Black homebuyers

Resident concerns shared at townhall and through resident survey:
- Increase affordable homeownership opportunities

To provide a mechanism for the homeowners to sell at market while also providing opportunities for Black homebuyers to purchase and occupy available homes the BHSF recommends
Recommendation 6:
The District should establish a public-private fund to acquire homeownership units at fair market value and provide them for homeownership opportunities to owner-occupant homebuyers.
Recommendation 7:

**Challenge:** There is great interest in utilizing vacant and or District properties for homeownership but flexibility is needed to incorporate homeownership projects across the variety of programs that acquire and dispose of property.
Recommendation 7:

**Strike force member concerns:**
- With limited resources, vacant District land is an important resource that can be set aside for homeownership units for Black homebuyers.

**Resident concerns shared at townhall and through resident survey:**
- Leverage vacant property to increase the supply of homes. Examples: Stop developers from abusing the vacant property laws
- Increase affordable homeownership opportunities

To address these concerns, the BHSF recommends:
Recommendation 7:

The District should redevelop District owned/acquired properties to provide homeownership units that meet a mixed income requirement of no less than 1/3 affordable at 80% MFI and below, no less than 1/3 at 81% -120% MFI, and no more than 1/3 above 120% MFI, with a preference for households at 60% MFI or below, to be sold to owner-occupant homebuyers.
Recommendation 8:

**Challenge:** Owner-occupant homeownership units in the District are a critical part of the District’s supply of affordable ownership opportunities. In 2021, 13% of homes were purchased by investors for the purpose of rehab and resale. This trend has decreased the supply of affordable ownership housing available for Black households. By co-investing with residential developers, this helps the District work to protect properties and also, provide requirements to the co-investment that would meet the goals of this initiative.
Recommendation 8:

Strike force member concerns:
- Developers often can only get 75% to 80% of financing from the bank and need to come up with the remainder. Flexible financing needed to allow developers to compete with investors, which would also help with keeping homes at more affordable prices.

Resident concerns shared at townhall and through resident survey:
- Leverage vacant property to increase the supply of homes

To address this issue, the BHSF recommends that:
Recommendation 8:

The District should provide equity with lower returns to support developers to acquire, renovate, and re-sell homes to owner-occupant homebuyers.
Recommendation 9:

**Challenge:** One of the reasons that development for new affordable homeownership units is not keeping up with the pace of the need in the District is the lengthy zoning and permitting process.
Recommendation 9:

Strike force member concerns:
- Faster permitting needed across all permitting agencies (i.e. DCRA, DOEE, DOT, etc.) to help reduce costs to homeownership projects to incentive developers to pursue these opportunities.

Resident concerns:
- Stronger accountability to improve the quality of home construction

To support quicker delivery of affordable homeownership units, the BHSF recommends:
Recommendation 9:

The District should identify ways to accelerate zoning and permitting for homeownership projects, especially for projects with units affordable at 80% MFI and below.
Recommendation 10:

**Challenge:** The Housing Production Trust Fund has been a valuable resource to accelerate the production of affordable rental in the District. However, a similar resource does not exist to support the production of affordable ownership units.
Recommendation 10:

Strike force member concerns:
- Subsidy needed to support homeownership projects and HPTF is unable to do so.

Resident concerns shared at townhall and through resident survey:
- Increase affordable homeownership opportunities

To address this challenge, the BHSF recommends that:
Recommendation 10:

The District should leverage the $10 million Black Homeownership Fund to create a public-private fund (i.e., Homeownership Production Trust Fund). Funding from this resource would be used for projects that meet a mixed income requirement of no less than 1/3 affordable at 80% MFI and below, no less than 1/3 at 81% -120% MFI, and no more than 1/3 above 120% MFI, with a preference for households at 60% MFI or below, to be sold to owner-occupant homebuyers.
Recommendation 11:

**Challenge:** Community members have expressed their lack of awareness of existing programs that assist both with becoming a homeowner as well as in maintaining their homes.
Recommendation 11:

Strike force member concerns:
□ Not enough of the public are aware of existing homeownership programs, limiting their value and use.

Resident concerns shared at townhall and through resident survey:
□ Easily accessible resources needed to guide the homeownership journey, including preservation. Examples: Expand CBO staffing and create an online resource for residents
□ Online on-demand homebuyers course. Example: I can get a degree online why can’t I get my HPAP certificate.
□ Programs to assist renters with savings. Example: Residents are too house burdened to save money for a home.

To address these concerns, the BHSF recommends:
Recommendation 11:
The District should create an online comprehensive District homeownership platform for District residents to achieve the following:

- Highlight financial and housing counseling prior to starting homeownership journey to help potential homeowners prepare financially (i.e. credit repair, addressing student loans, increasing savings, etc.);
- Provide rehabilitation counseling for owner-occupant homebuyers to rehabilitate formerly vacant properties, or homes with a needed repairs, into a stable home by preparing a scope of work, helping families determine which projects they can complete themselves, and assisting families in supervising their work with contractors;
- Leverage Front Door programs especially post purchase to help homeowners maintain and stay in their homes; and
- List private and public down payment assistance programs and grants.

The District should work with credible community messengers to promote the platform to Black households.
Recommendation 12:

**Challenge:** Many residents, real estate professions, lenders and others have expressed concerns about the ability of Black homebuyers using District programs to compete for homes in the current real estate market.
Recommendation 12:

Strike force member concerns:
- Heightened concerns that existing homeownership programs actually deter homebuyers from obtaining homes in the current market and also generating wealth.

Resident concerns shared at townhall and through resident survey:
- Allow owner-occupied multi-family purchases. Example: Expand eligibility within HPAP
- Financial support for middle-income earners, including down payment. Example: Student loan relief for Black homebuyers
- Expand rehabilitation loans for families to compete with investors. Example: Financing programs that are efficient through closing. Residents will be competing with mostly cash offers.
- Improve the efficiency of down payment assistance. Example: Must be faster to meet the goals. To the seller, it should seem like the down payment assistance was a “gift”
- Required training for realtors, lenders and appraisers. Example: Include diversity in hiring initiatives.

To address these concerns, the BHSF recommends:
Recommendation 12:

The District should increase the effectiveness of all homeownership programs to effectively participate with the market through the following strategies:

• Establish a certified lender pool for HPAP with a preference towards loans that have zero down and zero closing costs;
• Increase HPAP funding to help support the goal of Black homeownership in the District;
• Increase the amount of down payment assistance available to homeowners;
• Automate the HPAP application process;
• Provide residents with a pre-certification ensuring their ability to proceed with bidding on homes;
• Leverage other private and public down payment assistance and grants;
• Streamline underwriting guidelines with federal financing;
• Allow rental payments to be considered for establishing credit;
• Increase income limit to 120% MFI;
• Allow for the purchase of 1-4 units for the purpose of helping owners afford the home and generate wealth;
• Encourage a requirement that for HPAP recipients interested in selling, they provide a first-look to other HPAP applicants;
• Enhance the customer experience; and
• Train lenders and realtors on District homeownership programs.
Discussion of Drafted Recommendations
Public Comment
Strike Force Co-Chairs

Director Anita Cozart and Reverend Graylan Hagler

DC Office of Planning

Plymouth Congregational United Church of Christ
& Faith Strategies, LLC
Evaluation