

## Regional Priority Strategies to Reduce Racial Homeownership Gaps

5/4/2023

### Help People of Color Receive Responsible Mortgage Products

September 2021 Strategy	Actions by April 2023	Next Steps
<ul style="list-style-type: none"> <li>• Explore and potentially promote special purpose credit programs (SPCPs) that can address homeownership gaps in a race-conscious way.</li> </ul>	<p>Current programs compiled, and November 2022 Housing Committee meeting focused on them, with reps from Chase &amp; TD Bank. All current programs are geographically based, though: They only apply to purchasing a home in a majority-Black or majority-Black-and-Latino census tract. Thus, if successful, they could reinforce residential segregation.</p>	<p><i>Follow NHS-Baltimore's and Legacy Home Loans' work to establish more focused efforts. Follow-up with current programs re: changes. Explore new programs with other lenders and local &amp; national advocates. Post programs on new BMC web page dedicated to regional effort to tackle racial homeownership gaps.</i></p>
<ul style="list-style-type: none"> <li>• Affirmatively market affordable mortgages for purchase &amp; renovation</li> </ul>		
<ul style="list-style-type: none"> <li>○ Compile information on small-dollar mortgages offered in the Baltimore region for affirmative marketing.</li> </ul>	<p>This is no longer a key concern. Habitable homes now need larger mortgages.</p>	<p><i>Focus on other challenges.</i></p>
<ul style="list-style-type: none"> <li>○ Publicize homeownership and wealth-building success stories for people of color.</li> </ul>	<p>From focus groups: If homeownership is achieved, it generally builds wealth, but high home prices mean success is harder to come by now.</p>	<p><i>Write up one or more success stories with willing homeowners through counseling agencies and post on new BMC web page.</i></p>
<ul style="list-style-type: none"> <li>○ Support homebuyer clubs and other ways for homebuyers to share information and support each other as they seek to enter homeownership.</li> </ul>	<p>Didn't focus on homebuyer clubs in first round of focus groups.</p>	<p><i>Check on success rates in homebuying clubs so far. If promising, explore local government support.</i></p>
<ul style="list-style-type: none"> <li>○ Expand Housing Choice Voucher (HCV) homeownership opportunities in the region and recruit more</li> </ul>	<p>Compiled list of lenders who will issue mortgages to those who qualify for the HCV homeownership program. Bigger challenge now is insurmountable cost</p>	<p><i>HABC is still working to expand its program, but not others. Baltimore Regional Housing Partnership will help current HCV holders move</i></p>

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<p>mortgage lenders who will work responsibly with the program.</p>	<p>of housing. Howard County can only make it work with inclusionary zoning affordable units.</p>	<p><i>into non-HCV homeownership through its Family Self-Sufficiency (FSS) Program.</i></p>
<ul style="list-style-type: none"> <li>Support reforms to reduce racial disparity in appraisals that can under-value Black-owned homes and hinder Black homebuyers.</li> </ul>	<p>2022 General Assembly passed <a href="#">HB 1097</a>, which creates task force. Maryland DHCD commissioned <a href="#">report on racial disparities</a> in response to <a href="#">SB 859</a> passed by 2021 General Assembly.</p>	<p><i>Monitor HB 1097 task force, connect with local advocates, if possible, to see what jurisdictions can do. Work with Maryland DHCD to carry out recommendations of SB 859 report.</i></p>
<ul style="list-style-type: none"> <li>Expand down-payment assistance.</li> </ul>	<p>Many jurisdictions have expanded assistance:</p> <ul style="list-style-type: none"> <li>Anne Arundel expanded assistance from \$20,000 to \$40,000 and then to \$50,000, adding local funds to assist buyers up to 100% of area median income (AMI) and affirmatively marketing to Black and Latinx communities.</li> <li>Howard increased assistance up to 20% (maximum \$80,000) through the County's Homeowner Assistance Program for Moderate Income Housing Unit (MIHU) homebuyers.</li> <li>Harford will raise assistance from \$5,000 to \$20,000 July 1, 2023.</li> <li>Baltimore City began a new "Buy Back the Block" program in select, predominantly Black communities.</li> <li>Annapolis established a \$10,000 deferred loan for participants in their Moderate Priced Dwelling Unit (MPDU) Program</li> </ul>	<p><i>Evaluate new, higher assistance levels. (High home prices, especially in suburban counties, may limit impact.) Post inventory of assistance programs on new BMC web page.</i></p>

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<ul style="list-style-type: none"> <li>Explore and promote alternatives to credit scores for mortgage-worthiness evaluation (e.g. Underwriting for Good in New York)</li> </ul>	<p>NHS-Baltimore currently offers “Tu Hogar” product for immigrants without Social Security numbers. Perhaps could expand?</p>	<p><i>Evaluate utility and workability of credit alternatives (Underwriting for Good is still working on their product) and proceed based on conclusion.</i></p>

#### Learn from and Refine Homeownership Counseling

Strategy	Actions by April 2023	Next Steps
<ul style="list-style-type: none"> <li>Identify and tackle obstacles that disproportionately keep Black home seekers who receive homeownership counseling from getting a mortgage and buying a house.</li> </ul>		
<ul style="list-style-type: none"> <li> <ul style="list-style-type: none"> <li>Conduct a survey of people who have received homeownership counseling.</li> </ul> </li> </ul>	<p>Conducted survey of 32 participants early 2022; difficulty finding an affordable house was biggest obstacle.</p>	
<ul style="list-style-type: none"> <li> <ul style="list-style-type: none"> <li>Conduct focus groups of homeownership counselors.</li> </ul> </li> </ul>	<p>Seven focus groups with six groups of counselors conducted 2021-22; lack of affordable inventory of acceptable quality was commonly expressed obstacle.</p>	
<ul style="list-style-type: none"> <li> <ul style="list-style-type: none"> <li>Act on the results.</li> </ul> </li> </ul>	<p>Explored possible metro-area shortage of habitable housing in 2022, including exploration of 2022 Up for Growth report. Culminated in December 1 Housing Committee meeting on topic</p>	<p><i>Carry out FY2024 Unified Planning Work Program (UPWP) item to explore public attitudes on expanded housing supply and develop constructive ways to engage the public.</i></p>
<ul style="list-style-type: none"> <li>Seek ways to elevate mortgage lenders that have good track records serving Black homebuyers.</li> </ul>	<p>Maryland DHCD’s Maryland Mortgage Program list of approved lenders could be a good start.</p>	<p><i>Explore with CDN and Maryland DHCD in 2023.</i></p>

Help Existing Homeowners Sustain Homeownership & Build Wealth

<b>Strategy</b>	<b>Actions by April 2023</b>	<b>Next Steps</b>
<ul style="list-style-type: none"> <li>Expand funding for affordable repair &amp; renovation products for low- and moderate-income homeowners so they can maintain their home asset. Affirmatively market these products to neighborhoods predominantly of people of color.</li> </ul>	<p>Baltimore City devoted \$7 million in Rescue Plan funds to senior home repair and \$3 million for Healthy Homes and energy efficiency retrofits.</p>	<p><i>Post inventory/links to programs around the region on new BMC web page.</i></p>
<ul style="list-style-type: none"> <li>Monitor home values in middle-income neighborhoods, particularly those predominantly of color. Fund and support deployment of Middle Neighborhoods market-building measures so homes appreciate at a moderate pace and build wealth over time.</li> </ul>	<p>Baltimore City is developing a Middle Neighborhoods program with \$4 million of American Rescue Plan Act funds.</p>	<p><i>Evaluate if suburban middle neighborhoods need marketing in current housing market. Potentially host information-sharing sessions among local governments.</i></p>
<ul style="list-style-type: none"> <li>Help homeowners establish clear legal title to their homes for rehabilitation assistance and conduct estate planning to ensure intergenerational transfer of wealth (e.g. Maryland Volunteer Lawyers Service's My Deed My Legacy program)</li> </ul>	<p>MVLS's "My Deed..." program had appeared to be for Baltimore City only, but we learned that it is a statewide program.</p>	<p><i>Connect suburban jurisdictions to MVLS's My Deed My Home My Legacy program.</i></p>
<ul style="list-style-type: none"> <li>Affirmatively market counseling to homeowners of color to help them avoid foreclosure as COVID-19-related foreclosure moratoria expire.</li> </ul>	<p>COVID-related assistance to avoid foreclosure is now available through the Maryland Homeowner Assistance Fund.</p>	<p><i>Affirmatively market Homeowners Assistance Fund to homeowners of color.</i></p>