

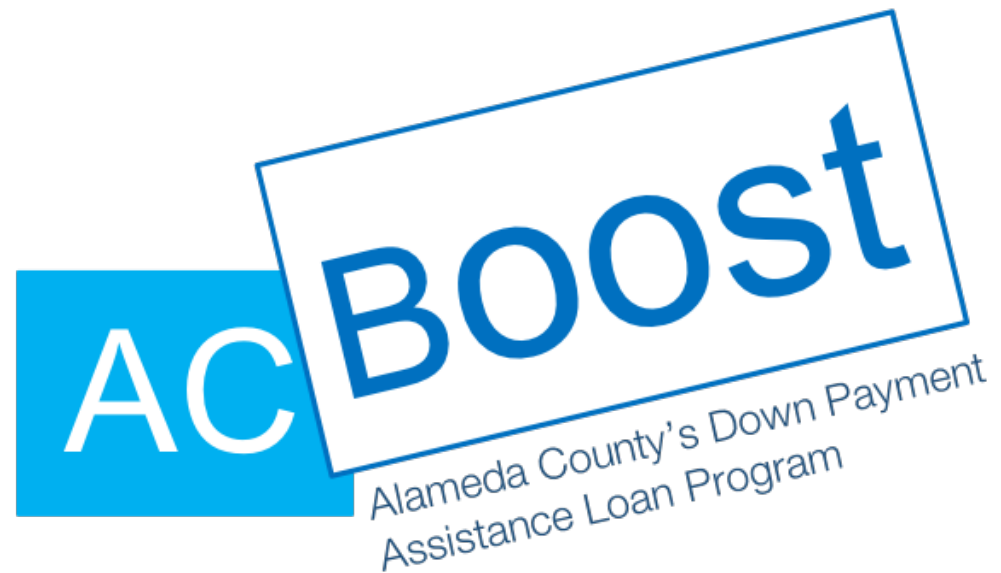


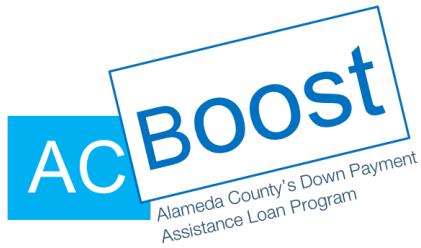
# Measure A1 Oversight Committee Presentation

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Measure A1 Down Payment Assistance Loan Program

March 24, 2022

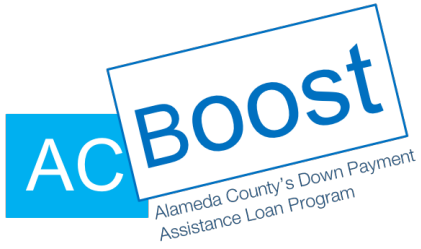




## Original Program Framework

The Alameda County Board of Supervisors adopted a policy framework in 2018 which drove the Program Design. The program was designed to:

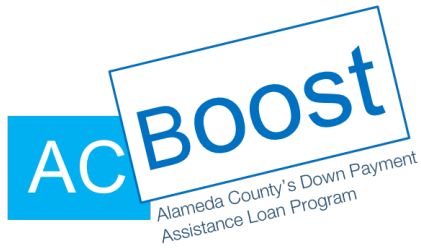
- Assist **First Time Home Buyers** to purchase homes in Alameda County
- Serve households earning **≤120% AMI** (with ability to go up to 150% AMI)
- Include design features that:
  - encourage Alameda County residents to **purchase homes near work or transit** that takes them to work.
  - benefit former Alameda County residents that have been **displaced**.
  - benefit **educators** and **first responders** so they may live in the communities in which they work.
- Loan to be structured as a **shared appreciation, silent second mortgage**.



# Equity-Centered Policies

Included in the original program design:

- Tiered levels of assistance based on household income and market-based need
- Multilingual outreach and interpretation services
- Shared appreciation loan to balance wealth-building for individuals with long-term program sustainability
- Robust race data collection throughout the process.



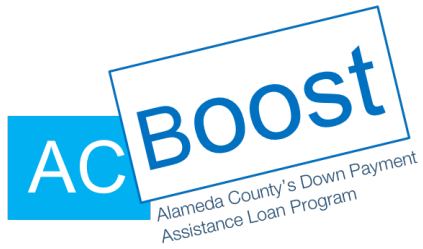
# Measure A1 Funding at Work

Program launched March 2019;  
Outcome Data as of March 2022

Measure A1 – Down Payment Assistance Loan Program  
AC Boost – \$50 million of the total \$580 million in Measure A1

Closed Loans:	41.9% in 36 months	}	\$11.41 million (86 homebuyers)
Funds Reserved:			\$7.43 million (38 applicants)
Funds Remaining:			\$26.16 million*

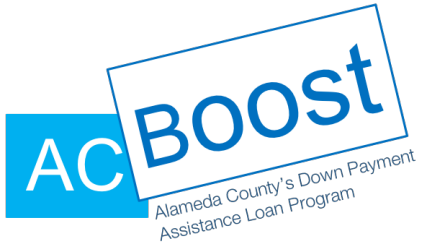
\*Expect remaining funds to be spent within the next three to four years



## Funding Cycle 2 Update

Significant policy changes were approved by the Board of Supervisors in April 2021

- Increased loan amounts – up to \$160k or \$210k
- Reduction in required cash to close
- 1.5% Seasoned Funds no longer required
- Layering with other subordinate loan programs allowed, if approved in advance by the County
- Front-end ratio minimum of 25% waived for Section 8 homeownership voucher recipients



## Funding Cycle 2 Update

The 2<sup>nd</sup> Pre-Application Period opened from July 15<sup>th</sup>-August 30<sup>th</sup>, 2021.

6,081 Pre-applications received (*2,294 during funding cycle #1*)

1,000 attendees joined the virtual public lottery held on September 17<sup>th</sup>, 2021

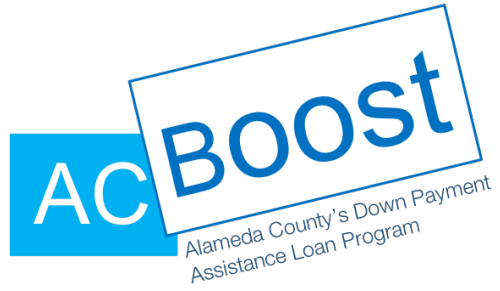
306 applicants have attended the 5 application workshops we have held to date.

86 full applications have been submitted for underwriting.

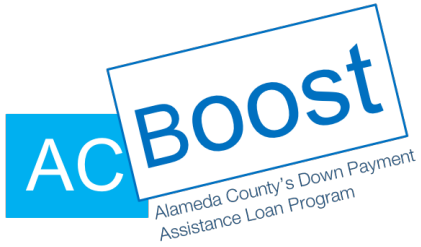
36 applicants have been approved for a Reservation of Funds to date

8 applicants are currently in contract to purchase a home.

2 Loans have closed



# Policy Changes in Funding Cycle #2

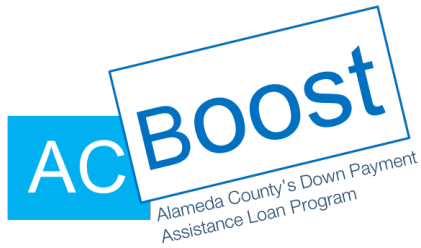


# Funding Cycle 1 Analysis

Analysis performed with a goal of increasing the success rates for BIPOC households in Funding Cycle 2.

- Reviewed race data collected at key milestone of the initial Pre-Application.
  - The data suggested that marketing and outreach strategies were highly effective in reaching Black, Asian and Multi-Racial households, with room for improvement for reaching Latinx, American Indian and Pacific Islander households.
  - The data showed significant attrition for Black and Latinx households between attending a workshop and submitting a Full Application.
- Administered Survey to households who attended a workshop but did not submit a Full Application.
- Updated research into the racial wealth gap, disparities in homeownership rates by race, and potential policy solutions.
- Updated analysis of countywide home values, home supply, and necessary loan sizing to ensure AC Boost buyers have access to higher-opportunity neighborhoods.

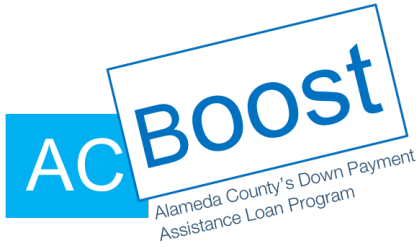




## Changes to Policy

1. Reduction in the amount of cash savings households need to contribute in order to participate in the program.

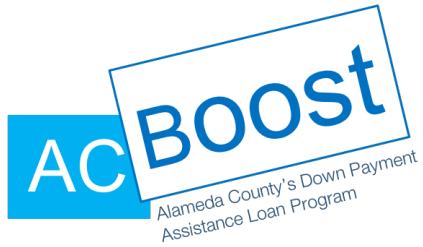
- *The maximum combined loan-to-value (“CLTV”) increased from 97% to 100% to reduce the Buyer’s cash-to-close requirements. The required down payment can now range from 0-3% based on need.*
  - *Seasoned funds are no longer required.*
  - *The Buyer’s contribution is required to cover closing costs which can come from gift funds, grants, lender credits and/or seller credits.*
- ✓ So far, 6 households have purchased homes with 0% down payment.



## Changes to Policy

2. Increase in the total down payment assistance available to help low- and moderate-income buyers find success.

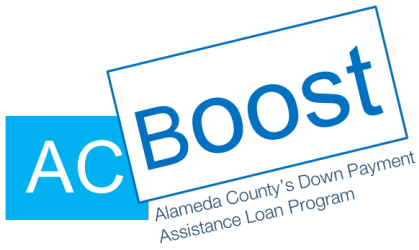
- *Maximum AC Boost loan amount increased from \$100K to \$160K for households earning less than 120%*
  - *Maximum AC Boost loan amount increased \$150K to \$210K for households earning less than 100%*
  - *AC Boost is now allowed to layer with other subordinate down payment assistance programs*
- ✓ So far, 9 households have purchased homes with the higher loan amounts.
  - ✓ The program can now be layered with the WISH and NeighborhoodLIFT down payment assistance loan programs and any grant programs.



## Changes to Policy

3. Modification to income ratio requirements to ensure AC Boost can help Section 8 homeownership voucher holders find success in Alameda County.

- Waive AC Boost's 25% front-end ratio requirement for buyers who are Section 8 homeownership voucher recipients.
- ✓ In an effort to increase Section 8 voucher participation, Hello Housing has engaged with the Participating Lender List to identify lenders that are able to provide loans to Section 8 homeownership voucher
- ✓ Hello Housing is reaching out to Homebuying Counseling agencies to ensure any Section 8 Applicants can receive support with additional lender requirements.



## Changes to Process in Funding Cycle 2

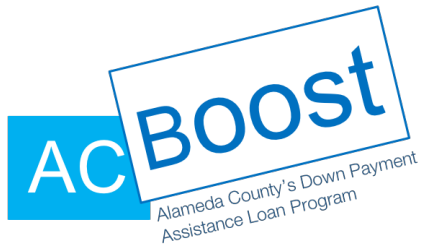
1. Increase marketing & outreach to Latinx, American Indian and Pacific Islander buyers.

Hello Housing engaged in targeted outreach to get the word out about the Pre-Application period for Funding Cycle #2 to more Latinx, American Indian and Pacific Islander households.

- ✓ Public health, community service, and faith-based organizations that primarily serve these communities
- ✓ Presented at an event hosted by the National Association of Hispanic Real Estate Professionals
- ✓ Program Interview with KSTS Telemundo 48 Bay Area and KDTV Univision 14 in Spanish for their viewers.

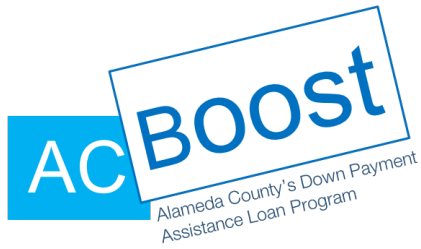
2. Provide applicants with more time and more support to complete their application.

- ✓ Application period was increased from 3 weeks to 4 weeks.
- ✓ Applicants receive a link to set up one-on-one appointments to speak with program staff directly after the application workshops.



## Changes to Process in Funding Cycle 2

3. Provide more support to applicants when choosing a Participating Lender.
  - ✓ Applicants now receive a Lender Outreach Guide and Checklist after the application workshop.
  - ✓ Hello Housing identified Participating Lenders who offer loans to ITIN holders and listed this information on the AC Boost website.
  - ✓ Are collecting information from lenders about their available grant programs
  - ✓ Identifying lenders with Section 8 homeowner voucher experience and loan underwriting ability. This information will be listed on the website once complete.
  
4. Update the marketing and outreach plan to reflect the impact of COVID on outreach practices.
  - ✓ Hello Housing engaged in a robust social media marketing strategy, which had a sizable impact on the number of pre-applications received (6,081 as compared to 2,294 in the first Funding Cycle).



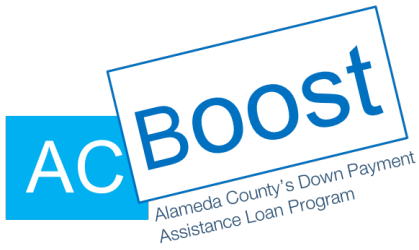
## Changes to Process in Funding Cycle 2

5. Continue, post-pandemic, to offer workshops by Zoom to accommodate the schedules of a diverse applicant pool and to minimize childcare-related barriers.

- ✓ All application workshops are now held on Zoom. If applicants can't attend, they are allowed to reschedule to the following workshop date.

6. Provide approved buyers with additional time to get into a contract for a home.

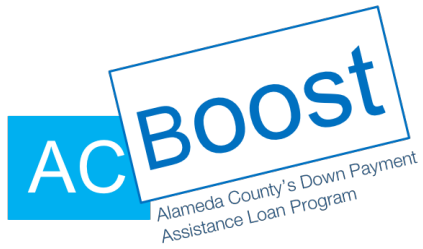
- ✓ Reservation of Funds period was increased from 90 days to 120 days.



## Changes to Process in Funding Cycle 2

7. Increase awareness about program requirements such as potential buyer down payment, closing costs, debt-to-income ratio, lender pre-approval, supporting documents required, etc. sooner in the process.

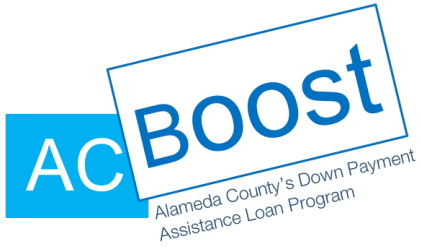
- ✓ Hosted 2 Community Roundtable meetings via Zoom during the Pre-Application period, where any interested community members could join to learn about buying a home and how to apply.
- ✓ Links to informational resources were added to the Pre-Application submission auto-responses and the lottery position notification emails, including:
  - Consumer Financial Bureau's Home Loan Toolkit
  - 1-page infographic on the AC Boost application process (in 5 languages)
  - List of application required supporting documents
  - List of homebuyer counseling agencies
  - Participating Lender List



## Changes to Process in Funding Cycle 2

8. Increase transparency/accessibility of information about the program online.
  - ✓ Posted the current status of lottery positions that have been invited to apply to-date, which is available from the home page - [www.acboost.org/lottery-position-status](http://www.acboost.org/lottery-position-status).
  - ✓ Recording of the lottery was posted to the home page of program website - [www.acboost.org](http://www.acboost.org).

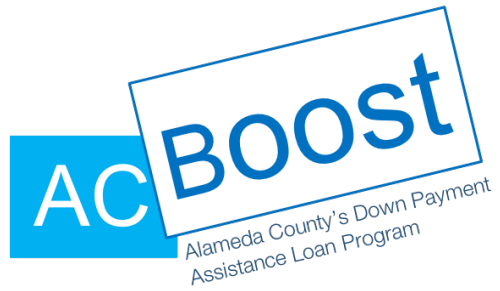




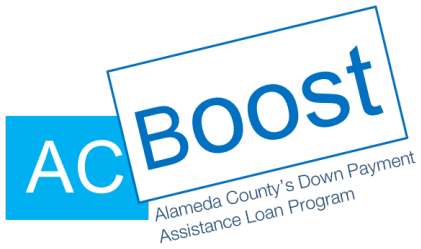
# Affirmative Marketing Strategies

## Key marketing strategies included:

- Outreach to organizations and public agencies with close ties to communities that include underrepresented homebuyers.
- Partnering with Alameda County to push information through their social media channels which included NextDoor, Twitter, and Facebook.
- Working with diverse realtors, lenders and housing counseling agencies that serve underrepresented homebuyers.
- Working with “connector” individuals and presenting at meetings to encourage meeting participants to become champions of the program.
- Media advertising based on audience demographics in multiple languages (English, Spanish, Chinese, Vietnamese and Tagalog).



# AC Boost Outcomes to Date

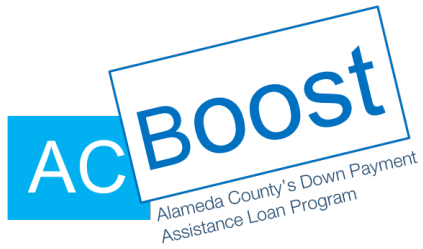


# AC Boost by the Numbers

86 homes purchased as of March 2022

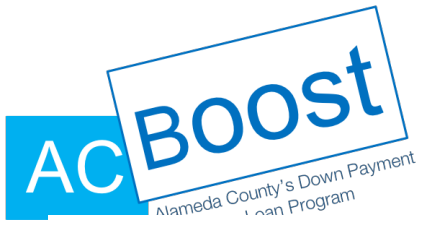
Key Statistics	Average	Median
AC Boost Loan Amounts	\$132,704	\$150,000
Household Size	2.5	2
Percent of Area Median Income	98.12%	97.14%
<i>Based on Median Household Size of 2</i>		\$97,626

BOS-adopted program objective was to serve 120% AML and below which is **\$120,550** for household size of 2 in 2021.

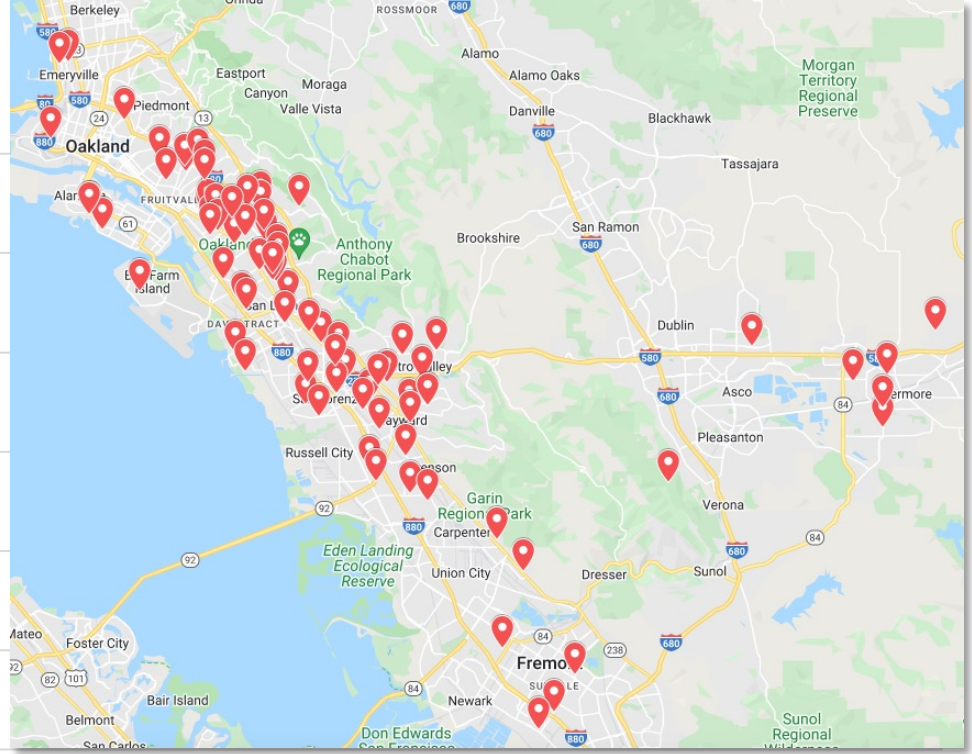
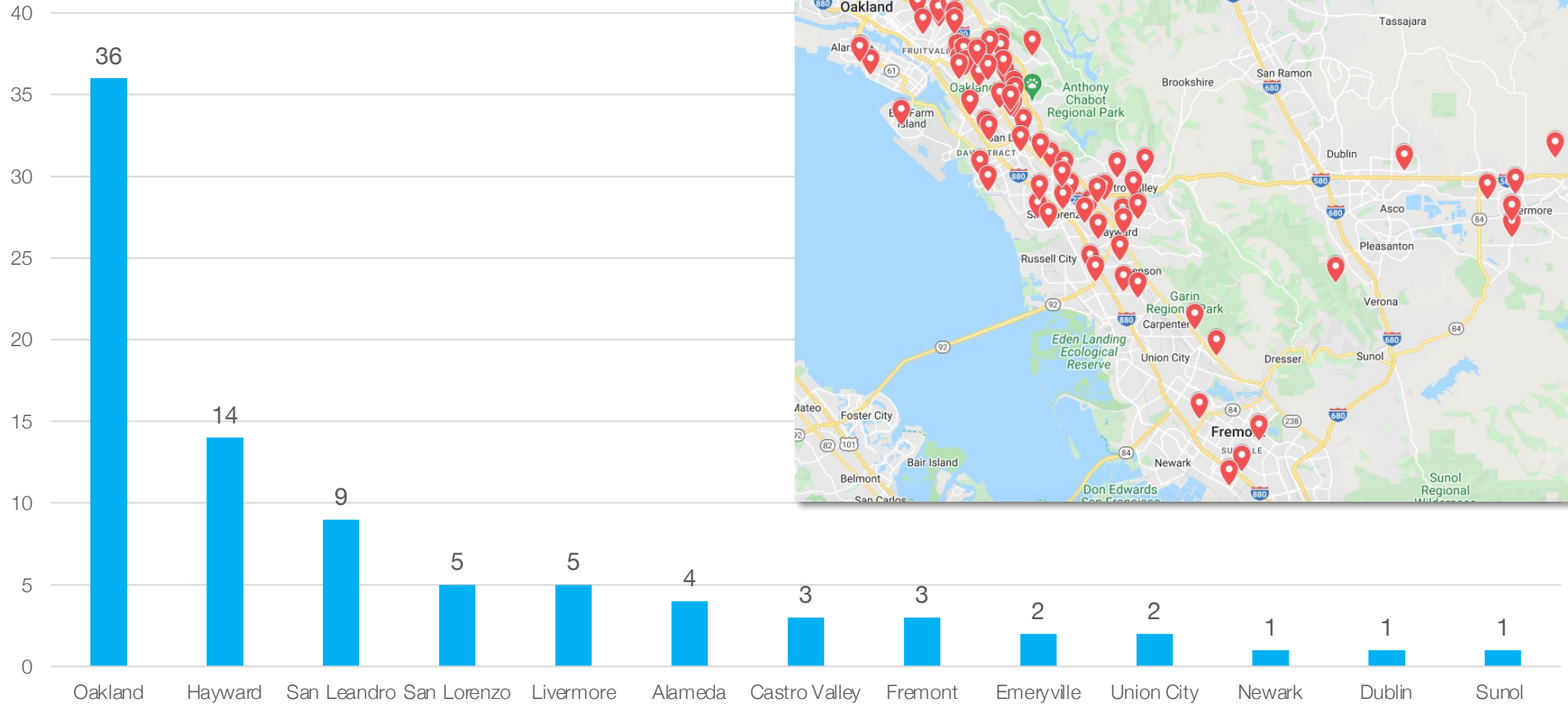


# Home Purchase Prices to Date

Purchase Prices	Condo	Single-Family
Lowest (BMR)	\$290,029	\$475,000
Lowest (Market Rate)	\$332,000	\$410,500
Median	\$457,500	\$552,500
Highest	\$750,000	\$860,000



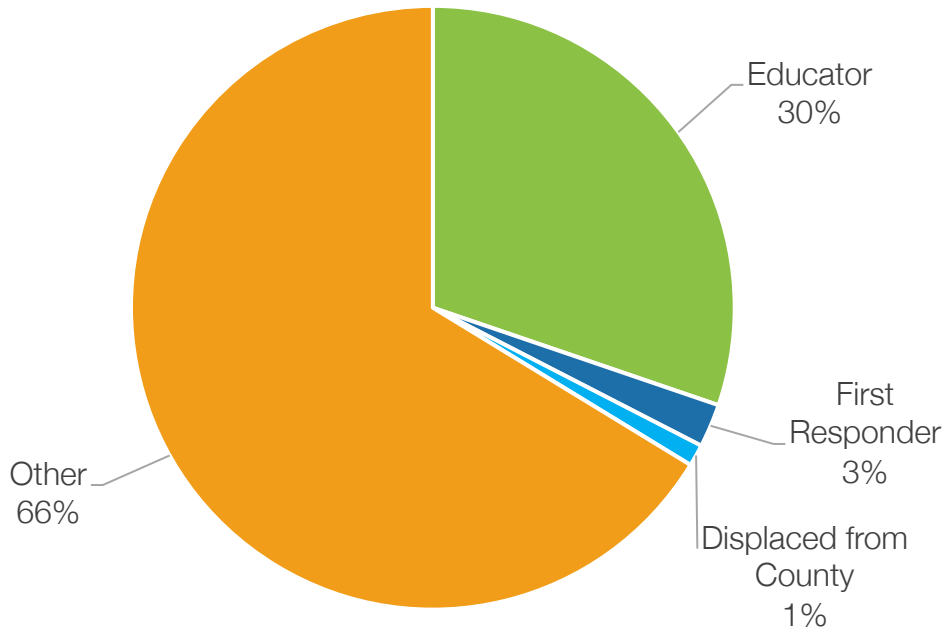
# Locations of Purchased Homes\*



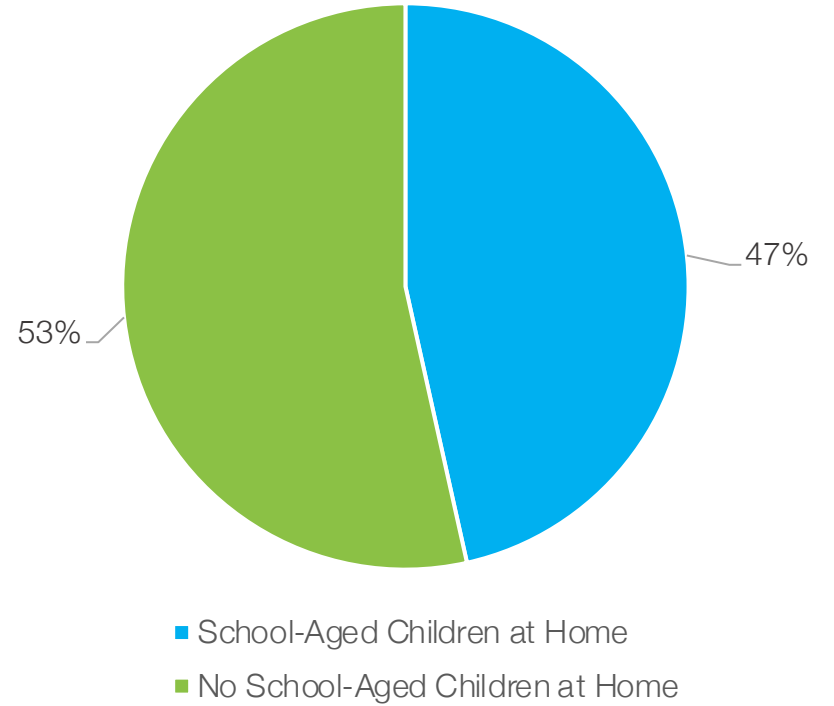
\* No purchases yet in Albany, Berkeley, Piedmont, and Pleasanton.

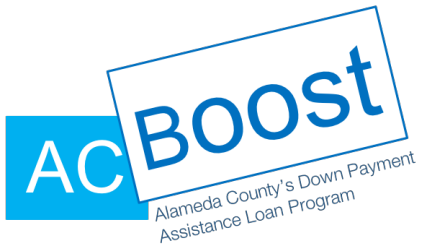
# Household Composition of Successful Purchasers

86 Households



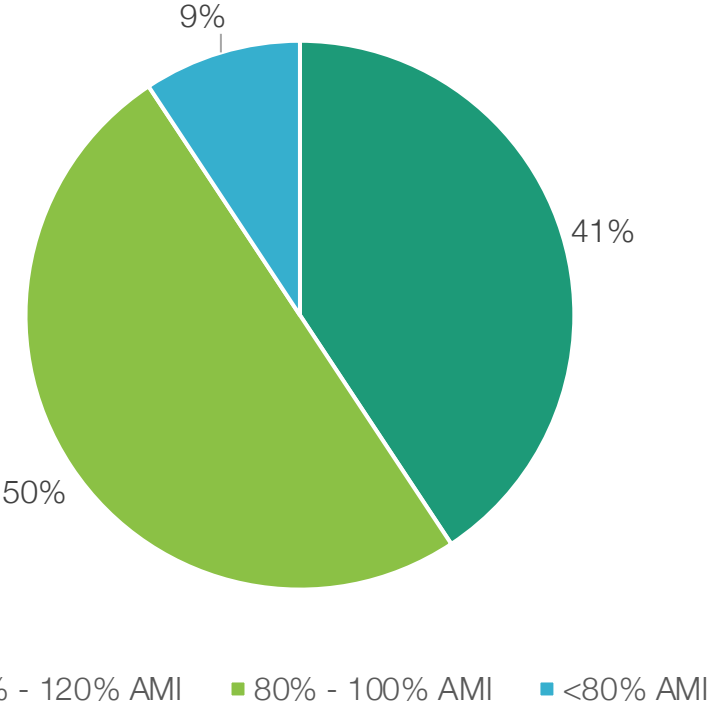
86 Households



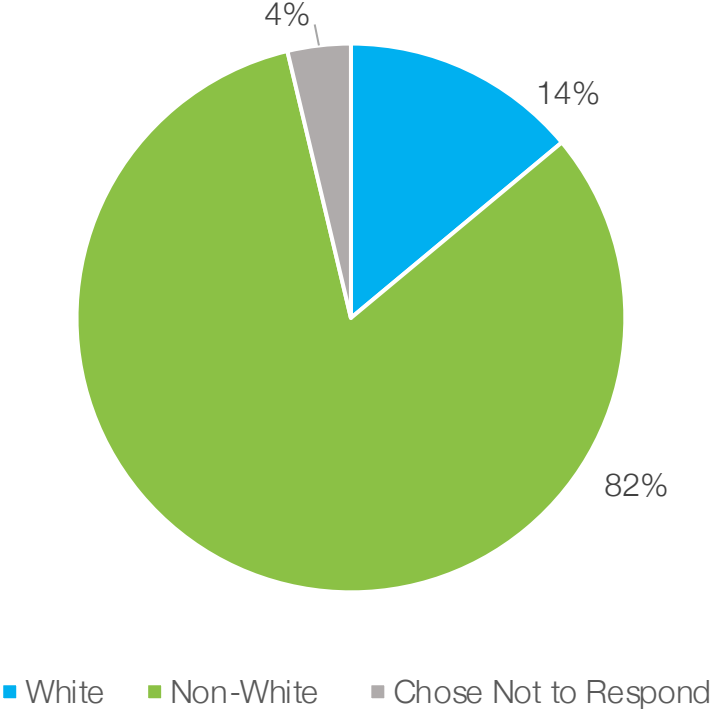


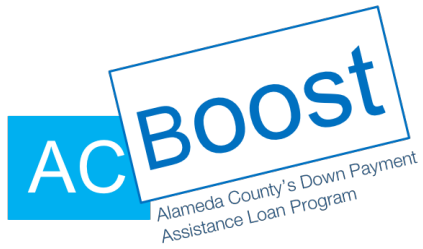
# Household Composition of Successful Purchasers

86 Households



86 Households





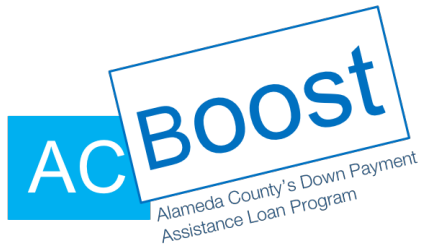
# Race composition of Pre-Applicants

*compared to Alameda County 2021 Data*

Race	Funding Cycle 1: Submitted Pre-Application*	Funding Cycle 2: Submitted Pre-Application*	Funding Cycle 1: Submitted Pre-Application*	Funding Cycle 2: Submitted Pre-Application*	Compared to Alameda County General Population
	Raw Numbers		By Total %		
Total Households	2294	6081			
Asian	1365	3483	22.13%	23.54%	32.3%
Black or African American	1750	4302	28.38%	29.08%	11.0%
White	643	1268	10.43%	8.57%	30.6%
Multi-Racial	849	2172	13.77%	14.68%	5.4%
Latinx	1064	2577	17.25%	17.42%	22.3%
American Indian	29	66	0.47%	0.45%	1.1%
Pacific Islander	69	176	1.12%	1.19%	0.9%
Middle Eastern or North African	86	275	1.39%	1.86%	N/A
Other Race	N/A	7	N/A	0.05%	N/A
Chose Not to Respond	312	469	5.06%	3.17%	N/A

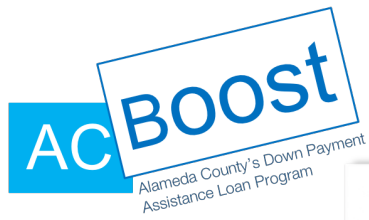
\*Race data reported at the individual level. This includes 6,167 household members for Funding Cycle 1 and 14,795 household members for Funding Cycle 2.





## Funding Cycle 2 Next Steps

- Application Workshop #6 to be held on 3/30
- Additional monthly application workshops
- Approximately \$12 million in loan funds anticipated to be disbursed
- Sign up for our Stay Connected newsletter to receive updates - [www.hellohousing.org/stay\\_connected](http://www.hellohousing.org/stay_connected)

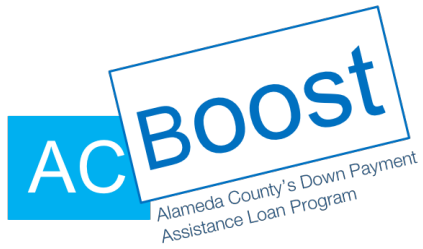


# Buyer Testimonials

“Before AC Boost, **we could not imagine being able to afford a 3-bedroom home in the Bay Area.** Everything was just too expensive. **My wife and I considered moving out of the area** so we could afford to leave our cramped 1-bedroom apartment, but she’s a healthcare worker and there are more jobs here. **Thanks to AC Boost, our mortgage payment is less than many families pay to rent a 2-bedroom apartment.** We are so happy that this program is here to help first time homebuyers like us.”

“Before AC Boost, **I was renting** and unexpectedly the owner passed away. The new **property management out of the blue tripled my rent.** I had to move out and was couch surfing with my daughter for a while. We were uncomfortable. **A friend encouraged me to apply to AC Boost and so I did.** The process was scary, but in retrospect only because it was an unknown for me. I had to trust the process, and the victory was in the end when we got our keys. **I had reservations about purchasing a home as a single mother, but I am so happy that I did.** I am grateful for AC Boost, not only because of the funding but also because the program’s structure made homeownership less daunting and a possibility for my daughter and I”.

“I applied for the AC Boost Down Payment Assistance Loan Program to be both **competitive and a smart homebuyer.** I’m a first generation college graduate have dedicated himself to work that reflects my values. However, **becoming a homeowner in Alameda County in recent years felt like a distant dream.** Being able to set down roots has given me an incredible sense of stability – a stability that has allowed me to plan for my **family and career long term.** It feels incredible knowing the relationships and memories I have cultivated in Oakland will be a permanent part of my life. I love Oakland, and being able to set roots here kinda feels like Oakland loves me too”.



# Hello Housing's AC Boost Team



Florence Szeto  
Loan Closing  
Specialist



Jennifer Duffy  
President



Karen  
Khomsonerasinh  
Loan Underwriting and  
Compliance Specialist



Paxcelli Flores  
Special Projects  
Manager



Sarah Shimmin  
Senior Program  
Manager

If you have any questions or suggestions, please email our team at [ACBoost@hellohousing.org](mailto:ACBoost@hellohousing.org) or call (510) 500-8840.