

# 2023 BOSTON

## Best of HFAs: Homeownership Programs

## DISCUSSION LEADER

**Ro Arrington**, Director of Homeownership and Public Finance | Arkansas  
Development Finance Authority

## SPEAKERS

**Eduardo Bonar Blanco**, Advisor | Puerto Rico Housing Finance Authority

**Mounzer Aylouche**, Vice President of Homeownership Programs |  
MassHousing

**Chris Flannery**, Chief Financial Officer | Vermont Housing Finance Agency

**Brien O'Toole**, Chief of Housing Production | Maryland Department of  
Housing and Community Development



# BUY YOUR

# HOME *with the*



HOMEBUYER ASSISTANCE  
PROGRAM



PUERTO RICO  
HOUSING  
FINANCE  
AUTHORITY







# PROGRAM *DESCRIPTION*

GENERAL ALLOCATION  
SUMMARY \$495,000,0000

The **Homebuyer Assistance Program** grants up to a maximum of \$60,000 to qualified homebuyers.



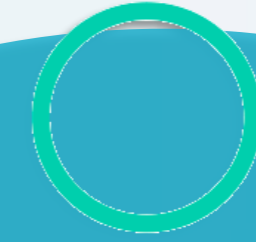


# MAXIMUM GRANT



## \$55,000

Maximum of \$55,000 to eligible households that include a Critical Recovery Workforce member.



## \$45,000

Maximum of \$45,000 to other eligible households.



# CRITICAL RECOVERY WORKFORCE

The HBA Program recognizes Critical Recovery Workforce members:



**Law Enforcement**



**Education**



**Firefighters**



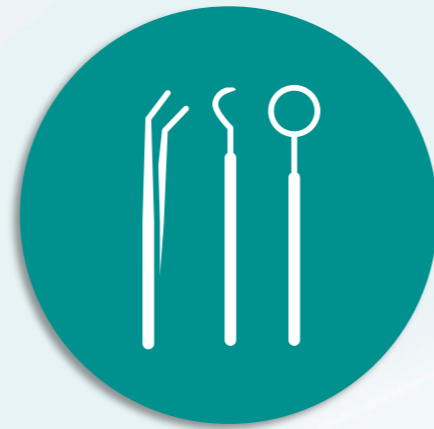
**Infrastructure**



**Atmospheric Surveillance**



**Emergency Medical  
Emergency  
Management**



**Healthcare Professionals**



**Supply Chain**



**Veterinary/Animal  
Services**



# URBAN CENTER

*\$5,000 ADDITIONAL INCENTIVE*

If the applicant decides to purchase a property located in a designated Urban Center, the applicant will receive an additional redevelopment incentive of up to five thousand dollars (\$5,000).





# PROGRAM *PROGRESS / APPROVED CASES*

APPROVED  
ELEGIBLE CASES

7,868

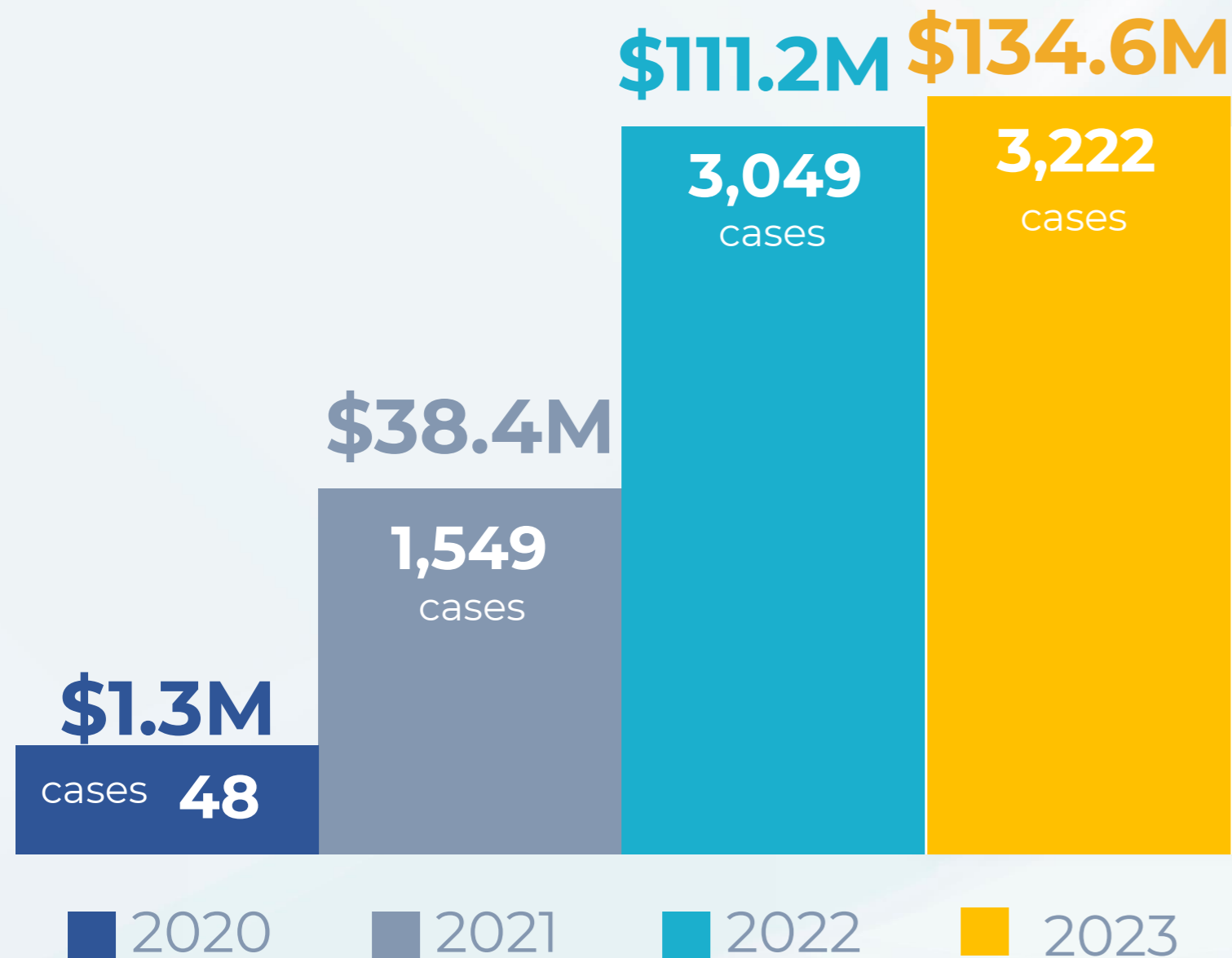
CRITICAL  
RECOVERY  
WORKFORCE (CRW)

2,117





# PROGRAM *PROCESS* / DISBURSED FUNDS



**TOTAL FUNDS  
*DISBURSED***  
**\$285.6M**

Updated: October 2, 2023





# 2023 BOSTON

October 14 – 17



MassHousing's  
**MassDREAMS**

Mounzer Aylouche

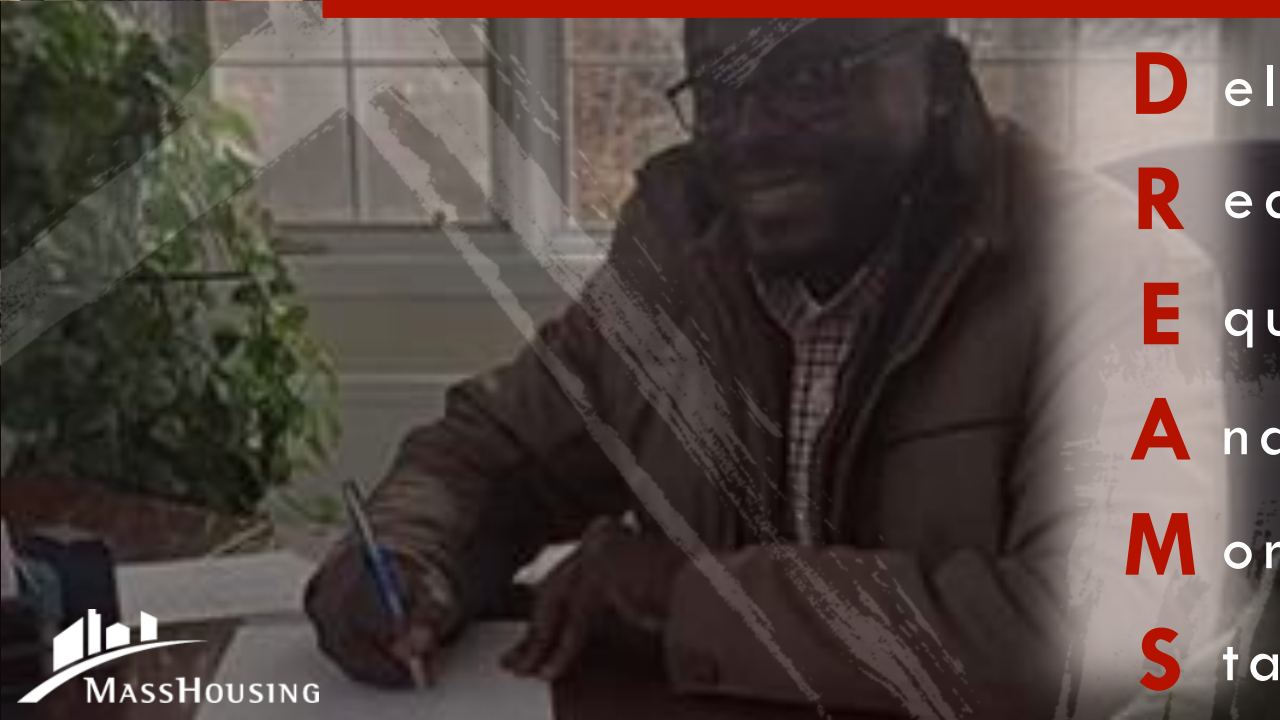
VP Home Ownership Programs







# WHAT DOES DREAMS STAND FOR?



**D**elivering  
**R**eal  
**E**quity  
**A**nd  
**M**ortgage  
**S**tability



# PROGRAM TIMELINE

SEP 12, 2022  
Launched

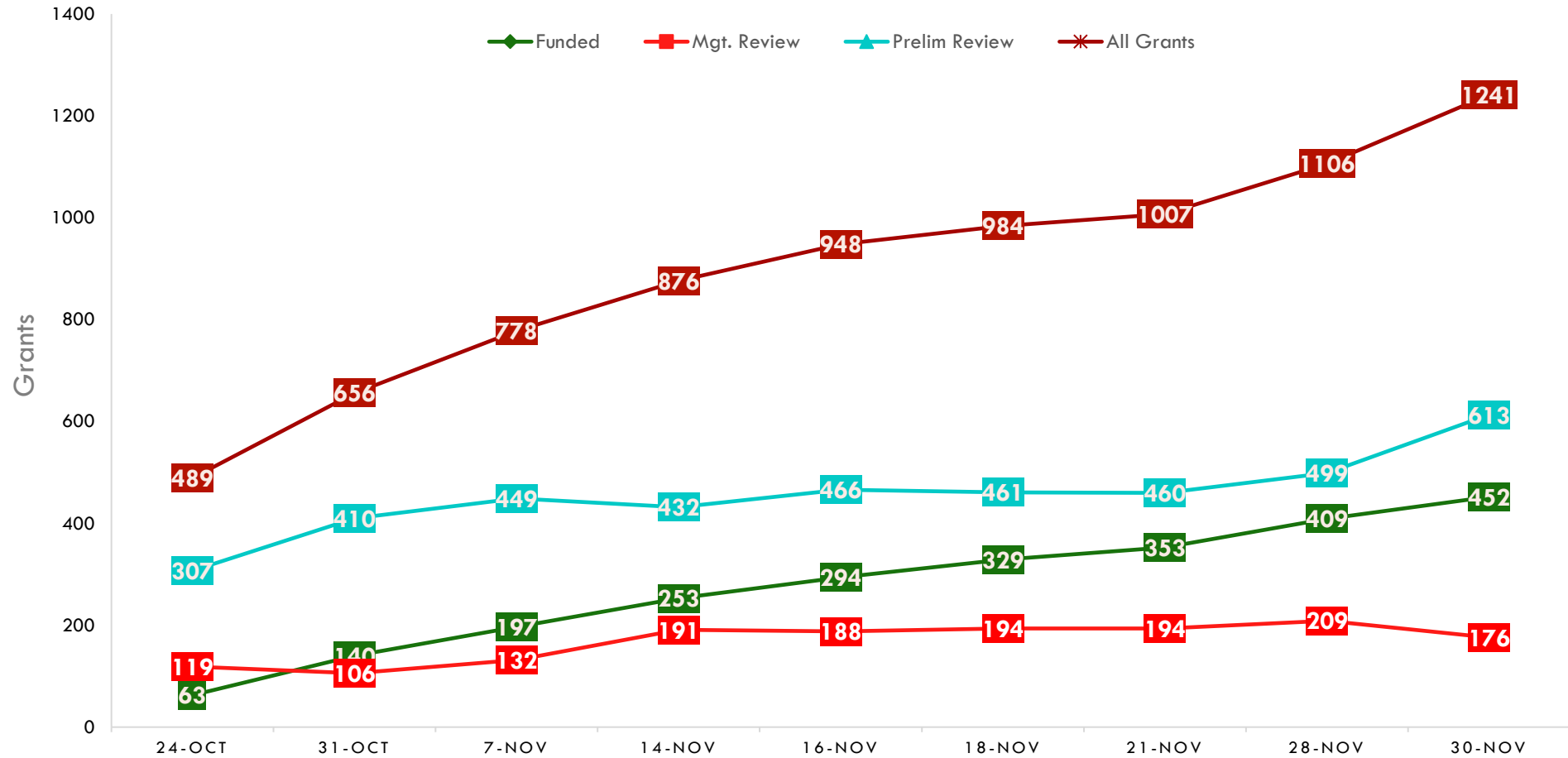
1142 loans (\$37.5m)  
committed in 79 days

Collaborative effort by HO, Finance, and  
Legal staff made the program a success

Ended  
NOV 30, 2022

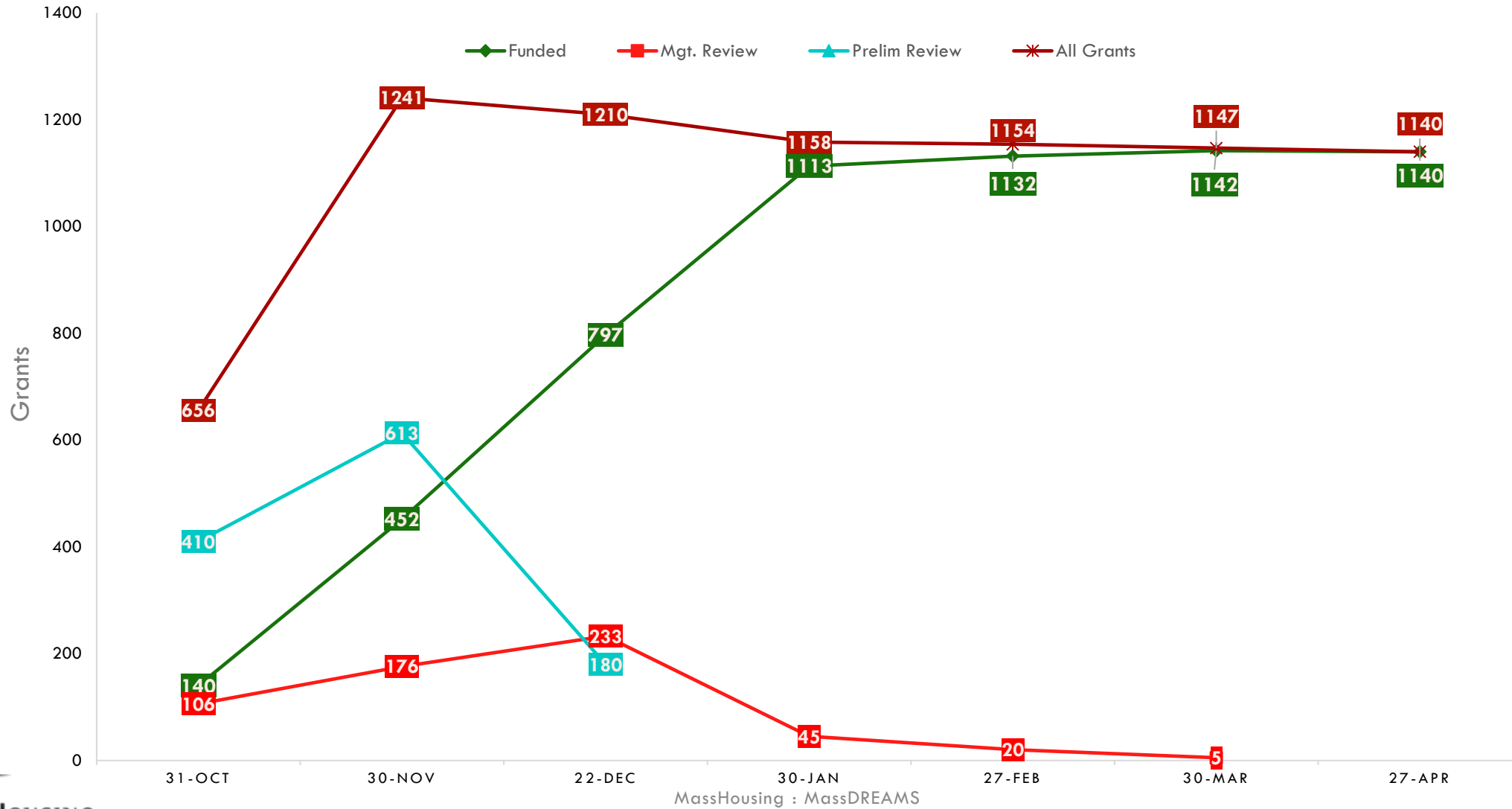


# MASSHOUSING MassDREAMS PRODUCTION THROUGH LENGTH OF PROGRAM





# MASSHOUSING MassDREAMS PRODUCTION BY MONTH'S END

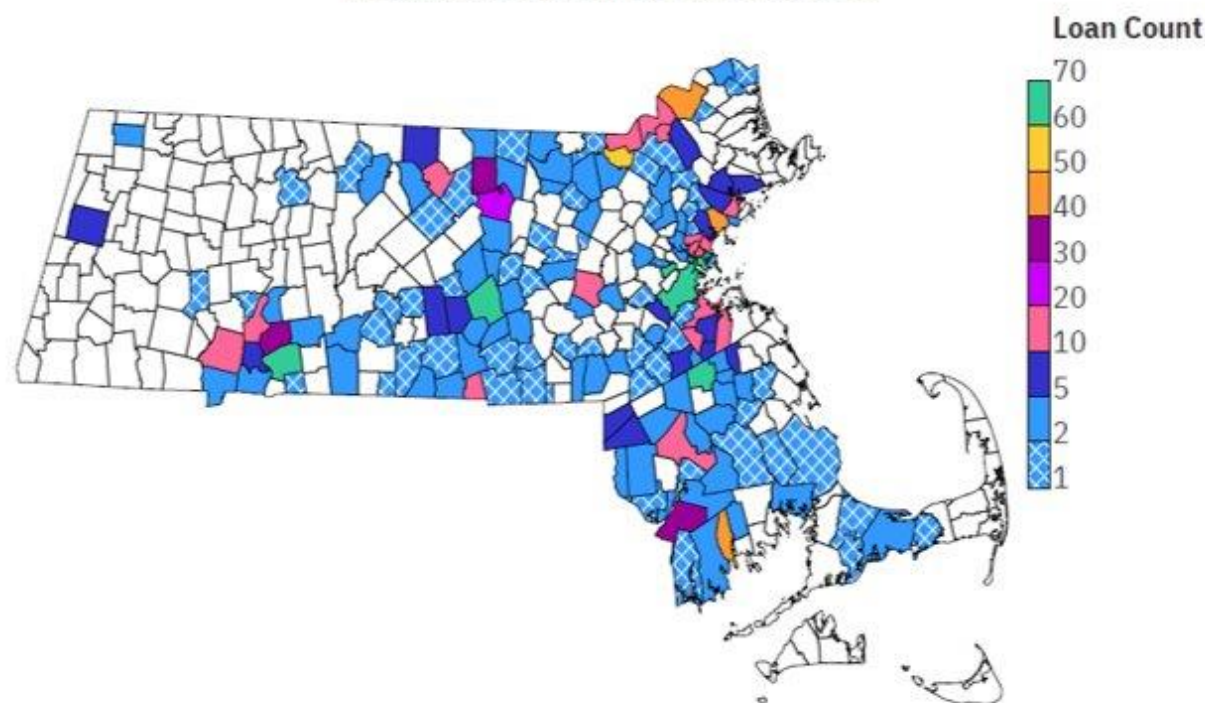




# INTERESTING PROGRAM STATS

- 621 Loans/Avg Grant \$33,860 to BIPOC Borrowers
- 475 Loans/Avg Grant \$30,290 to Borrowers with income below 80% AMI
- 459 Loans were combined with other MassHousing DPA products
- 44 Loans were Deed Restricted Properties

MassDREAMS Acquired Cities by Count







On May 10, MassHousing hosted a luncheon to celebrate the MassDREAMS program and thank all involved in its extraordinary success. Along with staff from across the Agency, a number of new homeowners were on hand to share their experience with MassDREAMS and the impact it has had on their lives.





Abelardo and his family purchased their first home in Haverhill with the help of a MassDREAMS grant and an affordable mortgage loan from MassHousing.

“

Thanks to God and the MassDREAMS program, we were able to realize our family dream of owning a beautiful home.

”

Luis L.

MassDREAMS Grant Recipient



**2023**  
**BOSTON**

**Vermont HFA Weatherization  
Finance Pilot**



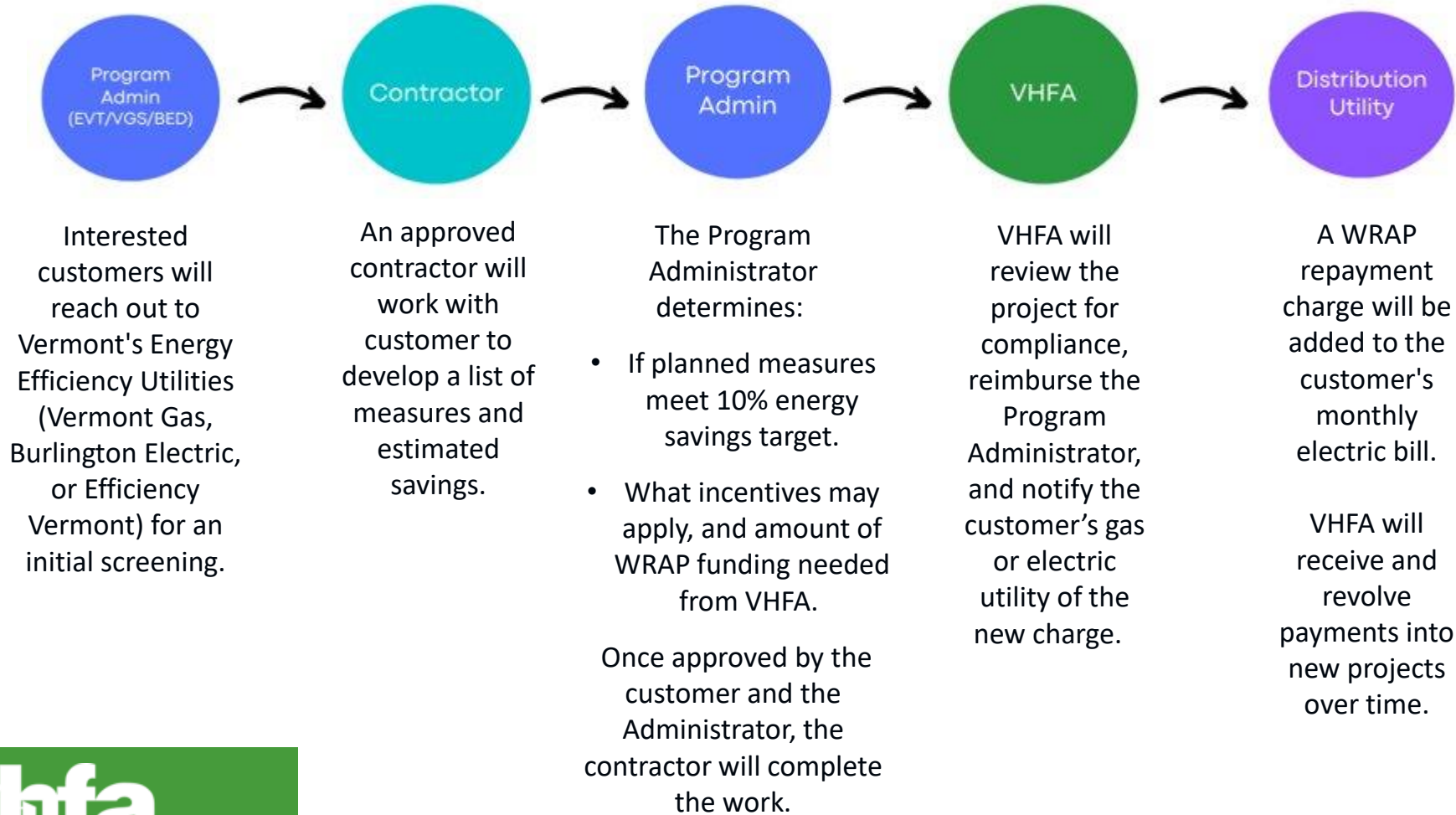
## Vermont HFA's Weatherization Repayment Assistance Program (WRAP)

- Funded by \$9 million State appropriation.
- VHFA provides capital and incentives for upfront costs of home weatherization projects, cycled back over time via repayment on customer's utility bill (aka on-bill financing).
- Approved projects include insulation and air sealing. In conjunction with weatherization, WRAP can also finance heating and cooling equipment, heat pump water heating, and necessary health and safety measures.
- WRAP repayment designed to be less than projected energy savings.
- Program funding targeted to households earning at or below 120% AMI.
- Homeowners and renters eligible in buildings with 1-4 units can participate.





## WRAP Process



## How WRAP meets common weatherization uptake challenges

Challenge	Solution
High upfront costs	WRAP combines utility and/or VHFA incentives with an on-bill repayment over time to greatly reduce or eliminate upfront costs.
Limited access to credit	With WRAP, traditional underwriting standards such as credit scores are not utilized. Underwriting is based on the customer's clean bill payment history with utilities for the 12 months prior to enrollment.
Long payback period	Long payback periods are a barrier if customers think they might move during the payment period and would have to pay off a loan. Although a WRAP term can be up to 15 years to achieve a low monthly payment, the customer is only obligated to pay the surcharge for the length of time they occupy the property. If a customer moves, the new owner/renter of the property will pay the surcharge for the time they live there and experience the benefits of the measures.
Limited availability to renters	Since the WRAP charge is tied to the meter, renters can participate with landlord permission. Landlords agree to pay the charge if a subsequent tenant does not sign an agreement to pay the meter charge.





## Next Steps



**Get more projects moving!**

Funding needs to be spent by end of 2024



Finalizing VHFA systems



Flood relief planning



Congressionally Directed Spending Award  
(\$8.5 million for Clean Heat Homes)



Preparing for WRAP Phase II

Sign new agreements with utilities

Find new sources of funding





# Homeownership Works

Maryland's Single Family Affordable Homeownership Production Program



# Maryland's Single Family Affordable Homeownership Production Program Currently Named: Homeownership Works ("HOW")

## What is it? - Broadly Speaking

### Think

LIHTC parallel with notable differences. The major similarity is that the public sector (Maryland's DHCD) will fill the gap to create quality affordable housing by selected development teams.

### Why?

1. LIHTC generates great, much needed affordable rental housing but doesn't add enough revitalization momentum.
2. Neighborhood Homes Investment Act (NHIA) is coming! We want to be ready.
3. There's a broadening awareness of how the embedded, living legacy of racism continues to deny capital to historically disinvested communities spreading disparities in household wealth across racial categories.

### Caveat!

Under Construction and Subject to Change



## HOW's Jargon

- **Appraisal Gap:** 1) The difference what it costs to build and the low appraisal values originally produced by the overt denial of capital to neighborhoods based on race, today perpetuated by the inability of depressed collateral to secure private reinvestment. 2) Difference in per SF values in disinvested communities vs. more affluent locations.
- **Production Platform:** The public-private “space” producing “Public Goods” such as affordable housing where Actors, Goals, Resources, Rules of the Road, and a broadly shared Ethos interact to generate production - e.g. the LIHTC MF space.
- **Emerging Developer:** New entrant into the development space with solid educational/professional experience, often lacking financial capital, committed to building a business relevant to communities of concern.
- **Legacy Homeowner:** Current resident of a HOW target neighborhood, often low-income senior living in energy inefficient home with significant deferred maintenance or conditions dangerous to life, health and safety.
- **Social Fiber:** The degree to which residents feel socially connected to neighbors.



## HOW: Hierarchy of Goals

The Department is standing up a program to produce quality single-family homes for ownership units strategically selected locations to:

### Primary

- Elevate Property Values to:
  - Build Household Wealth in Historically Redlined Communities;
  - Increase Capital Flows in Disinvested Neighborhoods; and,
  - Spur Revitalization in Disinvested Neighborhoods.

### Secondary

- Expand quality affordable housing opportunities for historically disadvantaged households.
- Address substandard, energy inefficient housing among, “Legacy Homeowners.”
- Encourage the emergence of a new cohort of mission-aligned builders;
- Lower GHGs emissions in the MD SF Stock;
- Generally, create opportunities for Maryland workers and entrepreneurs;

# HOW: Primary Program Elements

## 1. Strategic Investments

- New Construction of Strategically Located, Adequately Sized Assemblages of Quality Affordable.
- Legacy Homeowner Rehabs
- Blight Elimination, Infrastructure, and Public Amenities Strategic assemblages
- All Aligned with local and neighborhood plans.

## 2. Building the Platform

- Emerging Developers and Builders (Actors)
- Reducing Race-predicated Disparities in Household Wealth/Opening Capital Flows (Goals)
- Subsidy Closing the Appraisal Gap (Resources)
- Design and Construction Protocols (Rules of the Road)

## 3. Social Fabric Strengthening



# HOW Rolls Out

## 1. Pilot Phase

- November 2021 \$10MM in ARPA Funds for two neighborhoods becomes available:
- Johnston Square in Baltimore
- The Historic Pine Street Neighborhood in Cambridge on the Maryland's Eastern Shore.

## 2. Formal Program

- A 2nd \$10MM allocation we hope to deploy between before February '24 under a competitive RFP.
- Key Elements:
  - Program Guide
  - Design and Construction Standards
  - Anticipating (give or take) 8 Sites/200 Units

# Baltimore's Johnston Square

## 1. Partner: Rebuild Metro

[https://rebuildmetro.com/wp-content/uploads/2020/04/Johnston\\_Square\\_Vision\\_Plan\\_Final2.pdf](https://rebuildmetro.com/wp-content/uploads/2020/04/Johnston_Square_Vision_Plan_Final2.pdf)

## 2. Elements

- New Construction 34 homes concentrated on Muir and East Biddle Streets
- 35 Rehabs with Legacy Homeowners
- Splitting Demo, Stabilization, and Infrastructure Work

## 2. Status

- 4 Homes for Sale: <https://www.redfin.com/MD/Baltimore/410-E-Biddle-St-21202/home/10829930>
- 17 Building's: Stabilization, Interior Demolition, and Cleanout complete.

## 3. Lessons

- It's all about the Partner.
- No, it's all about the Legacy Homeowners.
- No, really; it's all about the Neighborhood Development Plan.
- OK, Ok, seriously; it really is all about the partner.
- Try to Optimize Development and Construction Schedules - WIP



# HOW's Baltimore Pilot Partner: ReBuild Metro

Interim St. Francis Ballfield - permanent one on the way! ->

Mural/Garden on and beside East Biddle





## ReBuild Metro Units





# The Historic Pine Street Neighborhood Cambridge

## 1. Partner: City of Cambridge, Habitat for Humanity of the Choptank, and Home Partnership, Inc.

<https://tinyurl.com/PineStreetPlan>

## 2. Elements/Status

- New Construction 10-12 homes concentrated on the School
- 12 Rehabs with Legacy Homeowners
- Nuisance uses taken down, water & sewer piping in, park upgrades.
- Habitat for Humanity doing quality complementary construction.

## 3. Lessons

- It's all about the partners.
- No, it's all about the Legacy Homeowners.
- No, really; it's all about the Neighborhood Development Plan.
- Good to have multiple arrows in the quiver and candor among partners.
- OK, Ok, seriously; it really is all about the partners.

# Cambridge: Historic Pine Street Neighborhood

<https://tinyurl.com/WellsfromWest>

<https://tinyurl.com/WellsfromEast>



# HOW Preliminary Keys to Success: Program Level

- 1. Take a Multi-year, Public-Private “Platform” - building approach.**
  - Actors
  - Goals
  - Resources
  - Rules of the Road
  - Ethos
- 2. Turn Internal Silos into Muscle Groups**
  - Acknowledge where perspectives and priorities overlap and diverge;
  - Leverage diverse capacities
  - Focus on a hierarchy of goals.
- 3. Work Concertedly and Continuously w/ Stakeholders.**
  - It's new; the ideas are new; many people will regard it as unproven.
- 1. Proceed Humbly:** It's development - everybody knows something, nobody knows everything, and what you really know is what you've really done. And since we've never done this, ... you get the point.

## HOW: The Future

1. The Governor, Secretary, and Legislature share a deep and high-profile commitment to redressing differences in household wealth across racial groups;
2. Neighborhood Homes Investment Act was just reintroduced <https://neighborhoodhomesinvestmentact.org/> and,
3. Single Family Quality Affordable Production is Relevant for all of Maryland:
  - Aging, Vulnerable Neighborhoods - Often inner ring suburbs;
  - Less Populous Regions pursuing Economic Development Strategies that require housing the market's not providing abot to retain and attract priority workforce segments; and,
  - High priced, Communities of Opportunity, that need economic diversity.

# Resources

## Neighborhood Homes Investment Act

<https://neighborhoodhomesinvestmentact.org/>

## Social Fiber

<https://tinyurl.com/CDC-Social-Connectedness>

<https://weavers.org/>

<https://f4sc-action-guide.netlify.app/>

## City of Cambridge - Pine Street Plan

<https://tinyurl.com/PineStreetPlan>

## Choptank HFH

<https://www.habitat.org/md/trappe/choptank-hfh>

## ReBuild Metro

<https://rebuildmetro.com/>

Mike Bainum, Sean Closkey

## HomePartnership, Inc.

<https://homepartnershipinc.org/>

Frank Hodgetts

## Maryland DHCD

Greg Hare, Director, CDA

Robyne Chaconas, Deputy Director, CDA

Mira Morgan, Special Assistant to the Director CDA

Brien O'Toole, Chief of Housing Production. [Brien.OToole@Maryland.Gov](mailto:Brien.OToole@Maryland.Gov)

Jack Daniels, Director Special Loans and Administration

Cindy Stone, Director, Community Development Programs



DEPARTMENT OF HOUSING  
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