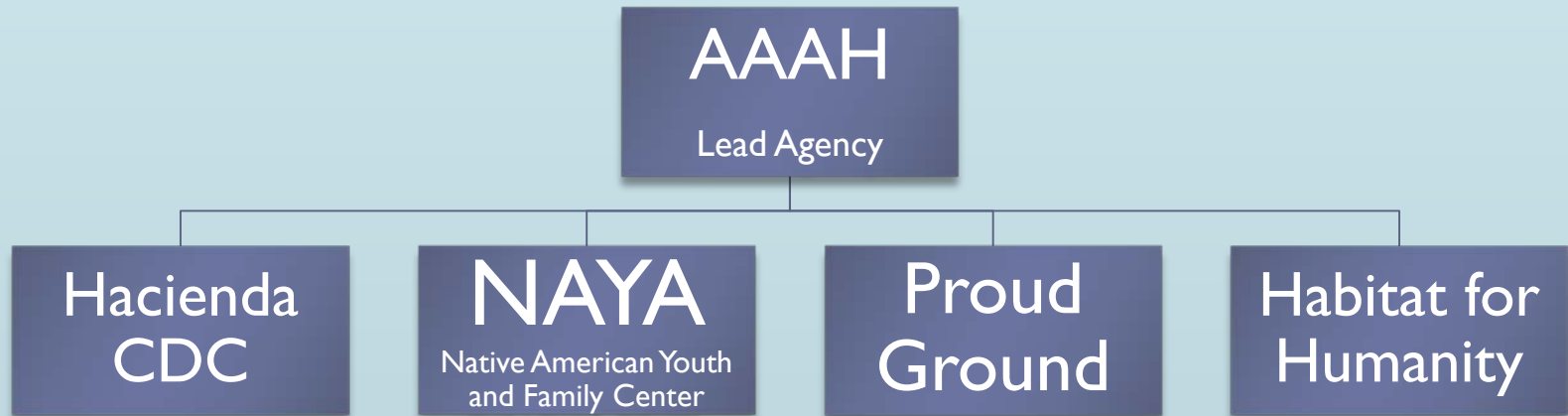


N/NE Neighborhood Housing Strategy

AAAHH Collaborative

AAAH Collaborative



Partner Introductions



- ▶ **AAAH – African American Alliance for Homeownership**
- ▶ **Program Offered**
 - ▶ **Down Payment Assistance Loan**
- ▶ **AAAH's** mission is to increase homeownership and economic stability for African Americans and other underserved groups by improving access, ensuring advocacy, and providing awareness and education. AAAH services are free and open to the public. These services include Homebuyer Education Classes, the Annual African American Homeownership Fair, Annual Lents Festival, Pre-purchase, Foreclosure and Credit Counseling, Individual Development Accounts (IDA), and Financial Capability Program. Since 1999, AAAH has supported over 3,500 first-time homebuyers through our innovative programs.

825 NE 20th Avenue, Ste 225

Portland, OR 97232

503-595-3517

www.aaah.org

Partner

▶ Hacienda CDC

▶ Program Offered

▶ Down Payment Assistance Loan

- ▶ **Hacienda CDC's** mission is to develop affordable housing and build thriving communities in support of working Latino families and others in the region by promoting healthy living and economic advancement. Hacienda has served approximately 3,200 people of color residing in Oregon. Hacienda offers residential and community services such as community building, youth and adult programs. Our Homeownership Support Program provides one-on-one counseling and group education for potential homebuyers as well as helping current homeowners avoid foreclosure. All of our programs and classes are free and open to all.



Partner

- ▶ **NAYA – Native American Youth and Family Center**

- ▶ **Program Offered**

- ▶ **Down Payment Assistance Loan**



- ▶ **The Native American Youth and Family Center (NAYA)** works to enrich the lives of our Native youth and families through education, community involvement, and culturally specific programming. We have provided educational services, cultural arts programming, and direct support to reduce poverty to Portland's American Indian and Alaska Native community for over 30 years. NAYA Family Center offers culturally specific Homebuyer Education and Counseling that is free and open to everyone.

Partner

▶ **Proud Ground**

▶ **Program Offered**

▶ **Permanent Affordability**

- ▶ Utilizing the Community Land Trust model of permanent affordability, expand homeownership opportunities for low- and moderate-income families so they can live or remain in the community of their choice. Serve as a leading strategic partner to improve affordability region-wide, with a focus on areas affected by displacement.
- ▶ A livable, equitable and economically viable community where every family can thrive.



Partner

▶ **Habitat for Humanity**

▶ **Program Offered**

▶ **Self-Help Homeownership**

- ▶ **Habitat for Humanity** provides a unique opportunity for families to help build and buy their own homes. Our homes are sold at no profit to the organization for a low interest affordable mortgage. Habitat mortgage payments (which include taxes, insurance, and condo fees, if applicable) are set at the time of sale and are no more than 30% of the families monthly gross income. Habitat for Humanity homeowners mortgage payments are put into a revolving fund that helps pay for construction of future houses in the Portland/Metro East community.



Housing Options



Down Payment Assistance Loan (DPAL)

- AAAH
- Hacienda CDC
- NAYA

Permanent Affordability

- Proud Ground



Self-Help Homeownership

- Habitat for Humanity



Housing Option

Down Payment Assistance Loans



▶ **Down Payment Assistance Loans**

- ▶ **How it works:** Homebuyers receive financial assistance toward the down payment on a home—either one owned by a community development agency or one listed on the real estate market. This assistance comes in the form of a no-interest loan with no obligation to pay for 30 years, or until the home is sold.
- ▶ **Homebuyer History:** Have not owned a home within the last three years
- ▶ **Income level:** Moderate and above
(70-100% of the median family income.)
- ▶ **Program Benefits:**
Reduced up-front cost and monthly mortgage payments
Full ownership after loan repayment and full resale value
- ▶ **Things to Consider:** Down payment assistance is a silent second mortgage loan
- ▶ **Requirements:** Homebuyer must work with a HUD Approved Housing Counseling Agency to become Mortgage ready and attend an 8-Hour Homebuyer Education Class to create a “Client Action Plan” to help them reach minimum loan requirements.
- ▶ **Minimum credit score:** 620

Housing Option Permanent Affordability



▶ Permanent Affordability

- ▶ **How it works:** Lower-to moderate-income families receive a grant to assist with the down payment on a home that's made available by a community nonprofit. These homes are kept forever-affordable for all future homebuyers through an agreement with the nonprofit that the homeowner will resell the home at a price that provides them a return on their investment while still being affordable to the next income-qualified buyer. The grant does not need to be repaid.
- ▶ **Homebuyer History:** Haven't owned a home within the last three years
- ▶ **Income Level:** Lower – Moderate (60-80% of the median family income)
- ▶ **Program Benefits:** Below-market purchase price and lower mortgage payments.
- ▶ **Things to Consider:** A portion of the appreciation (increased property value) of the home goes toward maintaining the affordability of the property when the home is sold.
- ▶ **Requirements:** Must have two years of employment history in the same line of work. Homebuyers must also work with a homeownership counseling agency on a "Client Action Plan" to help them reach minimum loan requirements. Must complete 58 hrs per buyer post purchase volunteer work on your own home within 3 months of purchase.
- ▶ **Minimum credit score:** 620



How does it
work?



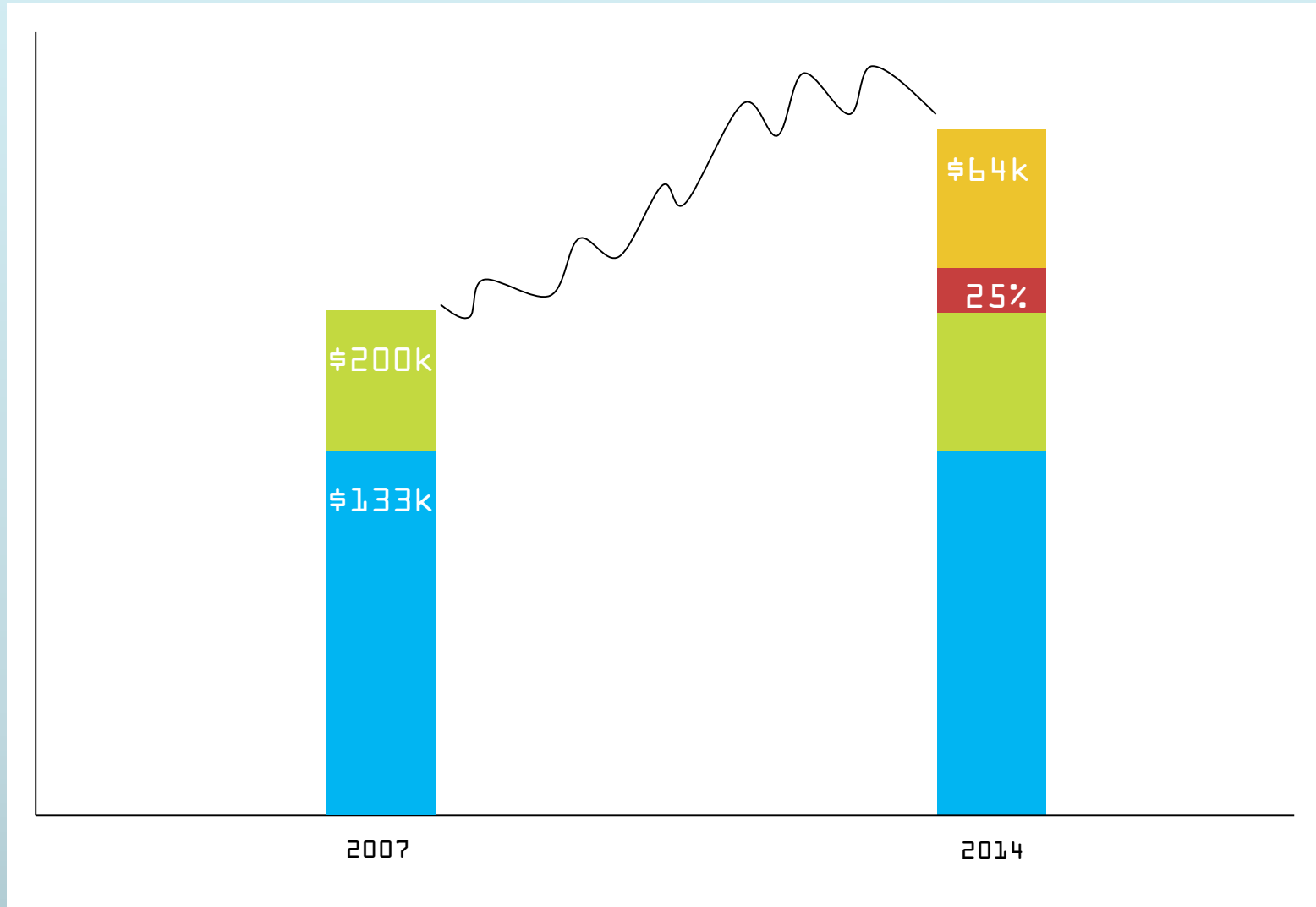
What's a land lease?





What does this mean?



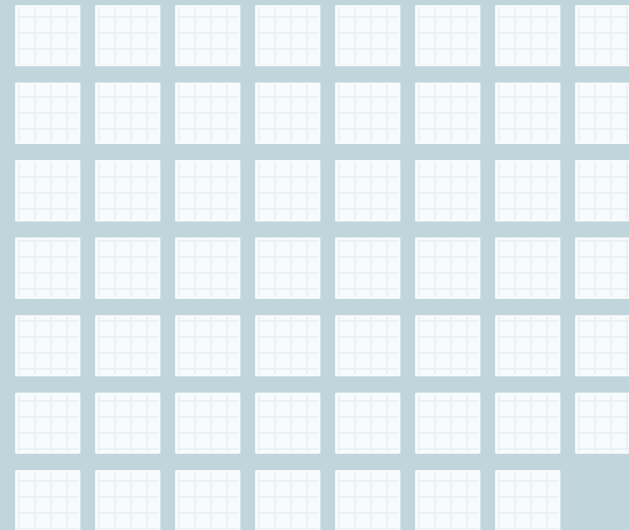
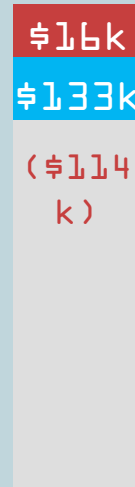


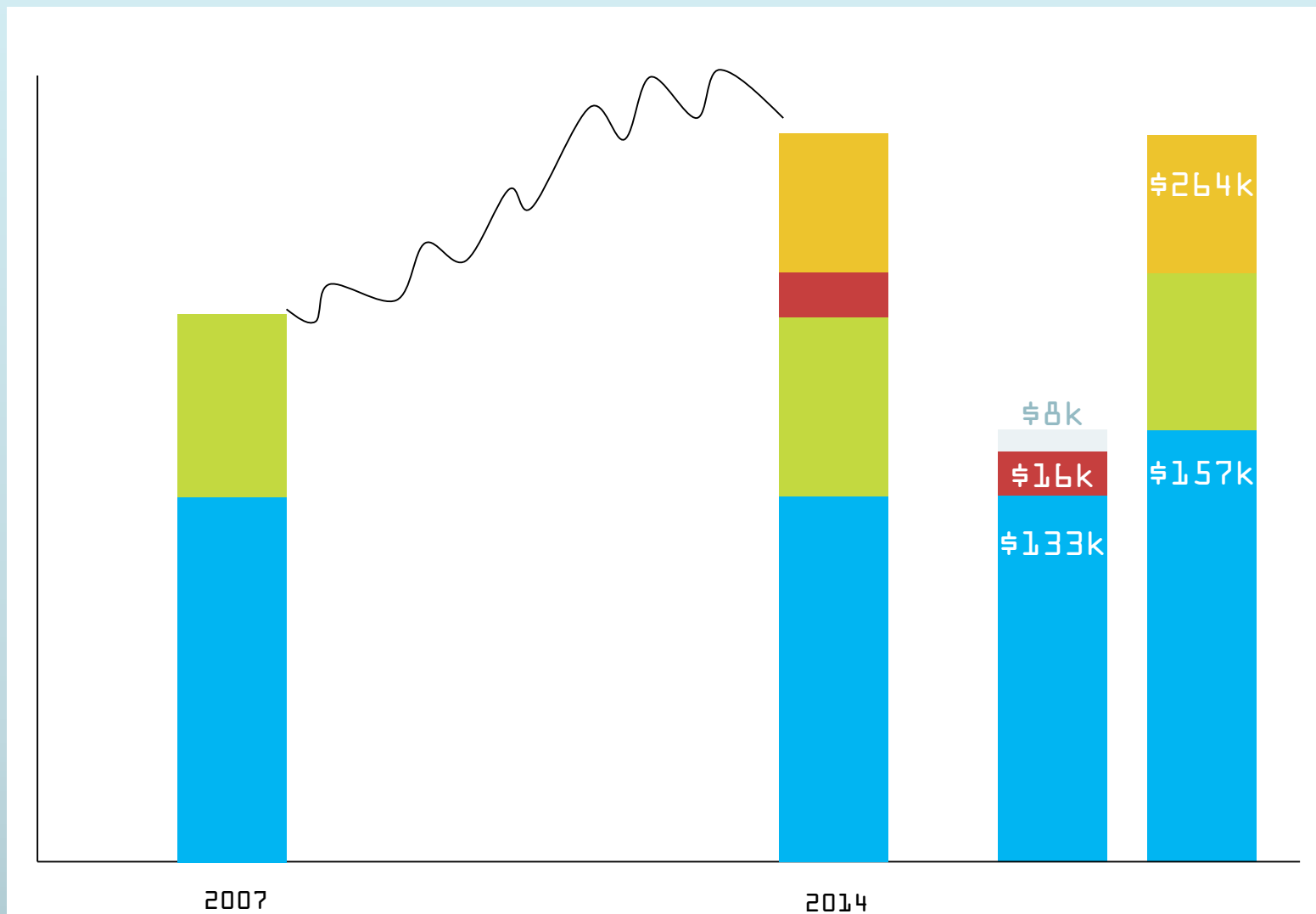
The resale formula





How did Kevin & Marie do?





Homes Available in N/NE



9414 N Woolsey

2 bedrooms, 1 bath

\$182,000 (\$1,145/mo.*)

Est. Market Price: \$252,000

Est. Income Needed:

\$41,000/year



4091 N Attu

3 bedrooms, 2 bath

\$228,000 (\$1,280/mo.*)

Est. Market Price: \$300,000

Est. Income Needed:

\$46,000/year

*Estimate only – actual monthly payments will be determined by your lender.



Housing Option

Self-Help Homeownership



▶ Self-Help Homeownership

- ▶ **How it works:** Very low to low income homebuyers receive a low interest affordable mortgage loan to purchase a new Habitat home or a renovated home. In this unique “build it and buy it” program, homebuyers contribute 300-500 hours of volunteer time called “sweat equity” during the construction of their homes. Volunteer hours can be completed at the construction site, our ReStores, in the office and by taking homeowner education classes.
- ▶ **Homebuyer History:** Haven’t owned a home within the last three years
- ▶ **Income Level:** Very Low – Low
(35-60% of the median family income)
- ▶ **Program Benefits:**
 - Low monthly housing payments set at no more than 30% of the buyer’s gross monthly income (before taxes).
 - No specific credit score requirement
 - No down payment required
- ▶ **Things to Consider:** Homeowners share a portion of the appreciation on their home when they sell, determined by how many years they have lived in the home.
- ▶ **Requirements:** Must complete 300-500 volunteer hours and all mandatory classes. Homebuyers must also work with a homeownership counseling agency on a “Client Action Plan” to help them qualify for an affordable mortgage loan through Habitat for Humanity.
- ▶ **Minimum credit score:** NA

Habitat for Humanity will:

- Build or remodel a house alongside our partner families.
- Sell partners the Habitat house with a low interest loan.
- Provide opportunities for partners to learn the skills needed to own and maintain a house.



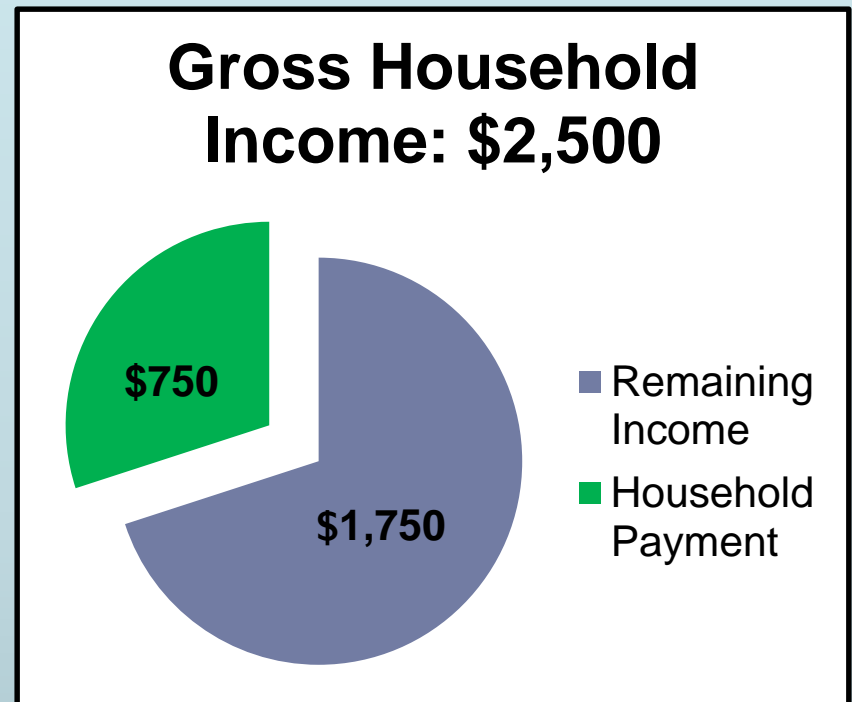
House Design Standards



Monthly Payment

- ▶ At the time of sale Habitat sets the mortgage payment at no more than 30% of a partner's gross monthly income.
- ▶ 30% includes:
 - ▶ Property taxes
 - ▶ Homeowners Association Dues
 - ▶ Mortgage payment

EXAMPLE:



The mortgage payment will **not** change after the sale.



Application Qualifications and Requirements

- ▶ Must be a U.S. citizen or permanent legal resident.
- ▶ Must not have owned a home in the past 3 years.
- ▶ Steady income and decent credit history.
- ▶ Commit 300-500 hours of sweat equity.
- ▶ 35%-60% of the median Portland area household income

Volunteer hours or “Sweat Equity”

- ▶ Partners are required to complete 300 to 500 sweat equity hours
- ▶ We will work with you and your schedule.
- ▶ Friends and family can help with the hours.



HUD'S 2016 Median Family Income (MFI) Chart

Household Size	30%	40%	45%	50%	55%	60%	65%	80%	2016 100%	120%
1	15,400	20,560	23,130	25,700	28,270	30,840	33,410	41,100	51,310	61,572
2	17,600	23,480	26,415	29,350	32,285	35,220	38,155	46,950	58,640	70,368
3	19,800	26,400	29,700	33,000	36,300	39,600	42,900	52,800	65,970	79,164
4	22,000	29,320	32,985	36,650	40,315	43,980	47,645	58,650	73,300	87,960
5	23,800	31,680	35,640	39,600	43,560	47,520	51,480	63,350	79,164	94,997
6	25,550	34,040	38,295	42,550	46,805	51,060	55,315	68,050	85,028	102,034
7	27,300	36,360	40,905	45,450	49,995	54,540	59,085	72,750	90,892	109,070
8	29,050	38,720	43,560	48,400	53,240	58,080	62,920	77,450	96,756	116,107