Let’s Go Better Listening Session
Affordable Homeownership, 8/26/2021
Welcome to the First #Let’sGoBetter Listening Session

Language Interpretation Services

• Simultaneous interpretation services are being provided for this meeting.

• To switch languages from English, please select the globe icon that will appear at the bottom of your screen and select the language of your choice.

• If you are listening in English, choose English.
Agenda
8/26

- Language Access Orientation
- Introductions
- Mayor Janey’s Vision for Boston’s Federal Funds
- Funding Overview & Timeline
- The Current Reality of Homeownership in Boston
- Existing Efforts and Best Practices
- Listening Session
- Conclusion
Closed Captioning

Closed captioning is being provided. To access:
1. Find “Closed Caption”
2. Drop-down menu

Subtítulos

Se proporcionan subtítulos. Para acceder:
1. Busque “Closed Caption” (Subtítulos)
2. Abra el menú desplegable
Zoom Protocols - How to Participate

- We will be recording the presentation and posting it on our website and will shut off the recording during the question and answer period.

- Please ask questions by typing them in the chat. If we do not get to your question or are on a phone, you can email the recover@boston.gov and we will answer your questions in the coming days.
Participant Controls

Audio
Mute and unmute your microphone. Audio Controls (click the ^ arrow next to Mute / Unmute): Allows you to change the microphone and speaker that Zoom is currently using on your computer, leave computer audio, and access the full audio settings.

Video
Start Video / Stop Video: Turns your camera on or off.

Participants
Participants: See who's currently in the meeting.

Chat
Chat: Access the chat window to chat with other participants.

Reactions
Reactions: Meeting reactions, nonverbal feedback, and Raise Hand allow you to communicate issues or feedback to the host or presenter without disrupting the meeting. These reactions are shown on your video panel and next to your name on the participants panel.

Interpretation
To switch languages, please select the globe icon that will appear at the bottom of your screen and select the language of your choice.
• Language Access Orientation
• Introductions
• Vision for Boston’s Federal Funds
• Funding Overview & Timeline
• The Current Reality of Homeownership in Boston
• Existing Efforts and Best Practices
• Listening Session
• Conclusion
Introduction (5 min) - Emilio

Language Access Orientation (3 min) - Omar

Mayor Janey’s Vision for Boston’s Federal Funds (5 min) - Omar

Funding Overview & Timeline (3 min) - Omar

Briefing on the current reality of problem/gap in Boston (7 min) - Maureen
  - Highlight wealth gap

Existing efforts and thoughts on best practices (7 min) Sheila
  - Let's give people a sense of context and how much things cost

Listening Session (60 min) - Intro - Emilio 2-3 minutes
  - Homeownership (30 minutes) - Maureen
    - Policies and programs to help homebuyers
  - Housing Production (30 minutes) Emilio/Sheila
    - Policies and programs to help us build more/affordable housing

Report back (10 min) (In summary idea & next steps)
Introductions

OMAR KHOSHAFA
Director of Key Initiatives & Strategic Planning, Mayor’s Office

EMILIO DORCELY
Chief Executive Officer, Urban Edge

SHEILA DILLON
Chief of Housing, Director of Neighborhood Development

MAUREEN FLYNN
Deputy Director, Boston Home Center, Department of Neighborhood Development
Vision for Boston’s Federal Funding

An Equitable Recovery for All Boston Residents

Strengthening Our Health and Well-Being
- Opioid Epidemic
- Violence & Trauma
- Food Insecurity

Training our Workforce for the Future
- Career Training
- Digital Access
- Quality Jobs & Childcare

Closing the Racial Wealth Gap
- Homeownership
- Small businesses
Vision for Boston’s Federal Funding

Public Health

Wealth

Jobs

Additional Lens

While exploring investment opportunities in these areas, there will be an emphasis on solutions that incorporate Arts & Culture and Climate Resiliency.
What are Boston’s available resources for recovery?

Funding Overview

- American Rescue Plan Local Aid
- American Rescue Plan - School
- American Rescue Plan - Housing and Homelessness
- Massachusetts Recovery Funds
- Infrastructure Investment and Jobs Act
- FEMA Reimbursements
- City Operating Budget
- CARES Act (March 2020)
- Coronavirus Relief Bill (December 2020)

Equitable Recovery
What is the impact of ARPA local aid in Boston?

Total Funds
- Boston estimated to receive **$558 Million** from ARPA, with $424 Million coming directly to Boston and an additional $134 Million from Suffolk County to come from the Commonwealth.

- **$136.5 Million** has been allocated to date for emergency relief investments and stabilizing Boston’s budget

Guardrails
- ARPA funding must be committed **through December 2024**
- Fit into one of the eligible “uses” of spending on the next slide
What are Boston’s eligible uses of ARPA Funding?

**Funding Overview**

**Support Public Health Response**
- Services to contain and mitigate the spread of COVID-19, including vaccination, medical expenses, testing, contact tracing, quarantine costs, capacity enhancements, and many related activities
- Behavioral healthcare services, including mental health or substance misuse treatment, crisis intervention, and related services
- Payroll and covered benefits for public health, healthcare, human services, and public safety staff to the extent that they work on the COVID-19 response

**Address Negative Economic Impacts**
- Deliver assistance to workers and families, including support for unemployed workers, aid to households, and survivor’s benefits for families of COVID-19 victims
- Support small businesses with loans, grants, in-kind assistance, and counseling programs
- Speed the recovery of impacted industries, including the tourism, travel, and hospitality sectors
- Rebuild public sector capacity by rehiring staff, replenishing state unemployment insurance funds, and implementing economic relief programs

**Equity-Focused Services**
- Additional flexibility for the hardest-hit communities and families to address health disparities, invest in housing, address educational disparities, and promote healthy childhood environments
- Broadly applicable to Qualified Census Tracts, other disproportionately impacted areas, and when provided by Tribal governments

**Replace Public Sector Revenue Loss**
- Ensure continuity of vital government services by filling budget shortfalls
- Revenue loss is calculated relative to the expected trend, beginning with the last full fiscal year pre-pandemic and adjusted annually for growth
- Recipients may re-calculate revenue loss at multiple points during the program, supporting those entities that experience revenue loss with a lag

**Broadband Infrastructure**
- Focus on households and businesses without access to broadband and those with connections that do not provide minimally acceptable speeds
- Fund projects that deliver reliable service with minimum 100 Mbps download / 100 Mbps upload speeds unless impracticable
- Complement broadband investments made through the Capital Projects Fund

**Water & Sewer Infrastructure**
- Includes improvements to infrastructure, such as building or upgrading facilities and transmission, distribution, and storage systems
- Eligible uses aligned to Environmental Protection Agency project categories for the Clean Water State Revolving Fund and Drinking Water State Revolving Fund
What will the process look like?

Timeline

1. Aug - Sept
   Launch public engagement campaign & gather input with digital tools and community meetings

2. September
   Taskforce will synthesize feedback into draft ARP investment recommendations

3. Oct - Mid Nov
   Mayor releases ARP proposal & holds public comment period

4. Mid Nov - Dec
   Incorporate feedback and publish final version of ARP investments, hold Council hearings & vote

Phase 1 Events

- Affordable homeownership (Aug 28)
- Supporting small businesses (Aug 31)
- Substance use disorders (Sep 1)
- Access to Internet and career training (Sep 1)
- Career training for quality jobs (Sep 8)
- Quality jobs and childcare (Sep 15)

Phase 1 Tools

- More info: Boston.gov/recover
- Survey: bit.ly/gobetterbos
- Phone: Call 311 to provide your feedback
- Meetings: bit.ly/gobettermeetings
Boston’s Equitable Recovery Taskforce Members

Aisha Francis, CEO, Benjamin Franklin Institute of Technology
Andrea Swain, Executive Director, Yawkey Club of Roxbury
Ayele Shakur, CEO, BUILD
Bob Giannino, CEO, United Way
Bob Luz, CEO, Mass Restaurant Association
Catherine D’Amato, President & CEO of Greater Boston Food Bank
Corey Thomas, CEO, Rapid7
Dan Hunt, State Representative
Danella Clark, President, Boston Arts Academy Foundation
Darlene Lombos, Executive Secretary, Greater Boston Labor Council
Elsie Tavera, Chief Health Equity Officer, Mass General Brigham
Emilio Dorcely, CEO, Urban Edge
Emily Ruddock, Executive D, MASSCreative
Frederica Williams, CEO, Whittier Street Health Center
Glynn Lloyd, Executive Director, Foundation for Business Equity
Gustavo Quiroga, Director of Neighborhood Strategy/Development, Graffito
Jacqueta Van Zandt, Vice President of Engagement, The Partnership
Jaimie McNeil, General Agent, UNITE HERE Local 26
Jim Rooney, President & CEO, GB Chamber of Commerce
Joel Sklar, Board Chair, Boston Main Streets; Principal, Samuels & Associates
Kalila Barnett, Program Officer, Climate Resilience, Barr Foundation
Karen Chen, Executive Director, Chinese Progressive Association
Lew Finfer, Special Projects Director, Massachusetts Communities Action Network
Manny Lopes, President/CEO, East Boston Neighborhood Health Center
Michael Curry, President & CEO, Mass League of Community Health Centers, Co-Chair, COVID-19 Health Inequities Task Force
Michael Flaherty, Boston City Councilor, At-Large Chair, Committee on COVID-19 Recovery
Pam Kocher, President, Boston Municipal Research Bureau
Quincy Miller, President, Eastern Bank
Sam Acevedo, Executive Director, Boston Higher Education Resource Center
Segun Idowu, Executive Director, Black Economic Council of MA (BECMA)
Stacy Thompson, Executive Director, Liveable Streets
Suzanne Lee, Former Principal, Josiah Quincy School President Emeritus, Chinese Progressive Association
Symone Crawford, Director of Homeownership Education, MAHA
Tomas Gonzalez, COO, Core Cannabis
Vanessa Calderon-Rosado, CEO, Inquilinos Boricuas en Accion
Willie Broderick II, Senior Pastor, Twelfth Baptist Church
Affordable Homeownership
A Briefing on the Current Reality
There are significant disparities in the homeownership rate, by race/ethnicity, which contributes to the disparities in wealth.

### Homeownership Rate

As a percent of each race/ethnicity

<table>
<thead>
<tr>
<th>Race</th>
<th>Homeownership Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Races</td>
<td>35%</td>
</tr>
<tr>
<td>White</td>
<td>44%</td>
</tr>
<tr>
<td>Black</td>
<td>30%</td>
</tr>
<tr>
<td>Latinx</td>
<td>16%</td>
</tr>
<tr>
<td>Asian</td>
<td>29%</td>
</tr>
</tbody>
</table>

Source: ACS 2015-2019 5-year estimates, Table B25003. Race/ethnicity categories sum to more than Total HHs because there is some overlap between race and ethnicity.
CLOSING THE HOMEOWNERSHIP GAP IN BOSTON
A national issue with profound impacts on BIPOC households

<table>
<thead>
<tr>
<th></th>
<th>Total Households (Renter + Owner)</th>
<th>Of Total Households, 51% are White, 22% are Black, etc.</th>
<th>Total Ownership Households</th>
<th>Of All Ownership Households, 64% are White, 19% are Black, etc.</th>
<th>How many ownership HHs would each race/ethnicity have if their Ownership share was proportional to their share of Total HHs?</th>
<th>Gap: Num of HHs who need to become Ownership HHs for their Ownership Share to be Proportional to their Share of Total Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>White non-Hispanic</td>
<td>137,415</td>
<td>51%</td>
<td>60,586</td>
<td>64%</td>
<td>48,147</td>
<td>-12,439</td>
</tr>
<tr>
<td>Black, non-Hispanic</td>
<td>60,096</td>
<td>22%</td>
<td>17,786</td>
<td>19%</td>
<td>20,769</td>
<td>2,983</td>
</tr>
<tr>
<td>Hispanic/Latino</td>
<td>45,774</td>
<td>17%</td>
<td>7,535</td>
<td>8%</td>
<td>16,049</td>
<td>8,514</td>
</tr>
<tr>
<td>Asian, non-Hispanic</td>
<td>24,545</td>
<td>9%</td>
<td>7,224</td>
<td>8%</td>
<td>8,497</td>
<td>1,273</td>
</tr>
<tr>
<td>Two or More races, non-Hispanic</td>
<td>10,570</td>
<td>4%</td>
<td>2,351</td>
<td>2%</td>
<td>3,776</td>
<td>1,425</td>
</tr>
<tr>
<td>Other, non-Hispanic</td>
<td>15,939</td>
<td>6%</td>
<td>2,317</td>
<td>2%</td>
<td>5,664</td>
<td>3,347</td>
</tr>
<tr>
<td>Am. Indian/Alaskan Native, non-Hisp</td>
<td>732</td>
<td>0.3%</td>
<td>139</td>
<td>0.1%</td>
<td>283</td>
<td>144</td>
</tr>
<tr>
<td>Native Hawaiian/Pac. Islander, non-Hisp</td>
<td>161</td>
<td>0.1%</td>
<td>24</td>
<td>0.03%</td>
<td>94</td>
<td>70</td>
</tr>
<tr>
<td>Total Households*</td>
<td>269,522</td>
<td>100%</td>
<td>94,406</td>
<td>100%</td>
<td>-</td>
<td>17,757</td>
</tr>
</tbody>
</table>

Understanding the Gap: For Example: Hispanic/Latinx households make up 17% of all HHs, but only 8% of all ownership HHs. In order for Hispanic/Latinx HHs to make up 17% of all ownership HHs, approximately 8,514 Hispanic/Latinx HHs would need to become homeowners.

Source: ACS 2015-2019 5-year estimates, Table B25003. Race/ethnicity categories sum to more than Total HHs because there is some overlap between race and ethnicity. These are all estimates based on the best data we have available at the time. This analysis brings all races/ethnicities to a 35% ownership rate (current citywide rate).
Why is closing the homeownership gap so important?

- Closing the homeownership gap can help close the wealth gap as homeownership remains the way most individuals and families build wealth in the US.

- According to the Federal Reserve, as of 2019, the typical white family has eight times the wealth of the typical black family and five times the wealth of the typical Latinx family.

- Homeownership is also a means for wealth to be transferred from one generation to another in that parents who own homes have the ability to tap into equity for their children’s downpayments, education, and other investments for the future.
The Barriers to Homeownership Working Group identified five top barriers to first time homeownership, particularly for low- and moderate income buyers and BIPOC (Black, Indigenous and People of Color) buyers:

1. Lack of affordable supply & high cost entry into homeownership
2. Lack of downpayment, especially for “first generation” buyers
3. Low Credit Scores
4. High Student Loan Debt
5. Inability to compete with cash offers
Current Programs to Address These Barriers

Mitigating impact on BIPOC households

Current Programs that Address Lack of Supply/High Cost

- **ONE+Boston** - offers a discounted interest rate & increased downpayment/closing cost assistance, which results in more purchasing power for first time buyers. In other words, buyers can afford to buy more house.

To date, over 70% ONE+Boston buyers are BIPOC and over 45% who purchased with ONE+ earned below 80% AMI and nine were below 60% AMI.

---

**THE ONE+Boston DIFFERENCE**

<table>
<thead>
<tr>
<th>MORTGAGE TYPE</th>
<th>Conventional</th>
<th>ONE Mortgage</th>
<th>ONE+Boston</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase Price</td>
<td>$306,000</td>
<td>$397,000</td>
<td>$450,000</td>
</tr>
<tr>
<td>Your Down Payment Funds</td>
<td>$15,300</td>
<td>$5,955</td>
<td>$6,750</td>
</tr>
<tr>
<td>Interest Rate</td>
<td>3.5%</td>
<td>3%</td>
<td>2%</td>
</tr>
<tr>
<td>Private Mortgage Insurance</td>
<td>$322</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Taxes &amp; Hazard Insurance</td>
<td>$361</td>
<td>$467</td>
<td>$527</td>
</tr>
<tr>
<td>MHP Interest Subsidy</td>
<td>$0</td>
<td>-$102</td>
<td>-$104</td>
</tr>
<tr>
<td><strong>Total Monthly Payment</strong></td>
<td>$1,989</td>
<td>$1,989</td>
<td>$1,989</td>
</tr>
</tbody>
</table>
## CURRENT EFFORTS: INCREASING THE SUPPLY OF AFFORDABLE HOMEOWNERSHIP UNITS

<table>
<thead>
<tr>
<th>2011-To Date</th>
<th>Total Owner Units</th>
<th>Affordable Owner Units</th>
<th>DND Funding</th>
<th>All Public Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>PUBLICLY FUNDED</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Complete</td>
<td>534</td>
<td>284</td>
<td>$29,559,209</td>
<td>$39,744,079</td>
</tr>
<tr>
<td>In Construction</td>
<td>72</td>
<td>50</td>
<td>$7,401,075</td>
<td>$7,401,075</td>
</tr>
<tr>
<td>Total</td>
<td>606</td>
<td>334</td>
<td>$36,960,284</td>
<td>$47,145,154</td>
</tr>
<tr>
<td>PRIVATE</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Complete</td>
<td>8,149</td>
<td>303</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>In Construction</td>
<td>2,226</td>
<td>206</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Total</td>
<td>10,375</td>
<td>509</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>ALL</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Complete</td>
<td>8,683</td>
<td>587</td>
<td>$29,559,209</td>
<td>$39,744,079</td>
</tr>
<tr>
<td>In Construction</td>
<td>2,298</td>
<td>256</td>
<td>$7,401,075</td>
<td>$7,401,075</td>
</tr>
<tr>
<td>Total</td>
<td>10,981</td>
<td>843</td>
<td>$36,960,284</td>
<td>$47,145,154</td>
</tr>
</tbody>
</table>
### Neighborhood Homes Initiative (NHI 2015+)

<table>
<thead>
<tr>
<th></th>
<th>Units</th>
<th>DND Funding</th>
<th>DND Real Estate (Sq Feet)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complete</td>
<td>117</td>
<td>$9,070,456</td>
<td>369,471</td>
</tr>
<tr>
<td>In Construction</td>
<td>18</td>
<td>$1,733,473</td>
<td>57,863</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>135</strong></td>
<td><strong>$10,803,929</strong></td>
<td><strong>427,334</strong></td>
</tr>
</tbody>
</table>
### CURRENT EFFORTS TO ADDRESS THESE BARRIERS

**Active Homeownership Pipeline**

<table>
<thead>
<tr>
<th>Pipeline</th>
<th>Total Homeowner Units</th>
<th>Affordable Homeowner Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>PUBLICLY FUNDED</td>
<td>813</td>
<td>497</td>
</tr>
<tr>
<td>PRIVATELY FUNDED</td>
<td>4,331</td>
<td>429</td>
</tr>
<tr>
<td>ALL</td>
<td>5,144</td>
<td>926</td>
</tr>
</tbody>
</table>

**Average Cost per Unit** - $150K/unit per affordable unit in ownership deals = we will need about $74 million to pay for all of the 497 units in our pipeline. Much of which is in the City budget.
Recently Expanded Programs to address lack of funds for downpayment, especially for “first generation” buyers

- **Increased Financial Assistance**
  - Increased downpayment/closing cost assistance from an average of $10,000 per household to up to $40,000 per household
  - Made more households eligible for our assistance - increased eligibility from 120% AMI to 135% AMI

- **First Generation Homebuying Program**
  - In partnership with MAHA, providing 2:1 match of a grant up to $5000 for first generation buyers to put toward closing costs/downpayments.
Programs Currently “Under Construction” or Exploration

- **Credit Boost** program to provide grants for first time buyers to increase their scores.

- Working in conjunction with Mayor’s Office iLab to understand student debt load and exploring programs that would suspend debt during purchasing process and add it to the debt on the home.

- Exploring ways a first time homebuyer could partner with a non-profit to offer 100% cash on properties.
## Wealth Effect of Expanding Homeownership

Wealth accumulated in income-restricted and open market home sales

<table>
<thead>
<tr>
<th>Wealth Effect of Homeownership</th>
<th>Income Restricted Units</th>
<th>Open Market Sales 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>AVG Ownership Period</td>
<td>9.8</td>
<td>5.8</td>
</tr>
<tr>
<td>AVG Value Growth (Wealth Accumulated)</td>
<td>$104,256</td>
<td>$194,000</td>
</tr>
<tr>
<td>AVG Annual % Growth in Value</td>
<td>4.6%</td>
<td>4.7%</td>
</tr>
</tbody>
</table>
Discussion
Increasing Access to & Supply of Affordable Homeownership Units
DISCUSSION: STRENGTHENING PROGRAMS TO ASSIST HOMEBUYERS

- How can we target assistance to those that need it most?
- Are there other current programs that we should be expanding?
- Are there new solutions or initiatives we should start?
● Should the City of Boston continue to fund production of affordable homeownership units?

● Are there new homeownership types that the City should consider supporting or “incentivizing”?

● Are there ways to decrease the cost of production so that we can build more?

● Other Ideas?
Conclusion - What We Heard
Conclusion - Next Steps
Next Steps

- Spread the word about the other #LetsGoBetter meetings
  - Repeating this meeting on 9/16
  - Other meetings on small businesses, substance use crisis, internet access, career training and childcare.
- You can also email us any follow up questions at [recover@boston.gov](mailto:recover@boston.gov)

---

**BOSTON, LET'S GO BETTER!**

Help inform how the City of Boston invests $400m in one-time federal funds to jumpstart Boston's equitable recovery.

To participate, you can fill out our survey, join us for a community meeting (schedule below), call 311 or visit [boston.gov/recover](http://boston.gov/recover) to learn more.

**Initial Community Meetings**

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>August 26</td>
<td>5:30-7:30pm</td>
<td>Affordable Homeownership</td>
</tr>
<tr>
<td>August 31</td>
<td>(3pm)</td>
<td>Supporting Small Businesses</td>
</tr>
<tr>
<td>September 1</td>
<td>(12pm)</td>
<td>Substance Use Disorders</td>
</tr>
<tr>
<td>September 1</td>
<td></td>
<td>Access to Internet &amp; Career Training</td>
</tr>
</tbody>
</table>

**Future Meetings**

- September 8: Career Training for Quality Jobs (i.e. green jobs, life sciences)
- September 14: Supporting Small Businesses
- September 15: Quality Jobs & Childcare
- September 16: Affordable Homeownership
- October: Additional community meetings

---

To request translation and/or interpretation services, please contact: noreily.cirino@boston.gov and LCA@boston.gov two weeks in advance.

---

CITY OF BOSTON