Expanding Homeownership: Public Policies to Increase Supply & Equity

Tyler v. Hennepin County

01

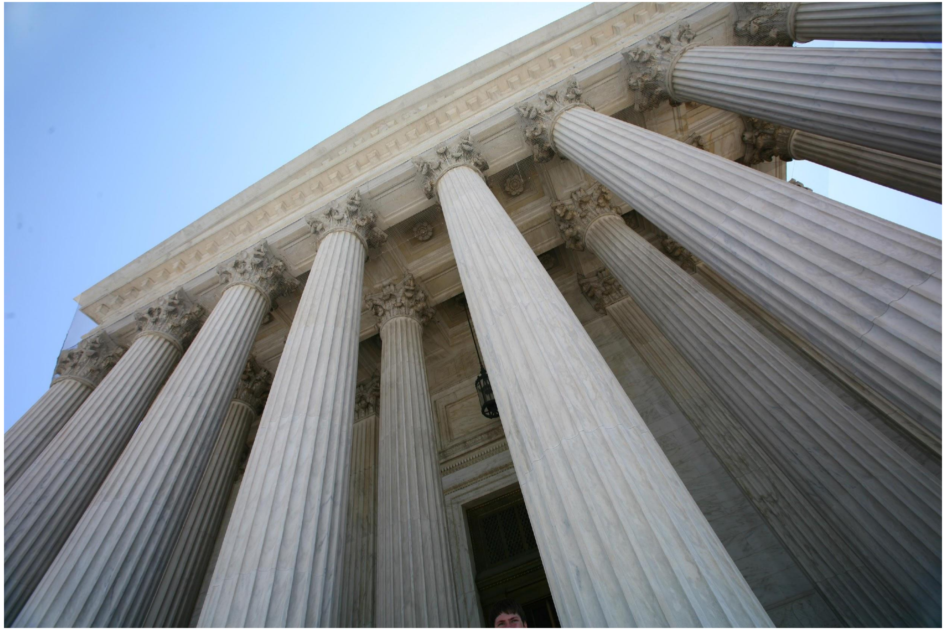
Geraldine Tyler moved out of condo in 2010

Leased an apartment

- Didn’t pay condo property taxes of $2,300
- Government added on $13K in penalties, fines, and interest
- Debt ended up totaling $15K
- County sold her $40k condo to settle debt
- County pocketed remaining equity of $25K

Tyler v. Hennepin County

02



In 2023, U.S. Supreme Court said Minnesota violated the Fifth Amendment's takings clause.

By pocketing the equity or surplus value from the sale of a tax delinquent property it went beyond solely debt collection.

03

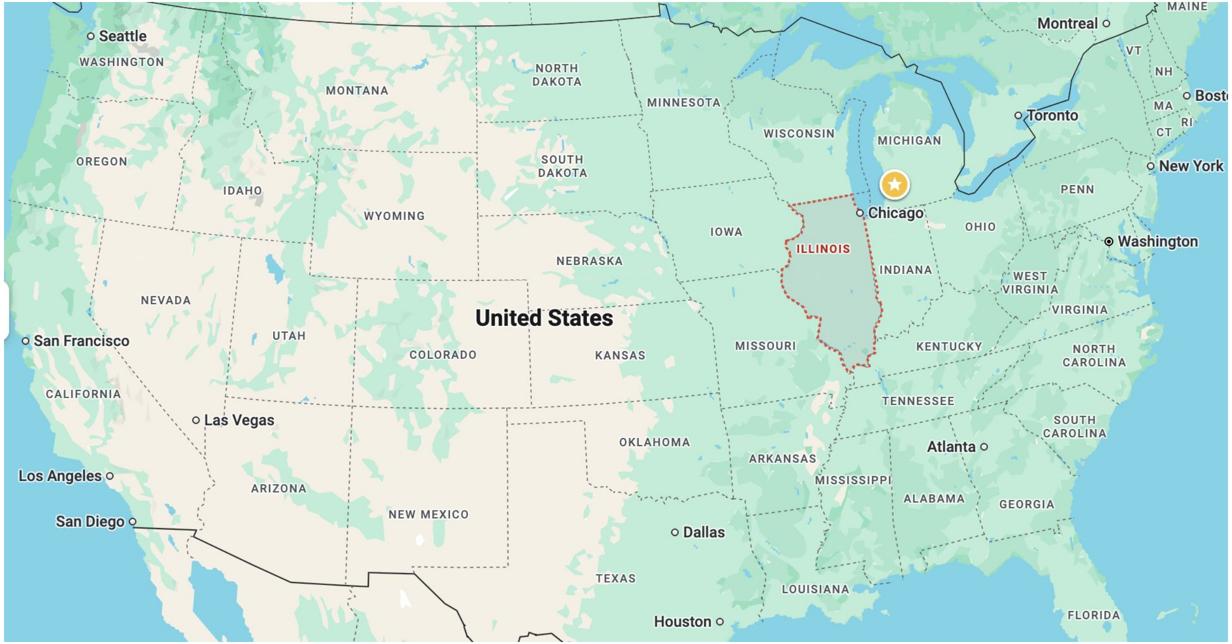
Right to Home Equity

Increased Government Liability

Impact on Vacant Property Programs

Illinois

04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Metropolitan Planning Council (MPC)

Independent, nonpartisan research, planning, and policy organization

- Cross-sector work to advance equitable growth and thriving communities
- Partners with government, community, private sector, other stakeholders

Current housing and community development priorities:

- Expand housing supply statewide – affordable and market rate
- Preserve affordability and stability for homeowners and renters
- Revitalize vacant and underused land to create new housing and community investment

Homeownership Lending Partnership

A collaboration convened by the Chicago Community Trust

- Connects housing counselors, community developers, and CDFIs
- Creates lending tools that make homeownership more attainable
- MPC helps identify barriers and translate partner insights into policy

Key insights

- High interest rates and tight credit limit first-time buyers
- Non-mortgage costs such as taxes, insurance, and utilities threaten long-term affordability
- Post-purchase support and flexible capital are essential

MPC

Post-purchase Affordability

Non-mortgage costs make or break sustainability

- Insurance: Low-credit score homeowners in Illinois pay about $2,000 more per year
- Property taxes: Reassessments and volatility cause payment shocks
- Utilities and repairs: Ongoing expenses strain budgets

Promising approaches

- Increase transparency and fairness in insurance
- Target property-tax relief and arrears assistance
- Support small-repair and post-purchase savings programs

MPC

Equitable Zoning Reform

Expanding supply while supporting stability

- Outdated zoning limits missing-middle and starter-home options
- Reform can unlock ADUs, duplexes, townhomes, and two- to four-flats
- MPC works to remove procedural barriers and promote inclusive, local solutions

Making reform equitable

- Pair zoning changes with grants, technical assistance, repair funds
- Anti-displacement provisions, other supports for existing owners and renters
- Enable participation of small and/or emerging local developers

MPC

Statewide Housing Barrier Analysis

Data-driven look at regional variation in housing-supply challenges

- MPC and Institute for Housing Studies project
- Illustrate how barriers differ across communities
- Highlight great local case studies and innovations
- Matchmake peer communities facing similar constraints

We want to partner, not parachute in!

- We want this project to reflect—and support—your work and experience
- Let's connect and make sure your successes and lessons help inform statewide reforms

OVERCOMING BARRIERS TO HOUSING

Paula P. Bush, ECHM-Executive Director/CEO

HUD-APPROVED OFFICE OF HOUSING COUNSELING HOUSING COUNSELING AGENCY

LET'S MAKE HOME THE GOAL

NORTH WEST HOUSING PARTNERSHIP

Mission & History of NWHP

Through a fiscally responsible and multi-faceted approach, North West Housing Partnership (NWHP) promotes public and private partnerships that create and preserve cost-effective quality diverse housing for low to moderate-income residents and workers through housing development and renovation, education, and advocacy.

North West Housing Partnership was incorporated in 1990 as a non-profit organization dedicated to creating and implementing programs that promote economically diverse housing. These programs include education and counseling as well as the construction of new housing and rehabilitation of existing housing. Homeownership is a priority as well as maintaining and increasing the supply of rental housing attainable to populations with limited income.

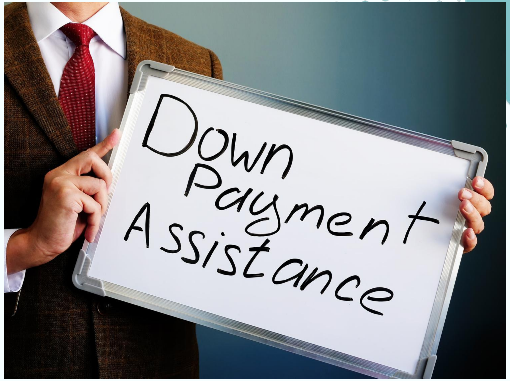
North West Housing Partnership is a HUD-approved housing counseling agency and has two active HUD Certified Housing Counselors: CEO Paula Bush & Program Director, Michelle S. Hill.

North West Housing Partnership Services

- **Pre Purchase Education/Counseling**
  designed to help individuals and families prepare for homeownership by educating them about the home buying process.
- **Post Purchase Counseling**
  to help homeowners after they've bought a home. Our goal is to support long-term, successful homeownership and prevent financial or housing-related issues.
- **Home Improvement/Rehabilitation Programs**
  Assist homeowners with 0% interest loans or grants for necessary home rehabilitation to address safety and code violations.
- **Aging in Place Program**
  Support seniors to stay safe in their home with minor modifications and repairs. Eligible items such as grab bars, ramps, and adaptive equipment.

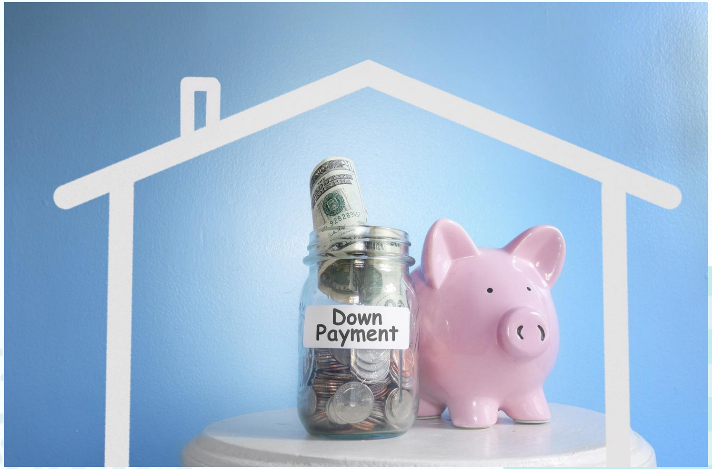
Down Payment Assistance Grants

Down payment grants are a great resource for aid to assist homebuyers in covering the cost of closing cost or the down payment on a home. There are a few options for obtaining grant assistance: Federal, State, municipal sources, bank, or local non-profits.



DPA programs are available for first-time homebuyers as well as repeat buyers in some instances. DPA programs are very nuanced and require individuals who understand DPA programs and how to apply them.

Some DPA programs are not grants, but deferred loans that require repayment. Although not as attractive, can assistance in time of need during the loan process.



POPULAR OPTIONS!

IHDA:

- You will receive 4% of the purchase price up to $6,000 in assistance, which can be used to pay your down payment, closing costs, or both!
- The assistance is forgiven every month, meaning the balance is slowly reduced to zero over time until the 10 years have elapsed.

https://www.ihdamortgage.org/

Wintrust Community Bank Grant

- Up to $2,000 per eligible household.
- Must be financing with Wintrust Mortgage
- For firs-time buyers
- Must obtain approved Education from Wintrust non-profit partner
- Must meet income limit
- Forgiven at closing!

FEDERAL HOME LOAN BANK OF CHICAGO:

- Up to $10,000 in assistance
- 5-year forgivable grant
- $1,000 minimum contribution
- Must obtain HUD/NIS approved Education AND Counseling from HUD/NIS approved agency
- For first-time buyers
- Must meet Federal income limits

Down Payment Plus

GRANTS=typically forgiven at closing

LOANS= may have a recapture period

NORTH WEST HOUSING PARTNERSHIP

COMMUNITY PARTNERS FOR AFFORDABLE HOUSING

Down Payment Assistance: **Available to eligible buyers purchasing in Lake County**

CPAH provides up to 5% of the purchase price (capped at $13,999) in assistance to qualified buyers toward the purchase of a home in Lake County. Assistance comes in the form of a 0% interest loan with no monthly payment forgiven at a rate of 1/60th every month beginning 60 days after closing.

During the 5-year (60 months) period, if buyer occupies the home as their principal residence, makes no changes to the title and no cash out refinance the loan will be completely forgiven. These funds can be used for down payment, closing costs, or to buydown the interest rate.

For all programs income cannot exceed HUD's 80% AMI.

COMMUNITY PARTNERS FOR AFFORDABLE HOUSING

Owner Occupied Repair Program: **Available to eligible homeowners in Lake County.**
Eligible homeowners may receive up to $40,000 to make necessary life-safety, health and accessibility repairs and improvements. Assistance is structured as a 0%-interest forgivable loan with no monthly payments forgiven between 5-10 years.

CPAH also partners with Wintrust Financial Corporation to provide loans of up to $20,000 for repairs, accessibility improvements and other home improvements..

Home Repair and Accessibility Program (HRAP): Available to eligible homeowners in Lake County and Evanston.
Assists low- and very low-income homeowners by providing funds for vital health and safety repairs and accessibility improvements. Up to $50,000 in assistance forgiven over a 5-year period.

HRAP Roof Only Option: Up to $25,000 to cover new/repairs for roofs, soffits, gutters, and downspouts. Home must not have other major health and safety issues. Forgiven over a 3-year period.

HUD-APPROVED HOUSING COUNSELING AGENCY
OFFICE OF HOUSING COUNSELING

cpah COMMUNITY PARTNERS for AFFORDABLE HOUSING

NORTH WEST HOUSING PARTNERSHIP

LENDERS & NON-PROFITS

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NORTH WEST HOUSING PARTNERSHIP

YOUR CLIENT BOUGHT A HOUSE…NOW WHAT???

Post-purchase counseling is can be invaluable for our clients as it helps new homeowners navigate the complexities of homeownership and maintain financial stability. Here are some benefits:

<u>Financial Management</u> – Post purchase counseling can help create or revise a budget ensuring you can make timely mortgage payments and manage other housing related expenses.

<u>Home Maintenance and Repairs</u> – There are options for refinancing and securing loans for home improvements, helping homeowners enhance their property value and living conditions. Contact your village community development department or housing nonprofits to inquire about home repair programs and eligibility requirements.

TAKE AWAY

Do not allow limited knowledge of available programs frustrate you.

Reach out to colleagues, villages, and lenders for funding and partnerships.

If the program does not exist. **CREATE IT.**

Thank You!

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HUD Housing Counselor Database
https://answers.hud.gov/housingcounseling/

IHDA Mortgage
https://www.ihdamortgage.org/