



Antioch Home Ownership Program

Delta Association of Realtors Informational Forum

Thursday, March 15th, 2018
3428 Hillcrest Ave # 200
Antioch, California 94531



What is AHOP?

AHOP Delta Association of Realtors Forum | March 15th, 2018

The Antioch Home Ownership Program (AHOP) is a new community collaboration effort to expand financial literacy, homebuyer education and counseling, and homeownership in Antioch. The Bay Area Affordable Homeownership Alliance (BAAHA) is contracted with the City of Antioch to administer AHOP. AHOP involves City government, non-profit and for-profit partners, businesses/employers, civic organizations, homebuyers, homeowners, real estate professionals, and the Antioch community. AHOP will be officially launched on Saturday, March 24, 2018.

AHOP's Objectives

How will AHOP deliver benefits to homebuyers and the community?

AHOP's primary objective is to expand homeownership within the City of Antioch. To achieve this objective, AHOP is focused on:

- Financial literacy
- Homebuyer education and one-on-one counseling
- Providing access to resources and services that increase the capacity for homebuyers to become Antioch homeowners.

These activities, separately and jointly, yield distinctive benefits to the Antioch community:

- **Financial Literacy** - Studies have shown that financially literate households are better positioned to sustain a higher quality of life. They tend to borrow less, accumulate more wealth, and pay less in fees related to financial products. They are more likely to invest, less likely to experience difficulty with debt, have less negative distractions and difficulties in their lives, and *more likely to purchase a home.*
- **Homebuyer Education and Counseling** – Homebuyer education and counseling helps the homebuyer take important steps towards homeownership by 1) lowering the costs of obtaining information about how to buy a home and obtain a mortgage; 2) helping avoid



emotional judgments that may not be in the client's long-term interest; and 3) make more information available to facilitate *more efficient transactions, and help streamline the efficiencies in working with real estate and mortgage professionals*. In addition studies have determined that homebuyer education and counseling helps significantly decrease delinquency or defaults for both first-time homebuyers and repeat buyers.

- **Resources and Services** –AHOP is collaborating with a number of Partners and service providers that will provide access to resources and services that expand the affordability and the capacity for homebuyers to purchase a home in Antioch. For example, AHOP may be able to provide up to \$45,000 of down payment assistance to eligible homeowners.

How AHOP Works

What steps should AHOP participants take?

The key components, protocols, and steps, that AHOP participants will be taking, include (and are not limited to):

- **Attend the Launch Event** – This is not a requirement however, the AHOP Launch Event will help participants gain a firmer understanding regarding the objectives, benefits, and the process to get involved with AHOP. The AHOP Launch Event is at:

10:00 AM on Saturday, March 24th, 2018 at Antioch City Hall

- **Attend a HUD Certified First Time Homebuyer Class** – In order to gain access to the maximum financial subsidy available through AHOP (up to \$45,000), homebuyers will be required to attend a Department of Housing and Urban Development (HUD) certified homebuyer class. AHOP will schedule up to three to four public classes in Antioch over the following 12 months. In addition, civic organizations and employers can work with AHOP to schedule these classes at their facilities.



- **Submit an AHOP Application to BAAHA** – Submitting an application (*see: Exhibit C*) to BAAHA allows staff to conduct a preliminary analysis on the positioning and the next steps that the prospective homebuyer will need to take. Outcomes and steps that may be required to take include:
 - Determination that the household needs to secure more stable long term income to start the homebuyer process

- The household has stable income and needs financial counseling and assistance to improve their credit situation and/or to save up money to purchase a home (*see: homebuyer counseling below*)
- The household has the financial foundation to proceed to purchase a home (*see: home purchase below*)
- **Financial and Homebuyer Counseling** – Households that have financial challenges and are hindered from purchasing a home will be directed by AHOP to a HUD certified financial homebuyer counselor. BAAHA is partnering with BALANCE (a non-profit consumer counseling organization) to provide this service. BALANCE will work with the household for as long as needed to achieve their financial objectives.



AHOP covers the cost of counseling for households whose combined income is equal to or less than 80% of the Area’s Median Income (AMI). Households with incomes higher than 80% AMI will need to come to an arrangement with BALANCE to receive counseling. The table below provides income 80% AMI income limits for Antioch (Contra Costa County) based on household size:

Household Size:	1	2	3	4	5	6
Household Income:	\$56,300	\$64,350	\$72,400	\$80,400	\$86,850	\$93,300

- **Secure Financing and Subsidies to Purchase a Home** – Households having the financial capacity and willingness to purchase a home will be directed to start the loan preapproval process. AHOP is highly focused on making certain that AHOP homebuyers utilize all of the homebuyer subsidies that they are eligible to receive. AHOP’s Primary Sponsoring Funding Partner (*see: Exhibit B*), Guild Mortgage, has up to \$45,000 of subsidies to provide to AHOP homebuyers.
- **Work with the Real Estate Community to Close Your Transaction** – AHOP administrators are interacting with real estate professionals to motivate and educate them on how they can work and support AHOP homebuyers. In addition, AHOP is conducting an expansive outreach campaign directed to Antioch homeowner investors.



This campaign is promoting sellers to support and provide an opportunity for AHOP homebuyers to purchase their homes.

BAAHA's primary activities in implementing and administering AHOP include:

- Interacting and coordinating activities with AHOP Program Implementation Partners *(see: Exhibit A)*
- Conducting the preliminary household screening activity to assess the positioning and next step(s) AHOP homebuyer participants should take.
- Coordinating AHOP related events, such as homebuyer education workshops and program announcements
- Making certain that households are receiving the assistance they need to achieve their dreams of homeownership
- Working with the real estate community to expand home ownership opportunities for their homebuyers.

AHOP's Success

What are the elements that can help AHOP succeed?

AHOP has inherent elements that help assure the advancement and success of the program.

- **Will of the Community** – Since its inception, AHOP has received a strong level of positive and enthusiastic support from the Antioch community.
- **Collaboration of the Community** – Given the level of support AHOP is receiving, we have been able to further solicit collaboration and support from all sectors within the community including:
 - **City of Antioch** – Which has funded the cost of structuring and implementing AHOP
 - **Non-profit Agencies and Organizations** – including supporters and partners such as BALANCE, Fannie Mae, Federal Home Loan Bank *(see: Exhibit C)*
 - **Employers** – BAAHA has already started to receive a flow of inquiries through the support and participation of employers
 - **Civic Organizations** – BAAHA has received inquiries directly from civic leaders who would like to personally participate in AHOP and have their affiliates participate in AHOP as well.

- **AHOP Partners** – We have established a platform of partners that are contributing key resources and services to assure success in implementing AHOP.
 - **Real Estate Professionals** – The real estate community’s involvement and support plays a significant role in assisting homebuyers to purchase their home. Real estate agents can be strong advocates to promote sellers to consider and work with AHOP buyers.
- **The Market** – The City of Antioch is in a unique and ideal situation to implement AHOP. There were a total of 1,152 single-family residences (one to four bedroom size) sold in Antioch throughout 2017. The median price of all these homes was \$418,000. Close to 90% of the inventory sold was accessible to low income (80% Area Median Income) households. Accessibility to the majority of the homes sold by low income households represents one of the essential cornerstones of AHOP. Close to 65% of the homes sold were purchased by investors. AHOP is committed and working with investor/owners to secure their support and participation to expand the number of homes purchased and occupied by Antioch residents and workforce.



How can AHOP help realtors succeed?

There are multiple ways that AHOP will help expand the level of business realtors are conducting in Antioch.

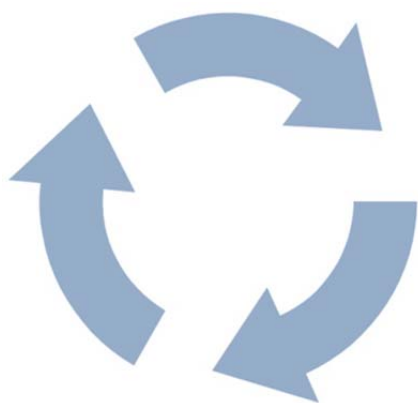
- **AHOP Outreach** – The extensive promotional activities AHOP is involved with will help increase the amount of prospective buyers looking to purchase a home in Antioch
- **Educate and Counsel Buyers** – One of AHOP’s primary focuses is on promoting and delivering financial literacy and homebuyer education and counseling to homebuyers. These activities will benefit realtors.
 - Educated homebuyers are better prepared to begin the home purchase process. In most case, one of the largest deterrents to homeownership - fear, has been addressed.
 - Making more information available to homebuyers facilitates more efficient and streamlined transactions. This may help expedite transactions.
 - Educated buyers will know when they can effectively commence their home purchase activities, not wasting valuable time for the Realtor.
- **Direct Homebuyers to Realtors** – AHOP outreach and educational components will help direct ready able willing buyers to realtors. All AHOP applicants are screened to determine their

capacity to purchase a home. Applicants that possess the financial wherewithal to commence their home purchase process will be directed to secure their loan approval and subsidies and to start working with a Realtor.

- **Create an Inventory of Future Homebuyers** – AHOP’s financial and homebuyer counselling activities will help address and resolve financial obstacles for households to become future Antioch homebuyers.
- **Expand the Homebuyer Base by Expanding Purchase Power** – AHOP can significantly increase purchase capacity by providing accessibility to a multitude of financial subsidies, including up to \$45,000 in down payment assistance, and access to the beneficial Mortgage Tax Credit Certificates (through 2018).

How can realtors help AHOP succeed?

Realtors possess important tools and resources to promote the success of AHOP:



Circulate Information – First and foremost, realtors can help by circulating AHOP information to their clients and colleagues. It is important to educate both buyers and sellers about AHOP. Discussing and introducing AHOP to sellers will help reinforce the capacity to present offers from AHOP buyers. The City and BAAHA will also be continuously interacting with and sending important program notifications and information to homeowners – especially

focused on homeowner investors. This continued reinforcement from AHOP administrators and realtors will bolster the seller’s confidence regarding the program, and the ability for AHOP buyers to purchase a home.

- **Direct Homebuyers to AHOP Resources** – Consider AHOP to be your partner, especially in helping *groom future homebuyers* and in *expanding the purchase capacity for existing homebuyers*.
- **Submit AHOP Offers** – Feel confident to make it a priority to submit offers for households who have applied AHOP resources and services to prepare themselves to become homeowners.

The Next Steps

What are the next steps?

Work with AHOP and its partners to help expand homeownership in Antioch. BAAHA is very interested in receiving input from the real estate community on how we can formulate strategies and implement protocols that will augment AHOP's objectives.



Please contact Walter Zhovreboff with the Bay Area Affordable Homeownership Alliance (BAAHA) at z@myhomegateway.com or at (415) 601-8749 with any questions, concerns or suggestions that you may have regarding AHOP.

HOMEOWNERSHIP IS JUST AHOP, SKIP, AND A JUMP AWAY!

