

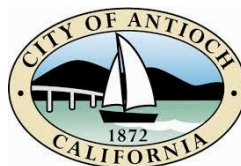


Antioch Home Ownership Program

Employer & Civic Organization Informational Forum

Monday, March 5th, 2018
Antioch City Hall
200 H Street, Antioch, California

Hosted by the Bay Area Affordable Homeownership Alliance and the City of Antioch
Community Development Department



What is AHOP?

AHOP Employer & Civic Organization Forum | March 5th, 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, business employers, civic organizations, homebuyers, homeowners, real estate professionals, and the Antioch community. AHOP will be officially launched on Saturday, March 24, 2018.

AHOP's Benefits

How will AHOP benefit employers & civic organizations?

The successful implementation of AHOP will yield positive outcomes for Antioch employers and civic organizations.

Benefits for Civic Organizations - Homeowners are usually very invested in the area they live in. They feel a sense of belonging and are likely to get involved in activities, volunteer for civic and charity organizations and help out with special events. Homeowners often get involved in the politics of the community, attending city council meetings and volunteering for groups and organizations, such as churches, neighborhood watch, and school boards. In addition, they work hard to keep their properties looking nice. This sense of responsibility carries over into other areas of the community as well.



Benefits for Employers – Owning a home provides a sense of personal and financial security and allows families to build financial wellness and wealth. Employees that maintain higher levels of personal financial wellness typically have to deal with fewer personal financial challenges with (and at) work. This translates to a grounded and content employee has less irritating distractions, lower absenteeism, and higher productivity. Employees who own a home also feel a stronger sense of responsibility and commitment with all activities that help them retain their home, such as their employment.

AHOP's Objectives

How will AHOP deliver benefits to employers & civic organizations?

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 employees, affiliates, and congregational members 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 employees, affiliates, and congregation members 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 A*), 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 the real estate professionals to motivate and educate them on how they can work and support AHOP homebuyers. Over a duration of time, AHOP plans to structure a list of agents that have demonstrated capacity and the propensity to assist AHOP buyers. 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. AHOP has chosen Chicago Title to be the Primary AHOP Sponsoring escrow and title company.

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

- Interacting and coordinating activities with AHOP Program Implementation Partners (*see: Exhibit B*)
- 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 employers and civic organizations to expand home ownership opportunities for their employees, affiliates, and congregation members.

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 receive 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 has demonstrated support and is providing resources to assist homebuyers to purchase their home. In addition real estate agents are committed to advocate for AHOP buyers in their purchase transactions.
- **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 employers & civic organizations help AHOP succeed?

The delivery of information from a trusted network to prospective AHOP homebuyer is essential for the success of the program. Unfortunately, many times a meaningful program such as AHOP will fail because the market is simply not aware of its existence.

Circulate Information - First and foremost employers and civic organizations can help by providing a mechanism for disseminating AHOP information to your employees, affiliates, and congregation members. Employers and Civic Organizations are effective centers of influence.

- Employers and civic organizations are a trusted source of information
- Employers and civic organizations usually have the physical capacity to readily distribute information to a number of people

AHOP information provided to employers and organizations will primarily be in the form of:

- **Announcements** – key event dates, such as the AHOP Launch Event and upcoming HUD certified homebuyer educational seminars. The employer or civic organization could deliver the announcement to each individual by email; or the announcement can be displayed in a common areas. BAAHA will provide announcement to designated employer and civic organization representative.



- **Special Workshops** – BAAHA will conduct special workshops for a group of 20 plus participants. These one hour workshops will provide an overview and go over tips and steps participants will need to take to become involved with AHOP. Please contact timothy@myhomegateway.com if you would like to organize a workshop for your group.

In-House Sponsored Homebuyer Counseling (BALANCE) - AHOP will enroll eligible participants in need of counseling into financial and homebuyer counseling. AHOP will be primarily focused on enrolling participants whose household income is less than or equal to 80% of the Area's Median Income (AMI). Employers and Civic Organizations may be able to establish protocols to help households with incomes greater than 80% AMI to secure financial counseling assistance with BALANCE. This could be a positive and needed employee benefit that employers can provide to their employees (Financially secure employees are more content

stable, and productive). For Civic organizations, this could be a meaningful service that they can deliver to their affiliates and congregation.

In-House Sponsored Homebuyer Education - AHOP can help coordinate and schedule a homebuyer education class specifically for an employer or civic organization. Please contact BAAHA directly to get more information on the logistics of setting up a dedicated class for your organization.

Homebuyer Assistance Financial Support – Financial subsidies can be provided through loans or grants. Providing some capital assistance in closing cost is a highly effective form of subsidy that requires a minimal amount of outlay. Even a \$500 subsidy can make a difference to the homebuyer. Larger financial subsidies can be directed towards providing funds for assisting with the downpayment on the home. Subsidies can be structured in a format that has positive financial implications for the employer and the employee. BAAHA and AHOP partners will be happy to work with Employers and Civic Organizations to discuss and structure subsidy program that work best for all involved.

The Next Steps What are the next steps?

Work with BAAHA to implement and formulate strategies and protocols that will maximize the benefits that your employees, affiliates, and congregation members can derive through participating in AHOP.



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!

