



# Accessible and Affordable Housing

*The Lay of the Land*



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# The Lay of the Land

- ♿ Financing – Making it affordable
- ♿ Accessible Homes – What's out there
- ♿ Renovations for Accessibility
- ♿ Property Tax Benefits
- ♿ Special Needs Trusts
- ♿ We need to do more





# The CalHFA Home Choice Loan

- ⌘ Designed for people with disabilities and their families
- ⌘ Very low 3% interest rate
- ⌘ Down Payment as low as \$500
- ⌘ Potential for “layering” with down payment assistance programs



# The CalHFA Home Choice Loan

## ⌘ Generous underwriting criteria:

⌘ Credit scores as low as 600 allowed

⌘ Borrower can have debt to income ratio as high as 50% (industry std is 38-42%)

⌘ Unlimited gifted funds (money from family or friends) allowed

⌘ “Built-in” down-payment assistance



# The CalHFA Home Choice Loan

- ⌘ Borrower may be person with disability or family member...but **MUST** live in property
- ⌘ Borrower must be a first time home buyer
- ⌘ Limits on purchase price and income
- ⌘ No bankruptcies in the past 4 years



## Other CalHFA Loans

- ⌘ Not specific to the disability community
- ⌘ Qualifying criteria and characteristics similar to HomeChoice loan
- ⌘ Generally 1% point below conventional financing



# Other Alternative Financing Sources

- ⌘ Some non-profit organizations offer low-interest loan programs
- ⌘ Land Trusts
- ⌘ Shared Equity Programs
- ⌘ “Below Market Rate” (BMR) for New Construction



# Section 8 Home Ownership

- ⌘ Allows Section 8 voucher holder to use voucher for mortgage payment instead of rent payment
- ⌘ Includes mandatory training program and financial counseling
- ⌘ Not offered by Alameda, Berkeley, or Livermore Housing Authorities
- ⌘ Work requirement in program waived for people with disabilities



# Down Payment Assistance

Valuable tool for low-income borrowers:

- ⌘ Helps lower mortgage payments
- ⌘ Helps borrower avoid mortgage insurance
- ⌘ Can be used to pay closing costs
- ⌘ State, City, and other special programs available



# Down Payment Assistance

## RCEB Area Housing Plan

- ⌘ \$10,000 Grant to eligible borrowers
- ⌘ Must be approved for a Home Choice Loan
- ⌘ Borrower or their family member must be developmentally disabled



# Access – What's Out There

## The Bad News:

- ⌘ Mostly older homes and neighborhoods
  - ⌘ Narrow hallways
  - ⌘ lots of steps
  - ⌘ poor access to switches and receptacles
- ⌘ No laws/rules requiring houses to be accessible
- ⌘ No laws/rules requiring accessible homes to be sold to people with disabilities



# Finding Accessible property

## The Good news:

- ⌘ Newer condo construction must be ADA compliant
- ⌘ Many condos in our area are mostly accessible
- ⌘ Some houses can be made accessible with just minor modifications
- ⌘ Availability of an “Accessibility Specialist Realtor” in our community!



# Finding Accessible property

## Accessible Properties for under \$619K

- ⌘ Estimated current total # of listings: 130
  - ⌘ Contra Costa County: 66
  - ⌘ Alameda County: 64
- ⌘ Numbers underestimated
  - ⌘ Many agents do not identify accessibility features when they list properties
  - ⌘ Many many MORE properties are NEARLY accessible (ie one or two small steps at entrance)



# Affordability

What do these stats mean for low-income buyers?

- ⌘ Lots of mostly-accessible studio and 1 bedroom condos in the \$300K range
- ⌘ With the HomeChoice loan, that means a monthly payment of less than \$1800/ month
  - ⌘ (not counting effect of any layered down payment assistance)



# Renovations for Accessibility

## ⌘ Expertise:

- ⌘ Contractors with extensive experience
- ⌘ Specialists in assessing needs

## ⌘ Financing:

- ⌘ Some cities offer financial assistance to help low-income home owners



# Property Tax Benefits

- ⌘ Transfer assessed property value to next home owned
- ⌘ Exclude affect of renovations from increasing home's assessed value for taxes
- ⌘ Potential to postpone property taxes



# Special Needs Trusts

- ⌘ A method of owning a home
- ⌘ Provides for home ownership while protecting a disabled person's continued eligibility for government benefits, such as SSI and MediCAL
- ⌘ Prevents the government from putting a lien on the home to claw back benefits
- ⌘ Positive taxation and probate consequences



# Need to do more – Attitude Shift

- ⌘ Home ownership is often overlooked or disregarded as an option by disability community and advocates. Why?
  - ⌘ Government benefits “dis-incent” independent living and lifestyle choices that could empower people living with disabilities
  - ⌘ Perception among some providers that home ownership is “out of reach” for their clients/consumers



# Need to do more – Advocacy

1. Ensure continued support for special financing options for people with disabilities
  - ⌘ No funding for HomeChoice loan in Proposition 1C
  - ⌘ No funding for any disability-friendly down payment assistance programs in Proposition 1C



## Need to do more – Advocacy

2. Improve “accessibility” to financing
  - ⌘ SSI Asset Restriction – Disincentive that makes saving for a home incredibly discouraging/difficult
  - ⌘ Push to allow HomeChoice loan for duplexes and other small multi-unit properties
  - ⌘ Work towards removal of “first time home buyer restriction” for people with disabilities



## Need to do more – Advocacy

3. Improve integration of complex programs
  - ⌘ No consistency or standards of approach with regard to combining loan programs with down payment assistance programs
    - ⌘ EG #1: Lower purchase price limits on the down payment assistance compared to the loan
    - ⌘ EG #2: Higher down payment requirement for down payment assistance compared to the loan
  - ⌘ No consistency in funding or application of renovation assistance programs



# Additional Resources

🔗 [www.stephenbeard.net](http://www.stephenbeard.net)

🔗 Everything you learned here & more

🔗 [www.calhfa.ca.gov](http://www.calhfa.ca.gov)

🔗 Loans, loans, and more loans

🔗 Call or email us with all your questions!



# Contact Information

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