

Homeownership

The homeownership program offered by the Columbia Housing (CH) make available opportunities for persons to become homeowners through education, counseling and connecting with resources to assist with costs associated with home purchase. CH provides prospective homeowners with education on financial literacy, home buying, and home maintenance. The program is designed to ensure that prospective home buyers are knowledgeable of the home buying process requirements for maintaining a home.

In 2021-2022, CH will continue to help residents and others in the community become homeowners by providing education, counseling, and assistance with purchasing programs. Although CHA has a thriving home buying education program, the agency we are not a HUD Certified Housing Counseling Agency. One of the home ownership objectives for 2021 is for CHA to become a HUD Certified Housing Counseling Agency.

Subcomponent A: Public Housing

Currently, Columbia Housing does not provide direct opportunities for homeownership through public housing. As part of our conversion and development plan, we are proposing to convert some of the public housing single family homes to a homeownership option program. In addition to any opportunities offered through the public housing homeownership option, strategies have been put into place to assist public housing resident with purchasing homes through counseling, first time home buying education programs, and connecting them with various down payment assistance programs.

Subcomponent B: Housing Choice Voucher Capacity

The Housing Choice Voucher Program provides resources for Section 8 Housing Choice Voucher Program tenants to purchase a home with the use of their voucher. CH has been implementing the program for 20 years with a total of 124 Housing Choice Voucher families purchasing homes through the program. Families who purchased through the program are eligible to continue to receive housing support and case management services after purchase. As of February 2022, 81 HCV homeowners continue to receive assistance through the voucher homeownership program. A copy of the Housing Choice Voucher Homeownership Plan is available for review in the Section 8 Administrative Plan.

Other homeownership opportunities are available through the homes purchased by the authority through the Richland County Neighborhood Stabilization Program and HUD Real Estate Owned Property Programs. Currently there are four moderately priced and very affordable homes available for sale. Most of the homes are located in the Northeast Richland County area.

CH continues to provide home ownership education to first time home buyers. We have extended our services to other community partners to allow them to refer non-CH low to moderate income families for home ownership training. In 2017, CH implemented an online registration for the homeownership classes. This process has made the program more organized and technologically accessible. The classes have attracted a host of professionals to volunteer their time to educate prospective home buyers. Our partners consist of attorneys, credit counselors, banks, realtors, and home inspectors. The volunteers commit their time to help CH families learn about purchasing a home. As a result of the pandemic, we developed a virtual homeownership education program. It has been quite successful in engaging residents and other community members who are prospective homebuyers.

The following classes and/or services are part of the Home Ownership Program

- Home Buying Class
- Budget and Credit Class
- Home and Yard Maintenance Class
- Individual Housing Counseling

Proposed Changes to HCV Homeownership Program Administration and Eligibility

Proposed HCV Homeownership Amendments

1) Housing Assistance Payments

Current Policy: Homeownership subsidy will be paid directly to the mortgage holder and not to the family.

Proposed Amendment: Homeownership assistance may be paid directly to the lender or the homeowner. HAP will be sent directly to lenders who require direct payment, otherwise HAP will be sent to the homeowner.

2) Continuous Employment

Current Policy: There currently is not a continuous employment requirement for non-elderly, non-disabled households.

Proposed Amendment: A Continuous Employment Obligation

The applicant head of household or spouse must remain continuously employed (no less than 30 hours per week) while participating in the program.

- Part-time employment by both parties, totaling over 30 hours per week, does not constitute full-time employment by either party.

For continued eligibility purposes, continuous employment is defined two ways. Continuous employment by the head, spouse or co-head defined as full time employment

(average of 30 hours per week) with no gap in employment lasting more than four weeks total (30 hours x 52 weeks = 1,560 hours). Or, earned income received by the head, spouse or co-head during the past year greater than the state minimum wage times 2000 hours (\$7.25 x 2000 = \$14,500).

The employment requirement is not applicable to elderly families or those whose head or co-head of household, spouse or sole member experience permanent disability.

Mitigating Circumstances

If a working family is subsequently determined by CH to now qualify as a “disabled family,” as defined by HUD, the full-time employment requirement is no longer applicable to that family.

CH will consider mitigating circumstances where certain lapses in employment prohibit the family from meeting its continuous employment obligation. These include receipt of Unemployment Insurance Benefits due to layoff; absences defined under the Family Medical Leave Act; receipt of Workman’s Compensation benefits.

CH will allow week-for-week substitutions whenever of any of these benefits are received.

The participant must return to full-time employment within 30 days after exhaustion of unemployment benefits. Failure to return to full-time employment (30 hours per week) within 30 days will generate a 60-day *Notice to Correct*. Failure to correct will result in a correctable 30-day *Notice of Termination*.

A participant who is employed but is on leave from work due to maternity leave, FMLA or is receiving Workman’s Compensation, is exempt from the full-time employment requirement during the period of approved leave from work. A participant must return to full-time employment within 30 days after exhaustion of applicable benefits. Willful failure to return to full-time employment (30 hours per week), after 30 days, will generate a 60-day *Notice to Correct*. Failure to correct will result in a correctable 30-day *Notice of Termination*.

Consideration of other mitigating circumstances is at the discretion of a local Area Coordinator recommendation to the HCV Program Administrator. The Program Administrator will convene a three-person committee to review any additional mitigating circumstances that prevent a participant’s return to full-time employment within the time frames allotted. Determinations of the review committee are made on a case-by-case basis. Their decisions are subject to final approval by the Director.

3) Refusal to Meet Continuous Work Requirement

CH may terminate a working family's homeownership assistance based on a willful refusal to adhere to, or properly document, the full-time employment requirement.

Current Policy: All adult members that will own the home must have a minimum credit score of 600; must have zero past-due debt; and a Debt-to-Income ratio of no more than 35%.

Proposed Amendment: Approved credit scores and debt-to-income ratio is to be determined by lenders. Clients will be advised on these matters however, the PHA does not require a minimum credit score or debt-to-income ratio as part of its administrative plan.

4) Eligibility for Homeownership Assistance

Current Policy: Establish a restricted savings account with Community Works Federal Credit Union ("CWFCU") and accumulate a minimum of \$1000 prior to issuance of the Homeownership Voucher.

Proposed Amendment: The PHA does not require a family to establish a savings account with any particular banking institution. The PHA may advise clients on savings; however, the PHA will not require a client to establish a savings account with any particular banking institution.

5) Income Qualifications

Current Policy:

- An annual adjusted income of \$30,000 per year; or,
- If pre-qualified or pre-approved for financing that is sufficient to purchase an eligible unit, an annual gross income equal to the federal minimum wage multiplied by 2000; or,
- If a disabled family, income equal to the current SSI monthly payment for an individual living alone, multiplied by 12.

Proposed Amendment: (Exclude the highlighted)

- An annual adjusted income of \$30,000 per year; or,
- If pre-qualified or pre-approved for financing that is sufficient to purchase an eligible unit, an annual gross income equal to the federal minimum wage multiplied by 2000; or,
- If a disabled family, income equal to the current SSI monthly payment for an individual living alone, multiplied by 12.

6) Homeownership Counseling

Current Policy: HCV Participants interested in the Homeownership Option must meet with a Homeownership Specialist and be referred to CHA's Family Self-Sufficiency ("FSS") Program. Interested Participants must enroll in the FSS Program or enroll with an FSS Case Manager as a "Service Client".

The FSS Case Manager will conduct an initial Homeownership Preparedness Pre-Qualification Assessment. If the client is deemed ready for homeownership, client will be referred to the Columbia County Human Relations Commission (GCHRC) for homeownership counseling.

If client is not deemed ready, FSS Specialist will continue intensive case management until client obtains a place of readiness, based upon mutually-agreed-upon goals.

Proposed Amendment: HCV Participants interested in the Homeownership Option must meet with a Homeownership Specialist for pre-purchase counseling. Families interested in participating in the HCV Homeownership Program are not required to participate in the Family Self-Sufficiency (FSS) Program. Both HCV Homeownership and FSS Programs are voluntary programs. Families may be referred to each program, however participation is completely voluntarily.

The Homeownership Specialist will conduct an initial Homeownership Preparedness Pre-Qualification Assessment.

If client is not deemed ready, Homeownership Specialist will continue intensive case management until client obtains a place of readiness, based upon mutually-agreed-upon goals.

7) Affordability Analysis

Current Policy: Currently HUD does not require an affordability criterion for HCV Homeownership

Proposed Amendment: Independent of the lender's requirements, CH to establish a criteria that the family cannot have a family share in excess of 40% of the monthly adjusted income at the time of the initial closing, similar to that of the HCV rental program.