

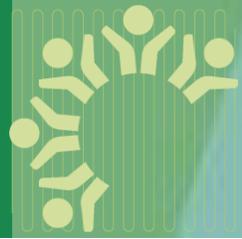


Homeownership

Jonathan Burch, Assistant Village Manager/
Neighborhood Services Director

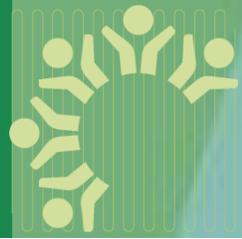
February 18, 2025

Overview

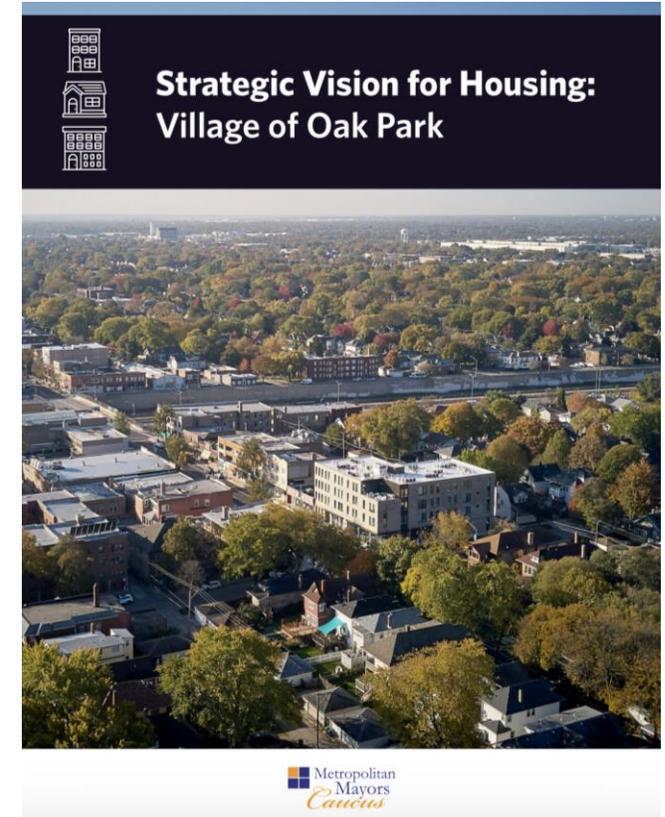


- Policy and data grounding
- Education and counseling
- Downpayment
- Shared equity
- Discussion

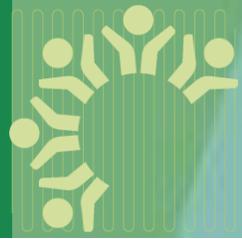
Strategic Vision for Housing



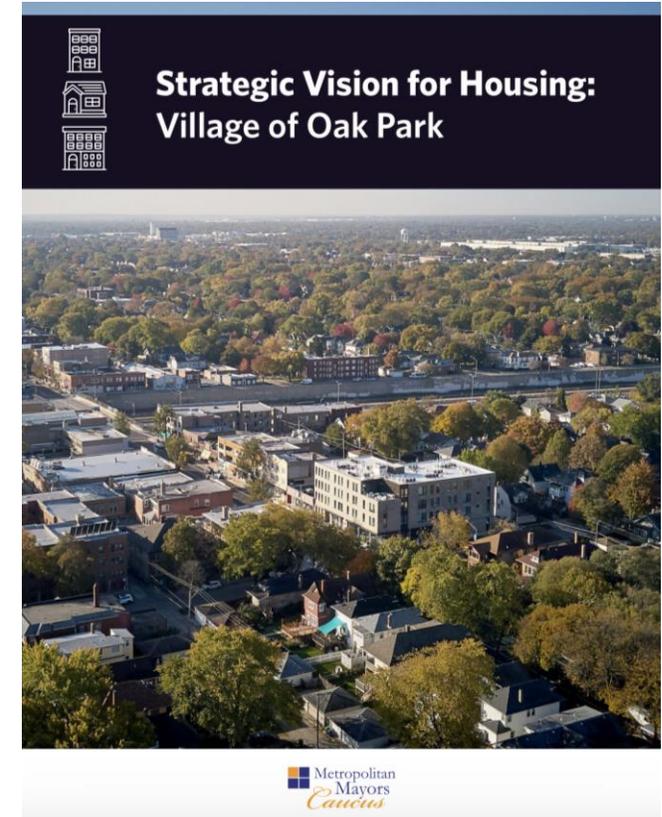
- Expand The Variety Of Homeownership Opportunities
- Respond To Racial Disparities In Access To Homeownership



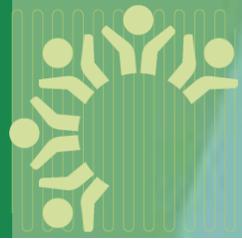
Strategic Vision for Housing



- If Homeownership Assistance is Pursued, Design Any Program to Address Racial Homeownership Disparities.
 - Explore whether Housing Trust Fund changes are needed to support home ownership.
 - Explicitly address historical barriers to homeownership that continue to impact Black households



Gap in ownership

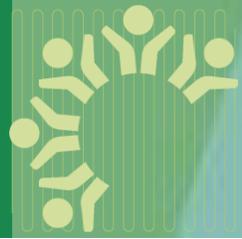


Homeownership Rate	Oak Park	Chicago Region	United States
All Households	60%	65%	65%
White Households	70%	73%	73%
Black Households	35%	41%	43%
Hispanic or Latino Households	53%	56%	50%
Asian American Households	56%	63%	62%
Multiracial Households	52%	56%	54%

Figure 10.
Homeownership Rates by Race and Ethnicity, 2022.

Source: US Census Bureau American Community Survey, 2018-2022 5-year Estimate.

Systematic ownership barriers



- Credit
- Incomes
- Wealth
- Knowledge of the home buying process
- Affordable homes to purchase

How Much Can
Downpayment Assistance
Close Homeownership
Gaps for Black and Hispanic
Households?

MARCH 2023 | DANIEL MCCUE, RAHEEM HANIFA, CHRISTOPHER HERBERT



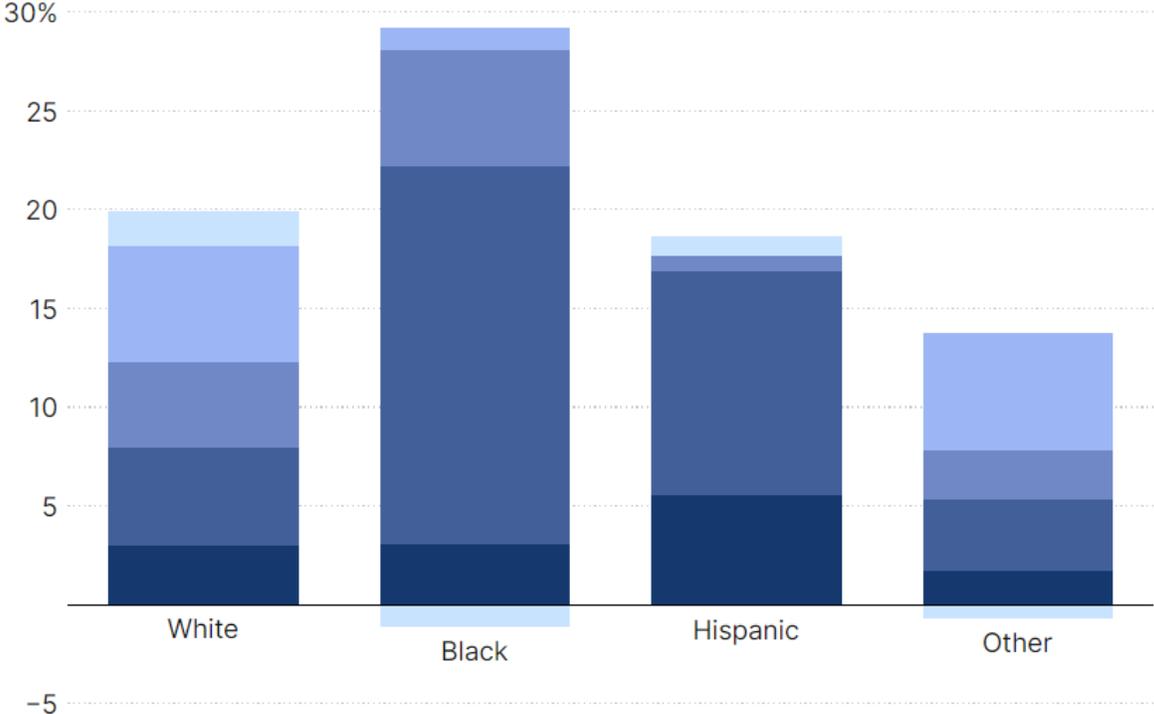
Drivers of wealth growth



Growth in Black wealth has been driven by housing values

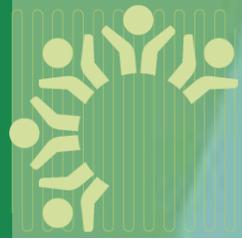
Percentage increases in average total wealth by asset class, race, and ethnicity

■ Other Wealth ■ Net Housing Wealth ■ Business Equity ■ Stock (Corporate Equity)
■ Liquid Assets



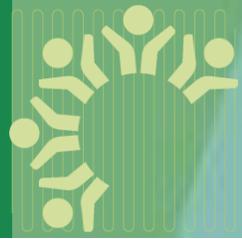
Source: Brookings Analysis of Federal Reserve's Survey of Consumer Finances, 1989-2022

Value of ownership



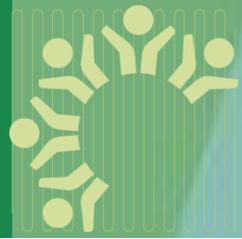
- Wealth building:
 - Homeownership is a major contributor to wealth building for Black households, making up almost 60% of their total net worth.
- Multigenerational wealth
 - Homeownership can help build wealth across generations through the transfer of resources, such as homes.
- Housing stability
 - Homeownership can help improve housing stability for Black families.

Area median income



Household Size	Share of Area Median Income (AMI)			
	50%	80%	100%	120%
1	\$39,250	\$62,800	\$78,500	\$94,200
2	\$44,850	\$71,800	\$89,700	\$107,640
3	\$50,450	\$80,750	\$100,900	\$121,080
4	\$56,050	\$89,700	\$112,100	\$134,520
5	\$60,550	\$96,900	\$121,100	\$145,320
6	\$65,050	\$104,100	\$130,100	\$156,120
7	\$69,550	\$111,250	\$139,100	\$166,920
8	\$74,000	\$118,450	\$148,000	\$177,600

Items to consider



- In what parts of the homebuying process can Oak Park involvement/assistance be most successful in removing barriers?
- In what parts of the market can Oak Park be most successful in addressing homeownership?
- How do the different interventions align with those market segments and barriers?

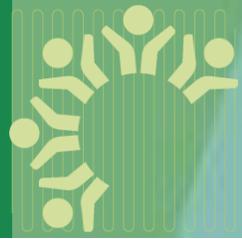
Staff recommendations



Any program must provide homeownership counseling.

Whether for shared equity or down payment assistance, a future program should focus on “first generation” or “first time” homebuyers.

Staff recommendations



Down payment assistance can be valuable for households earning 120% of the area median income and for households looking to purchase a condominium.

The Village would need to prioritize development of a shared equity program to address the affordability of single-family homes since this program provides a deeper subsidy.



Discussion

