

Special Report

Homeownership Assistance Special Request

October 2024



The City's Housing Department offers two homeownership assistance programs to serve homebuyers at or under 80% Median Family Income (MFI). We reviewed several cities that have programs to provide assistance to homebuyers above 80% MFI. These programs use local sources of funding in addition to grants, fees, and other private sources of revenue.

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Cover: Photo of an open house sign, retrieved from RawPixel.

Objective

The objective of this special request was to answer the following questions provided by the City Council:

- What does the City of Austin do to expand homeownership opportunities for homebuyers in the 81%-120% MFI range?
- How have other cities expanded homeownership opportunities for homebuyers in the 81%-120% MFI range?
- How have other cities structured down payment assistance programs to provide assistance to homebuyers in the 81%-120% MFI range?
 - How do cities fund these programs?
 - How much do these cities provide in down payment assistance, and is the assistance a flat amount?
 - What are other cities' income requirements for these programs?
 - What are other cities' limits on home prices, if any?
 - Do these programs have a shared equity component?

Background

A low-income resident is determined by the area's Median Family Income (MFI). Households that earn at or under 80% of the area MFI are considered "low-income".

Austin, Texas is the 11th largest city in the United States by population. As a result of growth and limited housing supply, residents have faced pressures in attaining homeownership. In order to mitigate the pressures homebuyers face, the City has taken actions to assist residents seeking homeownership within Austin. The City currently has two programs to offer support to low-income residents seeking homeownership.

Large cities (such as Austin) are eligible for funding from the United States Department of Housing and Urban Development (HUD), which periodically releases funding to assist low-income residents. However, residents in the middle-income range (from 81% to 120% MFI¹) also face pressures when considering homeownership but are not eligible for HUD funding, which is reserved for low-income residents.

As affordability issues rise, cities are looking for ways to also support moderate-income homebuyers (above 80% MFI). The cities we reviewed as part of this report leverage local, state, and other private sources to offer programs to buyers up to 200% MFI.

¹ Some cities use the term Area Median Income (AMI) rather than Median Family Income (MFI). These terms are interchangeable. We have chosen to refer to both "AMI" and "MFI" as MFI.

What We Learned

Summary

The City's Housing Department offers two homeownership assistance programs to serve homebuyers at or under 80% Median Family Income (MFI). The Housing Department offers homebuyers down payment assistance, takes actions to increase the affordable housing supply through a Community Land Trust, and provides financial assistance to several area partners. However, funding restrictions limit the reach of these programs to only low-income households.

We reviewed seven programs across six cities that expand homeownership opportunities for homebuyers above 80% MFI. Programs involve community partnerships, developer partnerships, homebuyer partnerships, and lender partnerships to help increase the housing supply or to ease the cost burden for homebuyers.

We reviewed thirteen programs across nine cities that provide down payment assistance to homebuyers above 80% MFI. Program structure varies by city and can include different amounts of assistance, forgiveness options, income requirements, and home price limits.

Question 1

What does the City of Austin do to expand homeownership opportunities for homebuyers in the 81%-120% MFI range?

The City does have the ability to make zoning and development decisions to incentivize the creation of homes for buyers above 80% Median Family Income (MFI). However, the majority of the City's efforts to provide homeownership opportunities for homebuyers do not extend to homebuyers in the 81%-120% MFI range. The City's Housing Department manages two programs that offer assistance to homebuyers: a down payment assistance program and a Community Land Trust program. These programs target low-income homebuyers, or homebuyers earning at or under 80% MFI. Additionally, the City contributes to external partners to assist homebuyers using federal and local dollars. However, similar to the City's own programs, funds provided to external partners by the City can only be used to serve homebuyers at or under 80% MFI.

The Housing Department manages a down payment assistance program for homebuyers at or below 80% MFI. This program is funded with the City's annual allocation of funds from the U.S. Department of Housing and Urban Development (HUD). The down payment assistance program provides eligible homebuyers with up to \$40,000 to purchase a home. Assistance can be used for down payment and closing costs; however, funding restrictions limit the reach of the program. Additionally, City staff state that the City's annual allocation of funding from HUD will decrease in coming years. A decrease in funding will limit the number of residents the City is able to serve.

Each year, the City of Austin receives HOME Investment Partnerships grants and Community Development Block Grants (CDBG) to fund housing activities.

The Housing Department also manages a Community Land Trust program for homebuyers at or below 80% MFI. This program is funded using local funds from the Housing Trust Fund and General Obligation (GO) bonds. The Community Land Trust program allows homebuyers to purchase a home while leasing the land the home sits on, also known as “ground leasing”. Ground leasing increases affordability by shifting the burden of the land cost from the homebuyer to the Community Land Trust entity. Additionally, using ground leases ensures the home remains affordable as Community Land Trust homes are only sold to homebuyers within specified MFI ranges.

The Housing Department contributes funding to several partners in the Austin area including Austin Habitat for Humanity, Community Wheelhouse, Guadalupe Neighborhood Development Corporation, Homebase, Mueller Affordable Homes Program, Chestnut Neighborhood Development Corporation, and Capital A Housing. The City’s funding helps developers finance and permit the construction of affordable housing for homebuyers at or below 80% MFI.

Question 2

How have other cities expanded homeownership opportunities for homebuyers in the 81%-120% MFI range?

Shared equity programs allow borrowers to purchase homes with financing provided by a government or non-profit agency. In exchange, the homebuyer shares the value of any home price appreciation.

TIFs and TIRZs are methods local governments can use to generate revenue from a specific area and use that revenue to pay for improvements to that area.

We collected information related to seven programs that expand homeownership opportunities for homebuyers in the 81%-120% MFI range. Cities include Boston (MA), Chicago (IL), Houston (TX), Portland (OR), San Diego (CA), and San Francisco (CA). Each city manages a program to assist homebuyers by providing financial assistance or by taking actions to increase the supply of affordable housing.

Exhibit #1: Overview of reviewed cities' programs to expand homeownership opportunities to buyers in the 81%-120% MFI range

Program	Buyers Served	Home Price Limit	Credit, Savings, or Asset requirement?	Shared Equity?
Boston	Up to 100% MFI	Yes	Yes	No
Chicago	Up to 120% MFI	Yes	No	No
Houston	Up to 120% MFI	No	Yes	No
Portland (HOLTE)	Up to 100% MFI	Yes	No	No
Portland (SDC Exemption)	Up to 100% MFI	Yes	No	No
San Diego	Up to 120% MFI	Yes	Yes	No
San Francisco	Up to 150% MFI	Yes	Yes	Yes

Source: OCA analysis of reviewed cities, August 2024

A detailed overview of these programs can be found in Appendix A.

Community Partnerships

Some cities participate in community partnerships by using economic tools that bring in revenue from targeted areas and using that revenue to then benefit that area. Tools that are used for community partnerships are Tax Increment Financing (TIF) and Tax Increment Re-investment Zones (TIRZ).

Houston operates their Affordable Home Development Program using TIRZ revenue. The Affordable Home Development program provides gap loans to developers for the construction of affordable homes in the TIRZ available for homebuyers up to 120% MFI. Houston does not place a limit on home prices. Additionally, Houston does not have credit score or savings requirements for homebuyers to meet. However, Houston limits homebuyer assets to \$30,000. This program does not include a shared equity component.

Chicago operates their Affordable Homeownership Opportunities program using TIF revenue and their Affordable Housing Opportunity Fund². The Affordable Homeownership Opportunities program markets existing affordable homes in the TIF area to homebuyers below market price. These homes are available to homebuyers up to 120% MFI.

² There are homes available to homebuyers through Chicago's Affordable Homeownership Opportunities program that were not purchased using TIF revenue. These homes, purchased with funds from the Affordable Housing Opportunity Fund, may be outside of the targeted TIF area.

Front-end ratios identify how much of an individual's monthly income would go to housing costs.

Homebuyers can purchase homes with monthly mortgage payments that fall at or under a percentage of the homebuyer's monthly income specified by the mortgage agreement, also known as a front-end ratio. Chicago does not have credit score or savings requirements for homebuyers and does not limit assets. Additionally, this program does not include a shared equity component.

Developer Partnerships

Some cities participate in developer partnerships by offering incentives to developers who create affordable housing or by requiring developers to create affordable housing as part of their development. Developer incentives can include fee exemptions or exemptions to building requirements. Additionally, requiring developers to create affordable housing is achieved through local policy³.

San Francisco operates their Below Market Rate (BMR) program using homes allocated to the City from developers who are required to develop affordable housing as part of their development projects. The BMR program provides homes for homebuyers up to 150% MFI to purchase below market rate. Homebuyers are able to purchase homes that fall at or under 28% of the homebuyer's front-end ratio. San Francisco does not have a credit score requirement for homebuyers. San Francisco does require homebuyers to have 2 months of housing payments in savings but does not limit assets. This program includes a shared equity component.

San Diego operates the Affordable For-Sale Housing Program, using homes put on the market from homebuyers assisted with dedicated local incentives and homes from developers who are required to develop affordable housing as part of their development projects. The Affordable For-Sale Housing Program provides homes for homebuyers up to 120% MFI to purchase below market rate. Homebuyers are limited to purchasing homes that fall at or under 45% of the homebuyer's front-end ratio. San Diego has a 640-credit score requirement and a \$1,000 savings requirement⁴. San Diego limits assets by unit and income limit. This program does not include a shared equity component.

Portland operates the System Development Charge (SDC) Exemption Program using developer incentives in the form of a fee exemption for developers who develop affordable housing. In this instance, the City forgoes revenue from system development charges but charges applicants processing and application fees. The SDC Exemption Program prompts the creation of homes up to 120% of the annual median sales price (currently \$455,000) for homebuyers up to 100% MFI. There are no credit or savings requirements, asset limits, or shared equity components for homebuyers of these homes.

³ Texas is one of three states that prohibit cities from passing inclusionary zoning ordinances which could be used to require developers to create affordable units.

⁴ San Diego Housing Commission refers to savings requirements as "minimum reserves requirements".

Homebuyer Partnerships

Some cities participate in homebuyer partnerships by offering incentives to homebuyers to offset the cost of homeownership. Homebuyer incentives can include tax exemptions and credits.

Portland operates the Homebuyer Opportunity Limited Tax Exemption (HOLTE) Program using homebuyer incentives in the form of a 10-year property tax exemption. In this program, the City forgoes tax revenue on the home but still collects taxes on the value of the land. Additionally, Portland charges applicants processing fees. The HOLTE Program prompts the creation of homes up to 120% of the annual median sales price (currently \$455,000) for homebuyers up to 100% MFI. There are no credit or savings requirements, asset limits, or shared equity components for homebuyers of these homes.

Lender Partnerships

Some cities partner with lenders to offer assistance to homebuyers, provided the homebuyer meets the criteria of the lender.

Boston operates the One+ Boston program using a lender partnership with Mass Housing Partnership's One Mortgage Program lenders. In this instance, the City uses a dedicated local fund to provide assistance. The One+ Boston program offers homebuyers up to 100% MFI a discount on their Mass Housing Partnership mortgage interest rate. Additionally, One+ Boston offers down payment assistance and closing cost grants. Boston aligns home price limits with Fannie Mae area limits. Homebuyers are required to have at least a 640-credit score for single-family homes and at least a 660-credit score for multi-family homes, 1 to 3 months of housing payments in savings, and are limited to \$75,000 in assets. This program does not include a shared equity component.

Fannie Mae purchases loans from lenders up to a certain dollar amount, known as a conforming loan limit. Limits are subject to change annually and vary by location.

Question 3

How have other cities structured down payment assistance programs to provide assistance to homebuyers in the 81%-120% MFI range?

We collected information related to 13 programs that offer down payment assistance (DPA) to homebuyers in the 81%-120% MFI range. Cities include Boston (MA), Chicago (IL), Denver (CO), Los Angeles (CA), Phoenix (AZ), Portland (OR), San Antonio (TX), San Diego (CA), and San Francisco (CA).

Exhibit #2: Overview of reviewed cities' down payment assistance programs for buyers in the 81%-120% MFI range

Program	Assistance	Buyers Served	Home Price Limit	Credit, Savings, or Asset Requirement?	Shared Equity?
Boston (First Time)	Up to \$50,000	Up to 135% MFI	Yes	Yes	No
Boston (Allston/Brighton)	Up to \$50,000	Up to 135% MFI	Yes	Yes	No
Chicago	Up to \$90,000	Up to 140% MFI	Yes	No	No
Denver	Percentage of loan	Up to 150% MFI	No	Yes	Not mentioned
Los Angeles	Up to \$115,000	Up to 150% MFI	No	Yes	Yes
Phoenix	\$15,000	Up to 120% MFI	Yes	Yes	No
Portland	Up to \$80,000	Up to 100% MFI	No	Yes	No
San Antonio (HIP 120)	Up to \$15,000	Up to 120% MFI	Yes	No	No
San Antonio (FRHAP)	Up to \$40,000	Fire and Police Employees	Yes	No	No
San Antonio (HOPE)	Up to \$40,000	City Employees	Yes	No	No
San Diego	Up to 17% of home price	Up to 120% MFI	Yes	Yes	No
San Francisco (City Second)	Up to \$500,000	Up to 120% MFI	Yes	Yes	Yes
San Francisco (DALP)	Up to \$500,000	Up to 200% MFI	Yes	Yes	Yes

Source: OCA analysis of reviewed cities, August 2024

A detailed overview of these programs can be found in Appendix B.

City of Boston

Boston operates two down payment assistance programs.

First Time Homebuyer Program

Boston's First Time Homebuyer Program offers down payment assistance to homebuyers up to 135% MFI. Eligible homebuyers may receive up to a \$50,000 grant. However, homebuyers are limited to home prices aligned with Fannie Mae's area limits.

To be eligible for the First Time Homebuyer Program, homebuyers must have assets at or under \$75,000 at the time of applying to the program. Additionally, homebuyers must have 1.5% of the purchase price in savings.

Boston requires homebuyers to contribute 1.5% to 3% of the total home value.

Boston funds this program with local funds and grants.

Allston/Brighton Homeownership Program

Boston's Allston/Brighton Homeownership Program offers down payment assistance to homebuyers up to 135% MFI. Eligible homebuyers may receive up to a \$50,000 grant. However, homebuyers are limited to home prices aligned with Fannie Mae's area limits and homes within the Allston/Brighton area.

To be eligible for the Allston/Brighton Homeownership Program, homebuyers must have at or under \$75,000 in assets. Additionally, homebuyers must have 1.5% of the purchase price in savings. Boston requires homebuyers to contribute 1.5% to 3% of the total home value.

Boston funds this program with funds from developers of the Allston Yards development.

City of Chicago

Chicago's Building Neighborhoods and Affordable Homes Program offers down payment assistance to homebuyers up to 140% MFI. Eligible homebuyers may receive grants of up to \$90,000. However, homebuyers are limited to homes at prices set by Council discretion.

Chicago funds this program with local bond revenue.

City and County of Denver

Denver's metroDPA program offers down payment assistance to homebuyers up to 150% MFI. Eligible homebuyers may receive forgivable loans in an amount equal to a calculated percentage of the mortgage loan.

To be eligible for the metroDPA program, homebuyers must have at least a 640-credit score.

Denver currently primarily funds this program with local funds from the City and County budget.

City of Los Angeles

Los Angeles' Moderate Income Purchase Program (MIPA) offers down payment assistance to homebuyers in tiers up to 120% MFI (MIPA 120) and 150% MFI (MIPA 150). Eligible homebuyers may receive loans up to \$115,000 (MIPA 120) and \$90,000 (MIPA 150).

To be eligible for the MIPA program, homebuyers must have at least a 660-credit score. Los Angeles requires homebuyers to contribute the greater of 1% of the home purchase price or 80% of their liquid assets over \$40,000.

Los Angeles funds this program with local linkage fees and state funds. Additionally, there is a shared equity component to this program. When the homebuyer sells the property, the homebuyer will pay the City the

loan amount plus a percentage of appreciation equal to the percentage contribution the City loaned towards the home's purchase. For example, if the City contributed 10% of the home price, the homebuyer would pay the City the 10% originally borrowed and 10% of the appreciated amount.

City of Phoenix

Phoenix's City of Phoenix Homebuying Program offers down payment assistance to homebuyers up to 120% MFI. Eligible homebuyers may receive loans of \$15,000 to purchase homes that fall at or under 33% of a homebuyer's front-end ratio. Additionally, loans are fully forgiven after 15 years.

To be eligible for the City of Phoenix Homebuying Program, homebuyers must have the greater of 50% of the down payment or \$1,000 available in savings to contribute to their home purchase.

Phoenix started this program with federal funds and maintains the program with recycled program income⁵.

Portland Housing Bureau

Portland's Down Payment Assistance Loan (DPAL) program offers down payment assistance to homebuyers up to 100% MFI. Eligible homebuyers may receive loans up to \$80,000. Additionally, loans are forgiven in increments beginning at 15 years and are fully forgiven after 30 years.

To be eligible for the DPAL program, homebuyers are limited to \$10,000 in assets. Portland requires homebuyers to contribute \$500 to the home purchase.

Portland funds this program with Tax Increment Financing (TIF).

City of San Antonio

San Antonio operates three down payment assistance programs.

Homeownership Incentive Program (HIP)

San Antonio's Homeownership Incentive Program 120 (HIP 120) offers down payment assistance to homebuyers up to 120% MFI. Eligible homebuyers may receive loans up to \$15,000 to purchase homes up to \$325,800 for new construction homes and \$305,200 for existing homes. Additionally, homebuyers are limited to homes at or under 33% of a homebuyer's front-end ratio. Loans are partially forgivable. 75% of the loan is forgiven over a 10-year period, while 25% must be repaid.

San Antonio requires homebuyers to contribute \$500 to the home purchase.

San Antonio funds this program with local funds from the City budget.

⁵ Phoenix used federal funds from the Neighborhood Stabilization Program (NSP) to create the City of Phoenix Homebuying Program. The federal NSP fund was created in 2008 to help local governments address the neighborhood effects of foreclosures.

First Responders Homeownership Assistance Program (FRHAP)

San Antonio's First Responders Homeownership Assistance Program (FRHAP) offers down payment assistance to City employees within the Fire and Police Departments. Eligible employees may receive forgivable loans up to \$40,000 to purchase a home at or under 33% of a homebuyer's front-end ratio. Additionally, loans are fully forgiven after 10 years.

San Antonio requires homebuyers to contribute \$500 to the home purchase.

San Antonio funds this program with local funds from the City budget.

Homeownership Program for Employees (HOPE)

San Antonio's Homeownership Program for Employees (HOPE) offers down payment assistance to City employees in all departments. Eligible employees may receive forgivable loans up to \$40,000 to purchase a home at or under 33% of a homebuyer's front-end ratio. Additionally, loans are fully forgiven after 10 years.

San Antonio requires homebuyers to contribute \$500 to the home purchase.

San Antonio funds this program with local funds from the City budget.

San Diego Housing Commission

San Diego's County of San Diego Middle-Income Program offers down payment assistance to homebuyers up to 120% MFI. Eligible homebuyers may receive loans up to 17% of the home purchase price to purchase a home at or under the current median sales price and at or under 30% of a homebuyer's front-end ratio.

To be eligible for the San Diego Middle-Income Program, homebuyers must have at least a 640-credit score and \$1,000 in savings⁶. Additionally, households are limited to \$25,000 in assets for one person and \$500 per additional household member. San Diego requires homebuyers to contribute 3% of the home purchase price.

San Diego funded this program with a dedicated local fund⁷.

City of San Francisco

San Francisco operates two down payment assistance programs.

Downpayment Assistance Loan Program (DALP)

San Francisco's Downpayment Assistance Loan Program (DALP) offers down payment assistance to homebuyers up to 200% MFI. Eligible homebuyers may receive loans up to \$500,000 to purchase a home at or under 30% of a homebuyer's front-end ratio.

⁶ San Diego Housing Commission refers to savings requirements as "minimum reserves requirements".

⁷ The County of San Diego Middle-Income Program is currently out of funding.

To be eligible for the DALP program, homebuyers must have 2 months of housing payments in savings and have assets at or under \$60,000 after purchase. San Francisco requires homebuyers to contribute 1% of the home purchase price.

San Francisco primarily funds this program with a dedicated local fund and bonds. Additionally, there is a shared equity component to this program⁸. When the homebuyer sells the home, the homebuyer will pay the City the amount originally borrowed plus a percentage of the appreciation equal to the percentage contribution the City loaned towards the home's purchase.

City Second Loan Program

San Francisco's City Second Loan Program offers down payment assistance to homebuyers up to 120% MFI. Eligible homebuyers may receive loans up to \$500,000 to purchase pre-identified homes between 30% and 45% of a homebuyer's front-end ratio.

To be eligible for the City Second Loan program, homebuyers must have 2 months of housing payments in savings and have assets at or under \$60,000 after purchase. San Francisco requires homebuyers to contribute 1% of the home purchase price.

San Francisco primarily funds this program with a dedicated local fund. Additionally, there is a shared equity component to this program. When the homebuyer sells the home, the homebuyer will pay the City the amount originally borrowed plus a percentage of the appreciation equal to the percentage contribution the City loaned towards the home's purchase.

⁸ The City of San Francisco refers to shared equity for their programs as "shared appreciation".

Appendix A: General Assistance Program Specifications

Program	Premise	Buyers Served	Home Price Limit	Credit Score Requirement	Savings Requirement	Asset Limit	Shared Equity
Boston: One+ Boston	Provides discounted mortgage interest rates to buyers	Up to 100% MFI	Aligned with Fannie Mae area limits	640	1 to 3 months housing payments	\$75,000	No
Chicago: Affordable Homeownership Opportunities	Distributes homes below market price	Up to 120% MFI	Front-end ratio: Varies by agreement	No	No	No	No
Houston: Affordable Home Development Program	Provides gap loans to developers	Up to 120% MFI	No	No	No	\$30,000	No
Portland: HOLTE Program	Provides exemptions to buyers	Up to 100% MFI	120% of the annual median sales price (\$455,000)	No	No	No	No
Portland: SDC Exemption Program	Provides exemptions to developers	Up to 100% MFI	120% of the annual median sales price (\$455,000)	No	No	No	No
San Diego: Affordable For-Sale Housing Program	Distributes homes below market price	Up to 120% MFI	Front-end ratio: At or under 45%	640	\$1,000	Varies by unit	No
San Francisco: Below Market Rate Program	Distributes homes below market price	Up to 150% MFI	Front-end ratio: at or under 28%	No	2 months housing payments	No	Yes

Source: OCA analysis of reviewed cities, August 2024

Appendix B: Down Payment Assistance Program Specifications

Program	Assistance	Buyers Served	Home Price Limit	Credit Score Requirement	Savings Requirement	Asset Limit	Shared Equity
Boston: Allston/Brighton Homeownership Program	Up to \$50,000 Grant	Up to 135% MFI	Varies ¹	No	1.5% of the purchase price	\$75,000	No
Boston: First-Time Homebuyer Program	Up to \$50,000 Grant	Up to 135% MFI	Varies ²	No	1.5% of the purchase price	\$75,000	No
Chicago: Building Neighborhoods and Affordable Homes Program	Up to \$90,000 Grant	Up to 140% MFI	Varies ³	No	No	No	No
Denver: metroDPA	Percentage of loan Forgivable	Up to 150% MFI	No	640	No	No	Not mentioned
Phoenix: City of Phoenix Homebuying Program	\$15,000 Forgivable	Up to 120% MFI	Front-end ratio: at or under 33%	No	The greater of 50% of the down payment or \$1,000	No	No
Portland: DPAL	Up to \$80,000 Forgivable	Up to 100% MFI	No	No	No	\$10,000	No
Los Angeles: MIPA	Up to \$115,000 Non-forgivable	Up to 150% MFI	No	660	No	No	Yes
San Antonio: FRHAP	Up to \$40,000 Forgivable	Police and Fire Employees	Front-end ratio: at or under 33%	No	No	No	No
San Antonio: HIP 120	Up to \$15,000 Partially-forgivable	Up to 120% MFI	New homes: \$325,800 Existing homes: \$305,200 Front-end ratio: at or under 33%	No	No	No	No
San Antonio: HOPE	Up to \$40,000 Forgivable	City Employees	Front-end ratio: at or under 33%	No	No	No	No
San Diego: County of San Diego Middle-Income Program	Up to 17% of home price Non-forgivable	Up to 120% MFI	Front-end ratio: at or under 30%	640	\$1,000	\$25,000+	No
San Francisco: City Second Loan Program	Up to \$500,000 Non-forgivable	Up to 120% MFI	Front-end ratio: at or under 30%	No	2 months housing payments	\$60,000	Yes
San Francisco: DALP	Up to \$500,000 Non-forgivable	Up to 200% MFI	Front-end ratio: at or under 30%	No	2 months housing payments	\$60,000	Yes

¹ Boston's Allston/Brighton Homeownership Program requires homebuyers to purchase a home that aligns with the area limits for home price loans set by Fannie Mae. These limits change periodically.

² Boston's First-Time Homebuyer Program requires homebuyers to purchase a home that aligns with the area limits for home price loans set by Fannie Mae. These limits change periodically.

³ Chicago's Building Affordable Neighborhoods and Affordable Homes Program requires homebuyers to purchase a home that does not exceed a limit set by Council discretion.

Source: OCA analysis of reviewed cities, August 2024

Why We Did This Report

This report responds to a request sponsored by Council Member Vanessa Fuentes and Council Member José Velásquez regarding homeownership opportunities for homebuyers in the 81%-120% MFI range.

Scope

The project scope included all actions taken by the City's Housing Department to assist homebuyers and actions taken by selected peer cities to assist homebuyers within the 81%-120% MFI range.

Methodology

To complete this special request, we performed the following steps:

- Documented relevant information related to housing affordability in Austin
- Interviewed staff from the City's Housing Department
- Identified and selected peer cities with relevant programs from the top 30 most populated cities in the United States
- Analyzed information related to peer cities available online
- Conducted interviews and analyzed information received from peer city staff

Project Type

This project is not considered an audit. However, this project was conducted in accordance with the ethics, independence, competency, and quality provisions of the Government Auditing Standards.

The Office of the City Auditor was created by the Austin City Charter as an independent office reporting to City Council to help establish accountability and improve City services. Special requests are designed to answer specific questions to assist Council in decision-making. We do not draw conclusions or make recommendations in these reports.

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