



Housing Assistance Program Brings Homeownership Within Reach Of Low-Income Families

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Newly released data show that a long-time program that helps Black Forsyth County renters become homeowners is bearing fruit.

Devvon Mack is a single mom with two sons. In January of 2018 she purchased her first home in Rural Hall — a small town roughly 15 minutes north of Winston-Salem. The move was made possible by housing assistance from Forsyth County.

“I couldn’t believe it because I’ve always wanted a piece of the American pie, owning a home,” says Mack. “But just walking in after that emotional rollercoaster and just striving and trying to come up with the funds. It was unreal, but just to see the smiles on my sons’ face — it was priceless.”

Twenty-two years ago, the **Forsyth County Community and Economic Development** department began two housing programs to provide qualified, primarily Black renters with the skills, training, and resources to purchase a home. The first is for individuals like Mack who qualify for a bank loan but lack a down payment. Through the county’s soft second mortgage program, BB&T Bank becomes the first lender providing up to \$30,000. The second loan — for the down payment — is provided interest-free through the North Carolina Housing Finance Agency.

For Mack, a lifelong renter who never thought it all possible, this has been profound.

“The fact that I’m a homeowner and I have equity is amazing to me,” she says. “Just leaving my sons something. They have a piece of land, something that they can cherish, and they can be in generations to come.”

Mack says today she’s investing in stock and looking to purchase more property. Forsyth County’s individual development account (IDA) program began under the premise that for people to escape poverty, it takes more than income assistance, it takes a chance to build wealth.

Recently retired Dan Kornelis directed the program since its inception.

“You know, it’s hard to measure people’s self-esteem,” says Kornelis. “It’s hard to measure their feeling of delight that they have a house now that’s theirs. That their kids have their own bedrooms and so forth. That is I think the true miracle of the program. The house was just the byproduct.”

But to get there requires a year-long commitment. Participants must reduce their debt, raise their credit score, pay all bills on time, remain employed, attend monthly meetings, and classes — learning to budget, and open a savings account. They’re paired with success coaches who review weekly budgets, and record transactions. These case files are then studied each month at Forsyth County’s Department of Community and Economic Development.

Kornelis admits it’s an intensive, costly, hands on program, but he says the biggest threat is supply.

“For years a \$110,000 could get a three-bedroom, two-bath, 1,100-square-foot house all day long,” he says. “But this year we’re up to \$190,000 and we’re probably going to go up to \$200,000. So, if someone’s going to buy a \$200,000 dollar home, the cost of subsidizing that is going to be a lot more.”

But does the program deliver? For years Kornelis wanted to have a third party review the hundreds of financial records in the form of notebooks collecting dust in the office. Then data analysts at the **Center for the Study of Economic Mobility** volunteered to study the case files and publish their findings.

Director Craig Richardson says it was by no means an advocacy project.

“We looked at this like a business to think about the return on investment for this program,” says Richardson. “This is a net gain for the county. Not only do we have property taxes going up in terms of revenue we also have equity being created on the part of these homeowners. That is transformational.”

Richardson says the average home equity after 9 years was nearly \$50,000 dollars — money he says that would have been impossible to come by as renters. Richardson adds that the foreclosure rate was low at just 8%.

Michael Tanner is with the **Cato Institute**, a Libertarian think tank based in D.C., who researches social welfare policy. He says he’s in favor of programs that address longstanding discriminatory housing tactics. But he’s not convinced this local program is scalable.

“If you look at the average house price in Forsyth County, and the size of the mortgage that’s being taken out, it’s very small,” says Tanner. “Even people with low incomes, as long as they have a steady job, are going to be able to qualify and participate in this — that’s probably why you get a low default rate as well. Try this same thing in San Francisco or Manhattan and you’re in serious trouble.”

Today, after 15 years of helping people acquire their first homes, loan officer Bianca Green is beginning to do the same work with the children of parents she helped a decade ago.

“That parent began the legacy as far as them understanding what asset building is, how important homeownership is,” says Green. “So, that to me is just phenomenal.”

The future of the IDA program is anything but certain. It’s costly, and government funding tends to go to new programs that show quick results. Moving forward will take the continued matching funds by the housing finance agency, and increased support by local partners — United Way, banks, realtors and other lenders — who believe the investment is worth the return.