

Homes For Equity

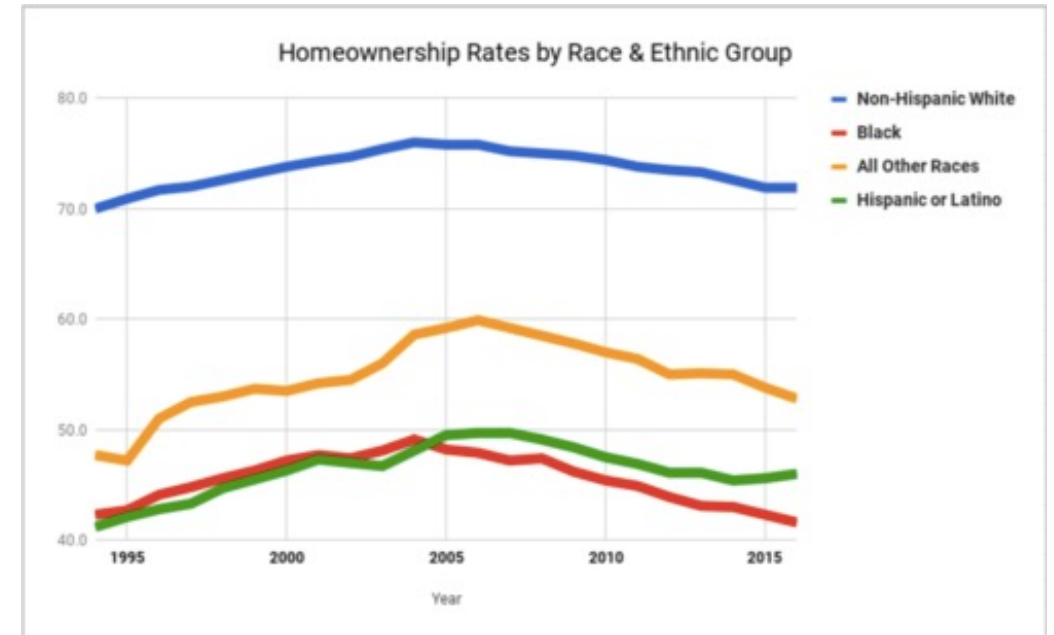
A Pilot to Build Intergenerational Wealth through Homeownership for People of Color who have Experienced Housing Discrimination



Maria Latimore, Project Director

Housing's Role in Racial Wealth Gap

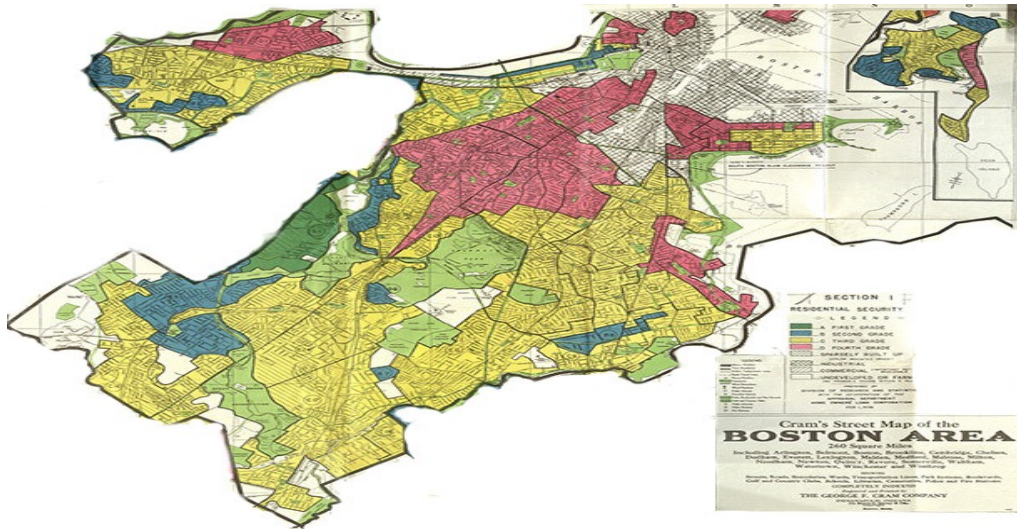
Homeownership is the way many US families build economic security. Yet for decades, white households bought homes and generated wealth supported by public policies and private actions that **excluded Black households from buying homes.**



Nearly 90% of white households in the Boston MSA are homeowners, while only 33% of African American families and roughly 20% to 30% of Latino households own homes.

Pilot HFE in Roxbury

“Perhaps the most remarkable aspect of redlining and its devastating consequences is that it is, in a real sense, government-sponsored.” – Francis Werner



In Roxbury, where 90% of the population is Black or Latinx, only 23% of households own their homes as compared to 34% in Boston.

HFE's Legal Basis is in Fair Housing Act

- The Fair Housing Act prohibits housing discrimination based on race and other factors
- It also establishes an *obligation to redress or reverse conditions of housing discrimination*



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Current practice assumes the prohibition against housing discrimination *precludes explicit consideration of race*. We believe Fair Housing Act allows for *more explicit consideration of race* in marketing, buyer selection and program design.

Dual Approach to Restorative Homeownership

The Homes for Equity pilot will focus on two areas key to restorative homeownership.

1. Explicit **race-conscious marketing and buyer selection**
2. **Changes to affordable housing financing policies** to allow greater wealth-building for buyers of color

Race-Conscious Marketing & Buyer Selection

The Problem

Proxies often fall short of reaching intended goals.

The Solution

Selection criteria prioritizing those harmed by race-based housing discrimination.

Current use of proxies targeting applicants of color has mixed results.
HFE will adopt race-conscious criteria.

Broad Proxies

- First-time / First-gen
- Income
- Local preferences

Narrow Proxies

Residence in racially identified places

Explicit Criteria

Race

Changes to Affordable Housing Financing Policies

Deed restrictions on affordable homes:

- Limit owner equity
- Cap resale prices
- Accelerate racial wealth gaps



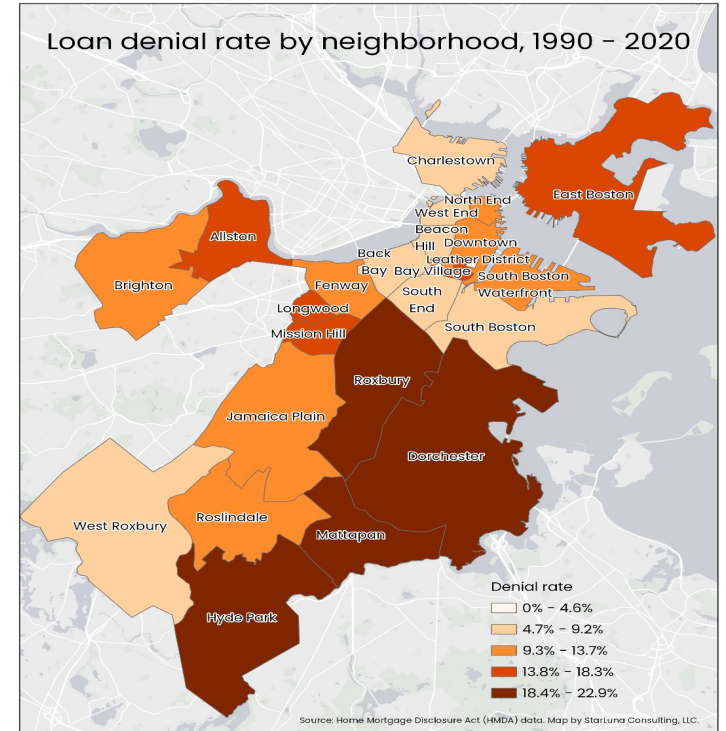
Change restrictions to allow owners to leverage home value and build wealth

- Greater & quicker equity appreciation
- Reduce subsidy recapture terms
- More down-payment assistance

HFE Research and Program Design

Completed 13 months of research to bolster legal and public case for Homes for Equity. <https://www.opppcommunities.org/hfe-reports>

1. Research documented the history of harm – a compelling pattern of actions by City, State, and Federal governments and private interests resulting in housing discrimination in Roxbury
2. Research data used to design HFE program and determine eligibility criteria



Allies, Advocates & Supporters



Implementation

The Homes for Equity pilot will leverage homeownership projects under development in Roxbury for the initial implementation.

Our goal is to build and sell 40 “Homes for Equity” to demonstrate our theory of change.

Homes for Equity is designed to be replicable across MA and beyond, providing a path for households of color to achieve homeownership and build generational wealth across the United States.

Project Team



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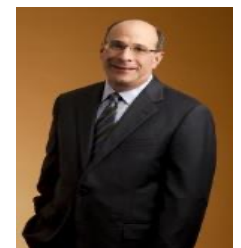
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