

Roadmap for Increasing Black Homeownership:

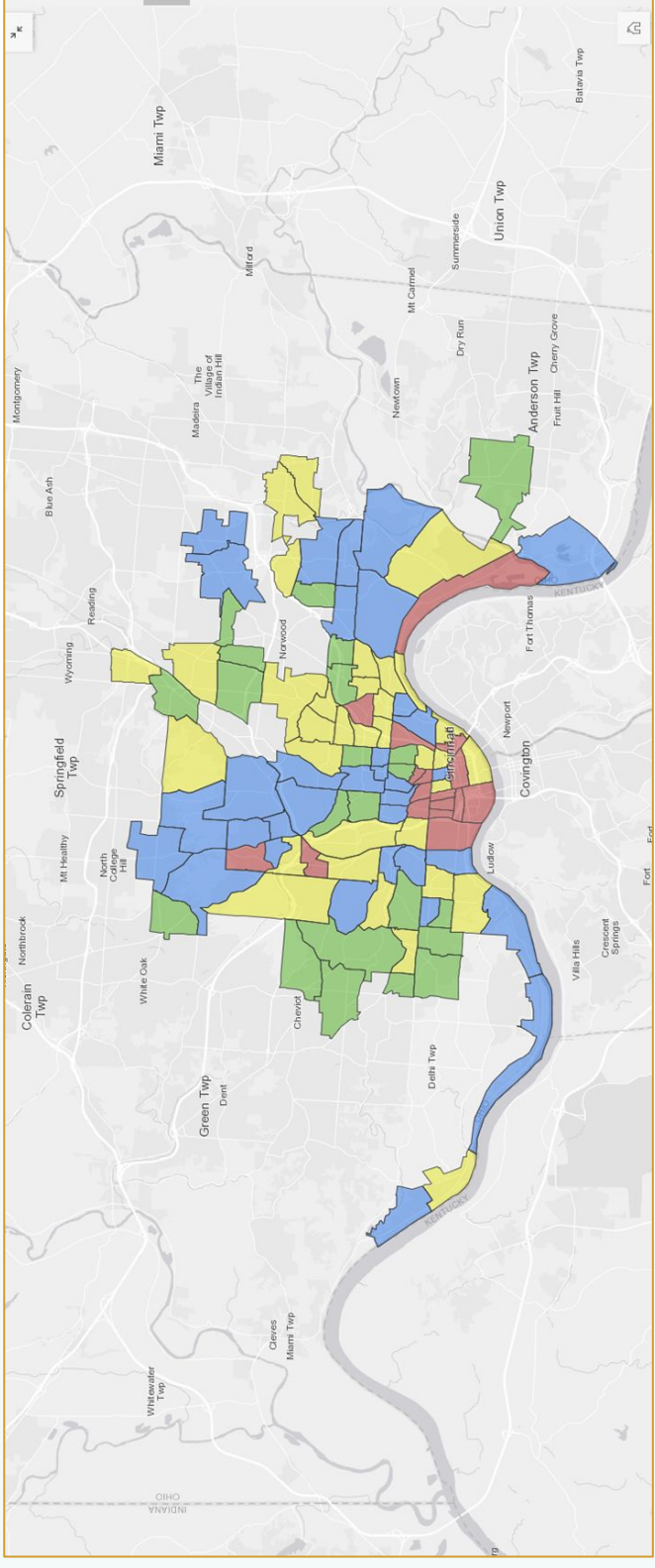
Making generational
wealth through
homeownership available
to everyone



From Redlining in Cincinnati: Effects on Black Well Being

By Scott Overbey

May 12, 2020

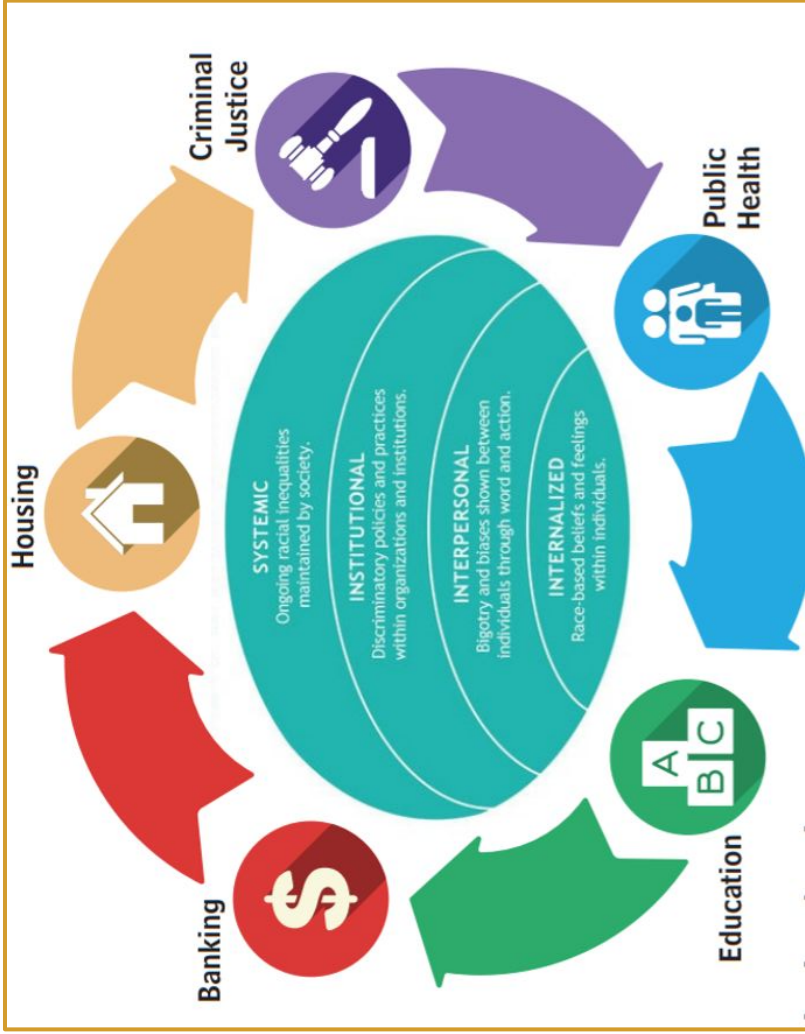




Modern Day Redlining

Compounding historical injustices, Black families are still being discriminated against in the housing market today in countless ways:

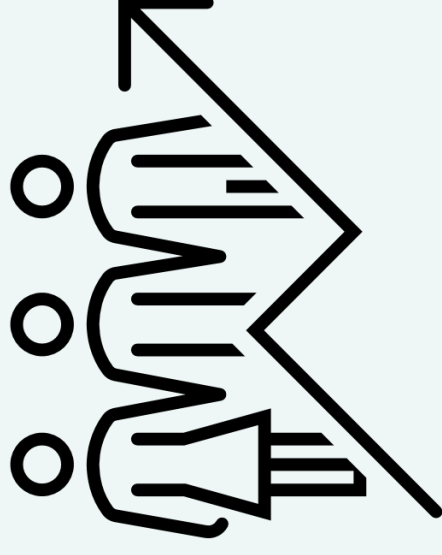
- Mortgage denials
- Discriminatory lending
- Racial steering
- Lower appraisals
- Predatory and unfair lending practices
- Single family zoning





Communities **MUST** affirmatively further fair housing

- Bring parity between Black and White homeownership
- Incentivize Affordable Housing
- Plan to combat NIMBYism
- Eviction Prevention
- Black Homeownership (public policy, loans, appraisals, down payments, alt credit scoring, tax policy)





Who is HOME?

- Enforcement
 - Testing Program
- Tenant Advocacy
 - Housing Mediation Services
 - School Programs
 - Housing Stability Assistance
- Education and Outreach
 - Courses for consumers and housing providers
- Research & Advocacy
- Spanish Language Services





Housing in Cincinnati

- In Hamilton County 40,000 households “pay more than they can afford for safe and stable housing (Housing Our Future, 3).
- Housing production also increased about 80% from the depths of the great recession.-Source
- Despite growth in housing stock, housing prices have gone up. The median sales price of single-family homes has increased by more than 45% since 2010
- Nearly half of Hamilton county’s 82,300 extremely low-income households are considered severely cost-burdened (paying more than 50% of their income per housing)

RESULT of all these factors is an unprecedented housing crisis

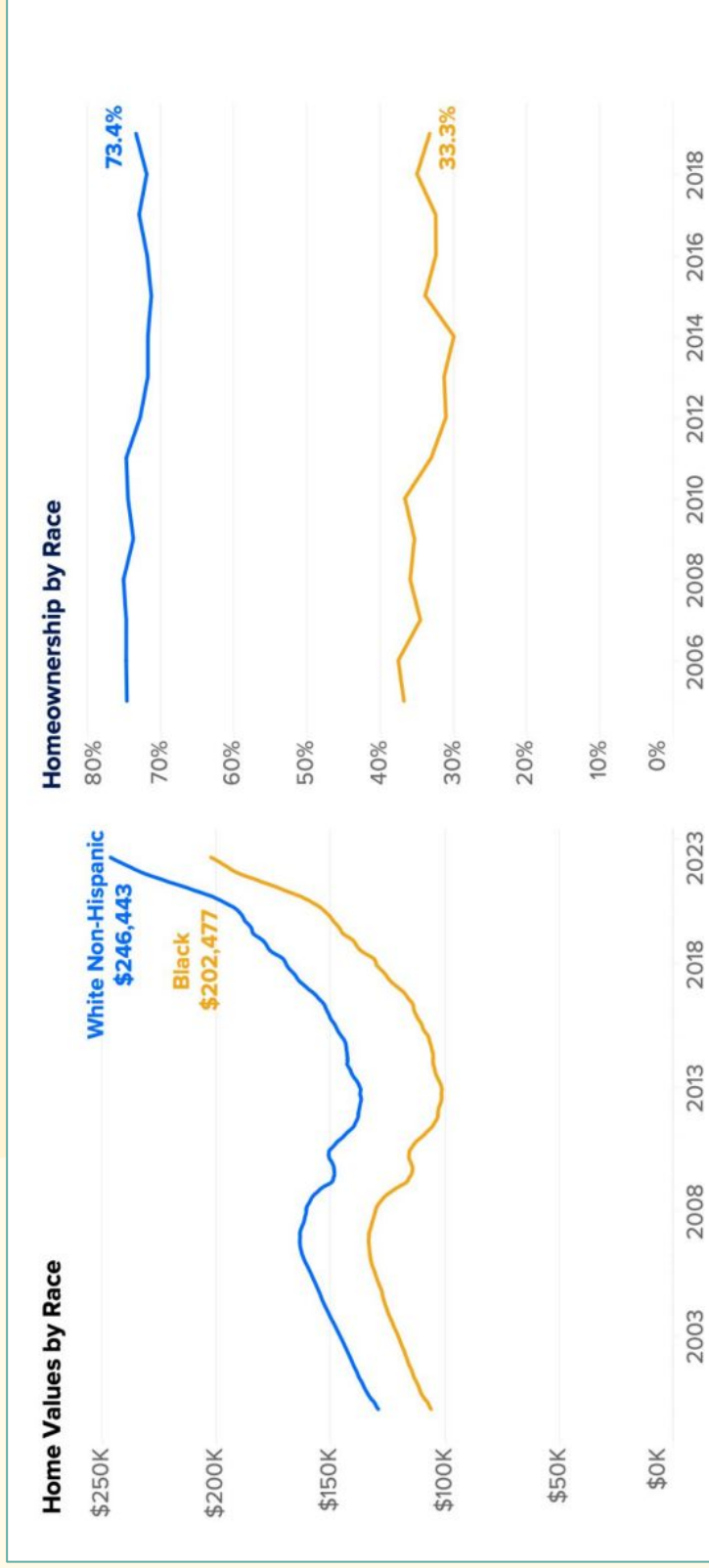
Black Homeownership

Black households should be able to compete fairly in the housing market in Cincinnati.

- White wealth is **10X** Black wealth and **8x** Latinx wealth - *Urban Institute*
- Nationwide, black owned homes are worth about **18%** less than white owned homes
- In Cincinnati, the Black homeownership rate is **33.3%**, while a dramatically more significant **73.4%** of White residents are homeowners.
- Black renters had evictions filed against them by landlords at nearly **twice** the rate of white renters- *ACLU's Data Analytics team*
- In Cincinnati there are **19 thousand** local Black Millennials are mortgage ready, and **9 thousand Latinx** - *Urban Institute*
- Nationally the Black homeownership rate went up .5% between 2018 and 2019, BUT the Black homeownership rate in Cincinnati actually shrunk in Cincinnati by **1.7%** over the same time - *Zillow*

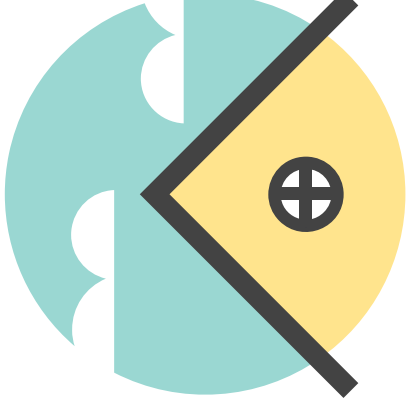
This is problem that is getting worse in Cincinnati

Black homeownership rate and value of Black-owned homes



Roadmap to increase Black homeownership

- Multiple contributors and sources
 - Community Building Institute
 - HOME
 - Action Tank
 - Fair Housing Assessment, 2019
 - Housing Our Future, 2020
 - LISC
 - Legal Aid Society of Southwest Ohio
- Addresses harms historical discrimination and current calls for racial justice
- Policy Recommendations for elected officials and candidates



Policy Recommendations

- **Modify tax abatement incentives** to more directly support Black homeowners, and homeowners in neighborhoods experiencing weak housing market performance.
- **Create a fund to support home repairs by Black and low-income homeowners** to include interior and exterior home repairs with abatements provided on these improvements
- **Provide property tax relief to Black and low-income homeowners** in neighborhoods where property values are raising at a rate above the Countywide average
- **Expand Lending to Black and low-income homebuyers** by providing a fund to incentivize lenders to make mortgage loans to Black buyers with credit scores between 580 and 650 with alt credit scoring and for mortgage amounts as low as \$50,000.
- **Modify zoning to be more inclusive** by expanding provisions for multi-generational housing and higher densities in appropriate locations.
- **Create an independent transparent monitoring process**



The next decade - five scenarios for Black homeownership

	Home Values	Homeownership
Improvement	Black home values grow 15% faster than ZHVI (1.5 percentage points faster for every 10% year-over-year growth in ZHVI), while white home values grow 1.5% slower than ZHVI, correspondingly.	Black homeownership grows at 1.5 percentage points per year , while white homeownership stays largely static (+0.1 percentage points per year).
Status Quo	Black home values grow 10% faster than ZHVI (1 percentage point faster for every 10% year-over-year growth in ZHVI), while white home values grow 1% slower than ZHVI, correspondingly.	Black homeownership grows at 1 percentage point per year , while white homeownership stays largely static (+0.1 percentage points per year).
Mild Slowdown	Black home values grow 5% faster than ZHVI (0.5 percentage points faster for every 10% year-over-year growth in ZHVI), while white home values grow 0.5% slower than ZHVI, correspondingly.	Black homeownership grows at 0.5 percentage points per year , while white homeownership stays largely static (+0.1 percentage points per year).
Stall	Black home values grow at the same rate as ZHVI, as do white home values .	Black homeownership stays static , while white homeownership stays largely static (+0.1 percentage points per year).
Reversal	Black home values grow 5% slower than ZHVI (0.5 percentage point slower for every 10% year-over-year growth in ZHVI), while white home values grow 0.5% faster than ZHVI, correspondingly.	Black homeownership falls 0.5 percentage points per year , while white homeownership stays largely static (+0.1 percentage points per year).