

local relevance

First, The Headlines



From the Atlanta Business Chronicle:

https://www.bizjournals.com/atlanta/news/2021/04/27/racial-homeownership-gap-georgia.html

Click to Print Now

Study: Homeownership will decline without zoning, lending changes

Buyers/Sellers

Apr 27, 2021, 7:30am EDT

Zillow Research

Home ownership **Special report** lan 16th 2020 edition >

Weekly edition

■ Menu

Home ownership is in decline

That is not a big cause for concern

Q Search >

Visuals

Housing Gains Could Increase Black Wealth More than Half a **Trillion Dollars by 2031**

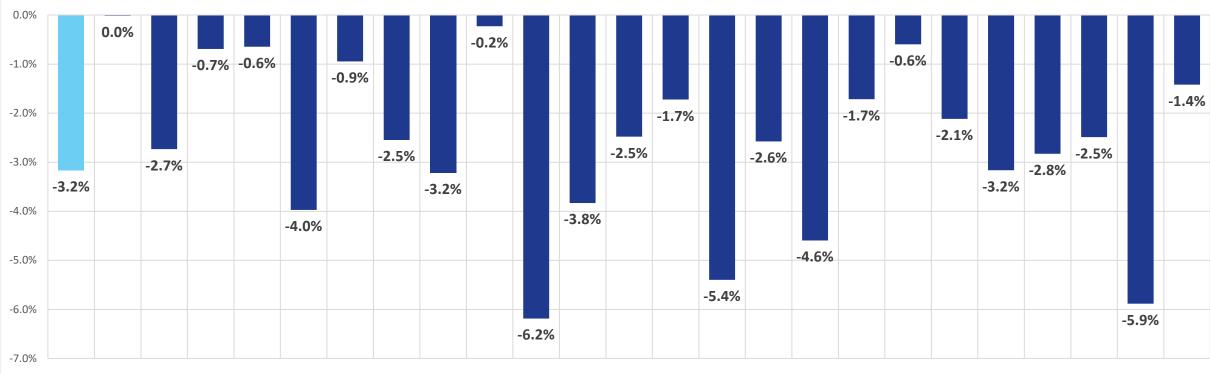
Renters

Economis

Data

Home Ownership Has Declined Everywhere*

Change in % of Units That Are Owner-Occupied, 2000-2019



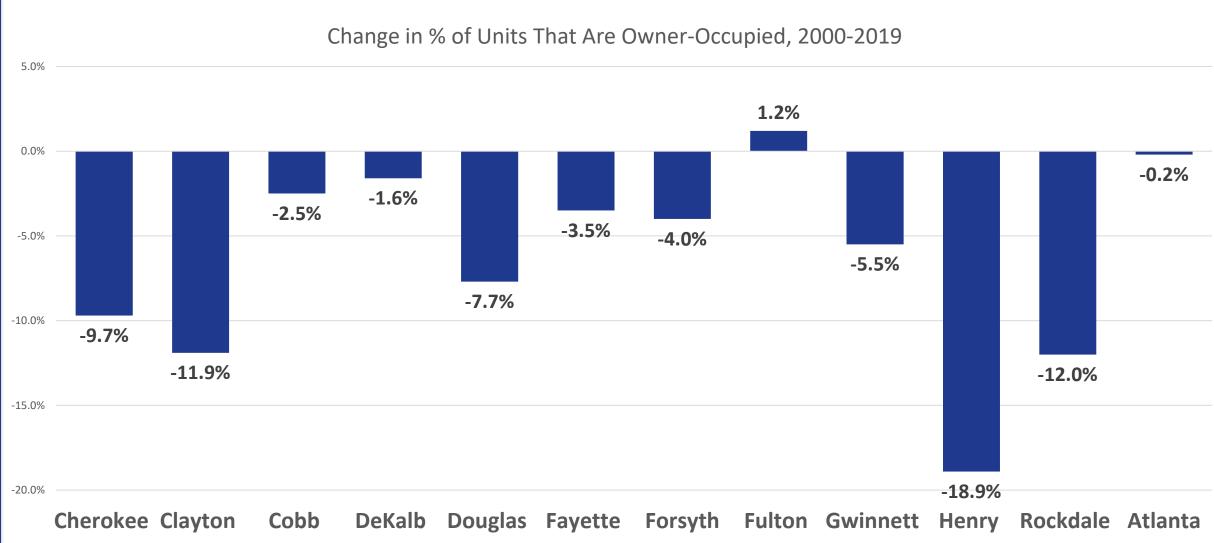
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Source: American Community Survey, 2000 Census – accessed via Social Explorer

^{* -} MSA boundary definitions changed between 2000 and 2019, so this isn't a straight "apples-to-apples" comparison

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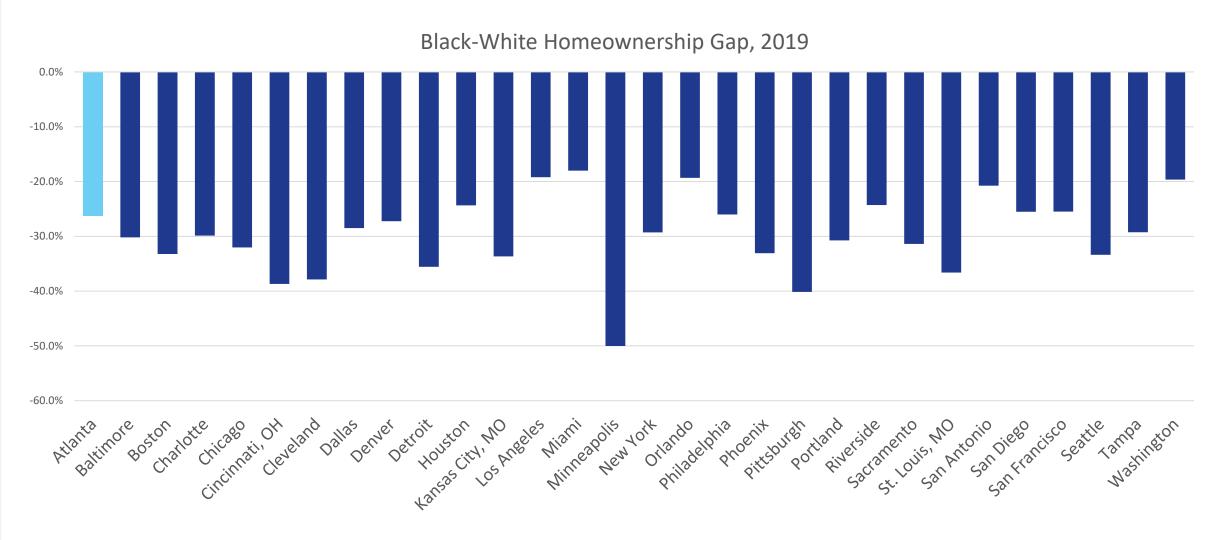
Same Trends Happening In Our Local Jurisdictions Too*



Source: American Community Survey, 2000 Census – accessed via Social Explorer

^{* -} City of Atlanta has also experienced boundary changes, again making an "apples-to-apples" comparison difficult

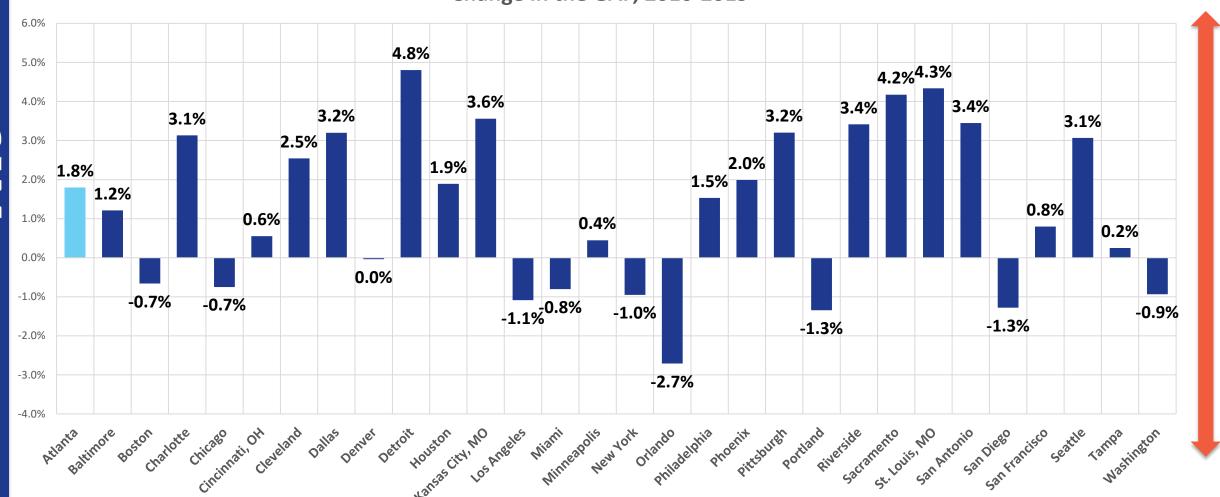
Black-White Homeownership Gaps: Metro Areas



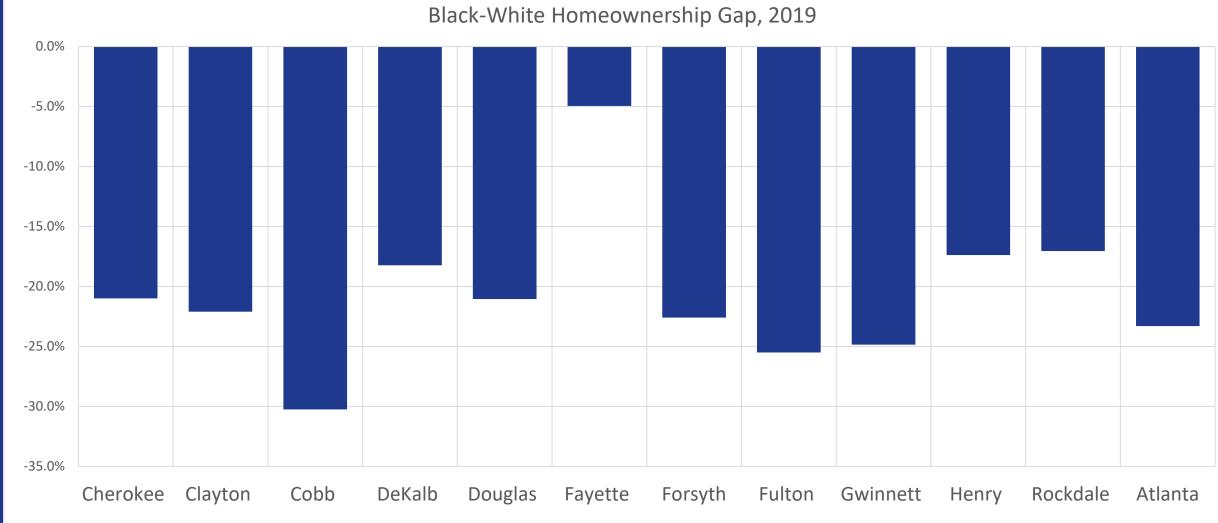
That Gap Has Grown In Most Places, Including Atlanta







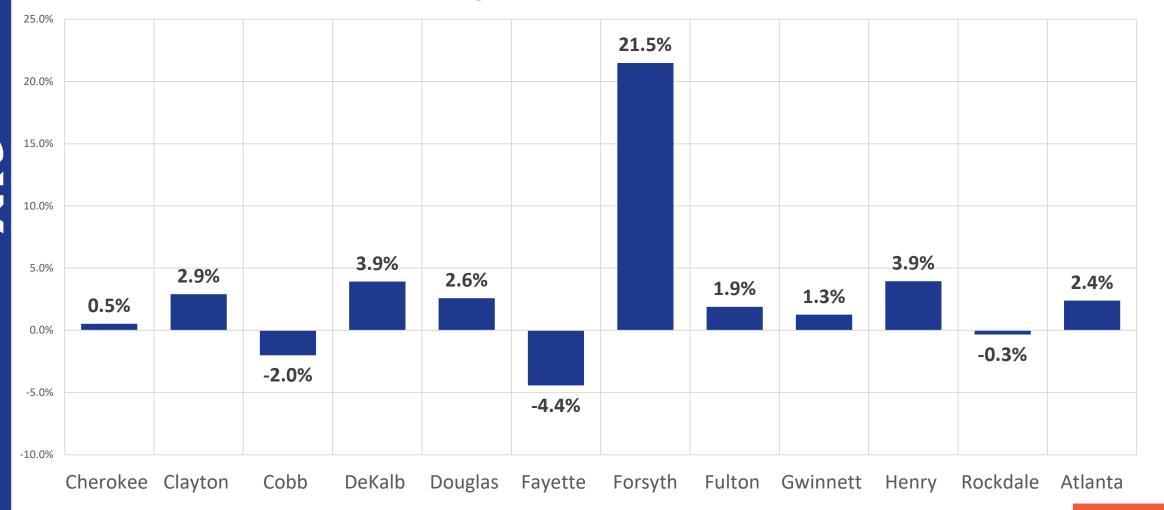
Black-White Homeownership Gaps: Locally



That Gap Has Grown In Most Places

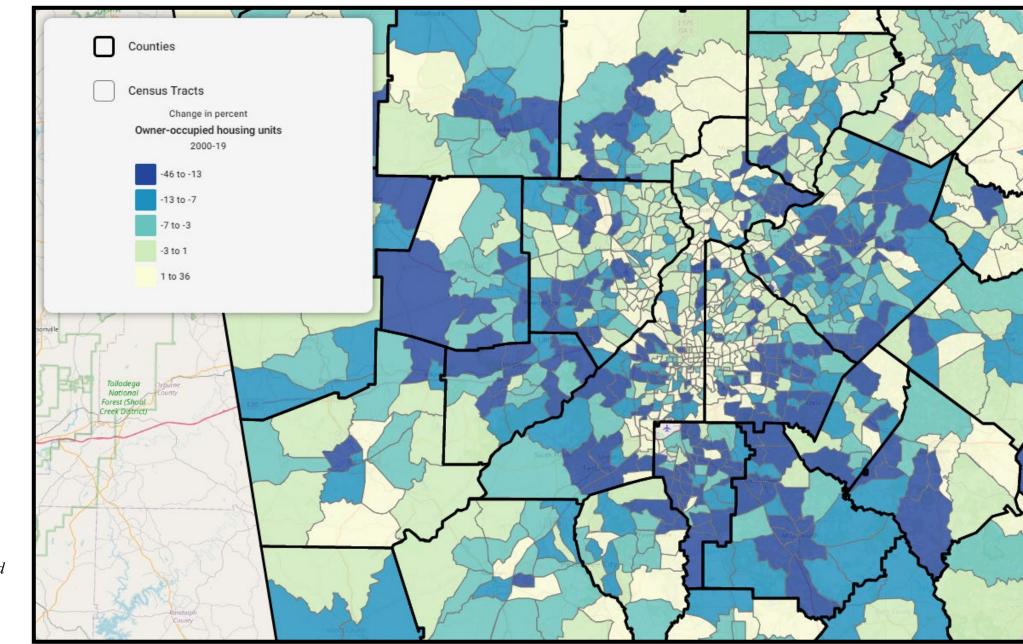
Gap Widening

Change in the GAP, 2010-2019



Gap Narrowing

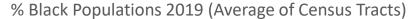
Change in Overall Homeownership, 2000-2019

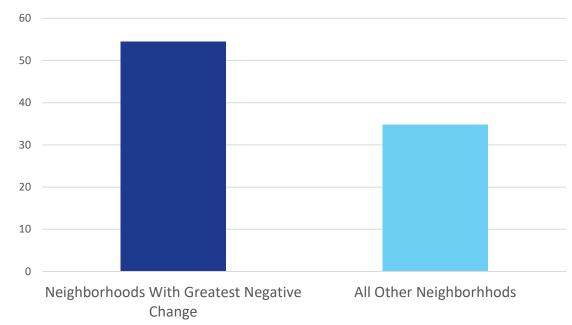


Source: American Community Survey, 2000 Census accessed

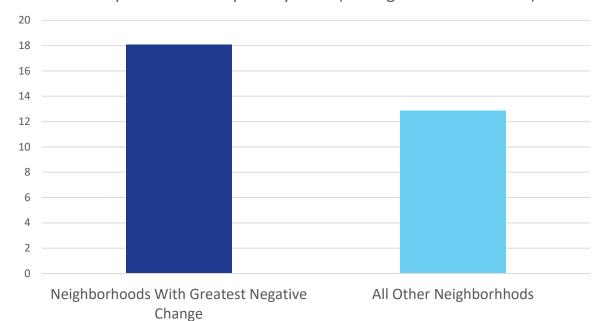
data.neighborhoodnexus.org

Place Matters!

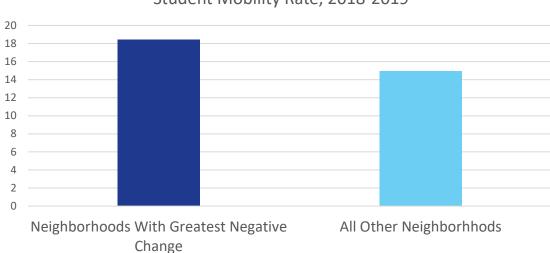




% Population below poverty 2019 (Average of Census Tracts)



Student Mobility Rate, 2018-2019

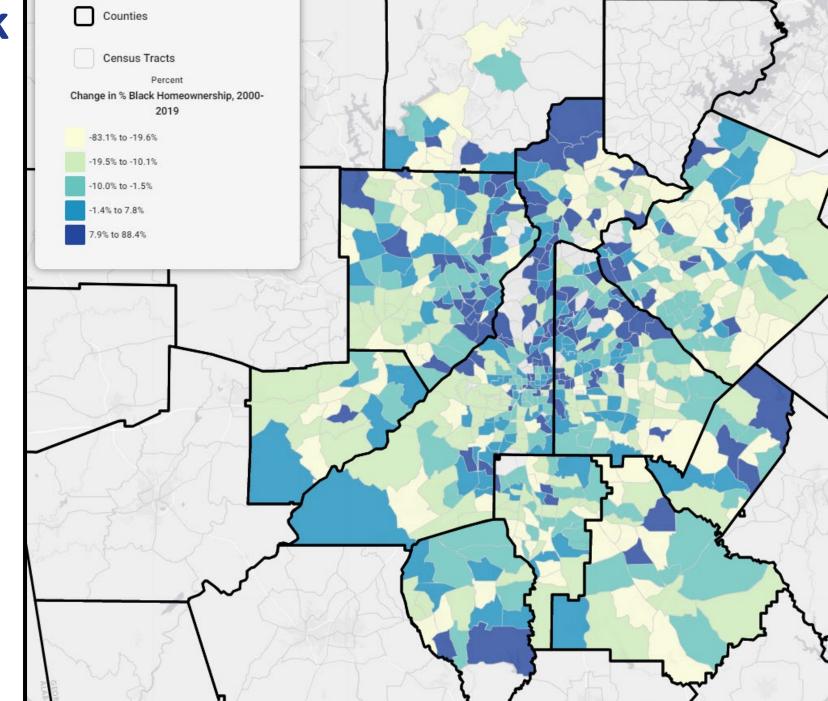


Change in % Black Homeownership, 2000-2019

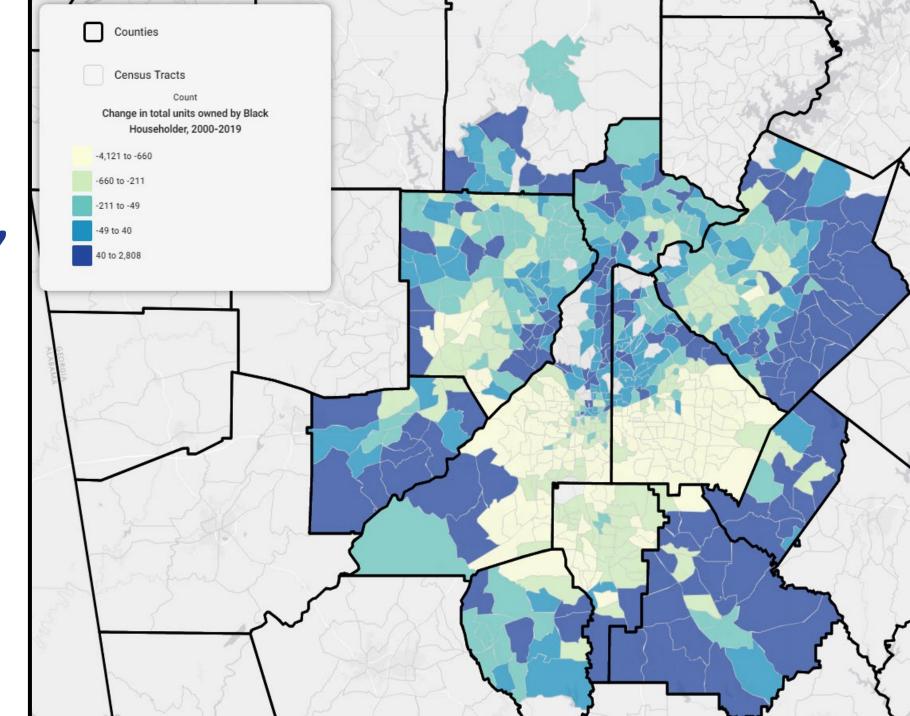


Source: American Community Survey, 2000 Census accessed

data.neighborhoodnexus.org



Change in Units Owned By Black Householders, 2000-2019

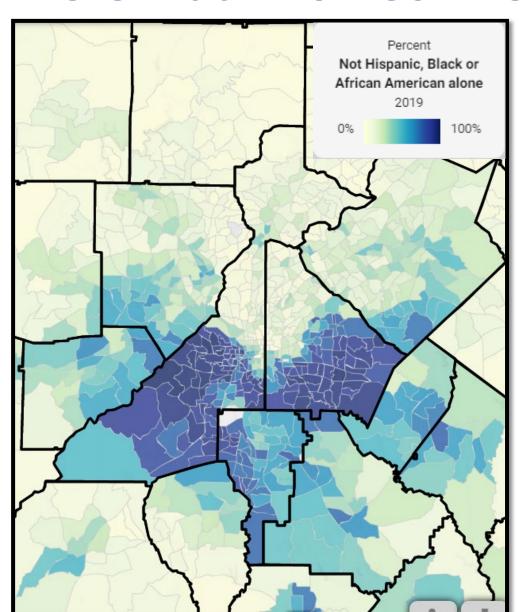


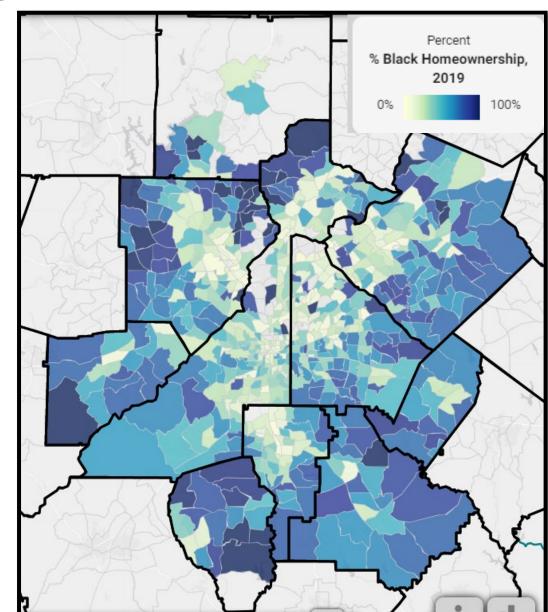
Source: American Community Survey, 2000 Census accessed via data.neighborhoodnexus.org



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Spatial Mismatch: Where Black Population Live And Where Black Homeowners Are





Why? A History of Racist Housing Policies

The Infamous "Redlining" Map



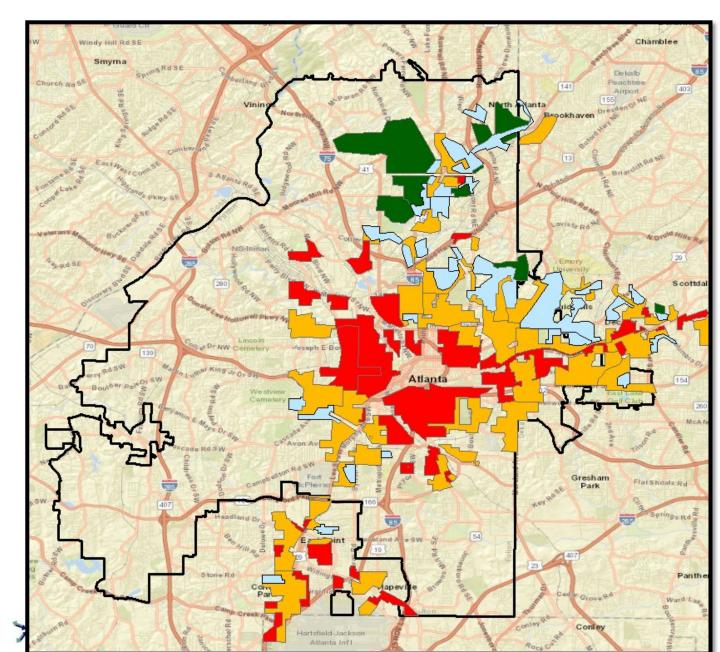
Best





Definitely Declining

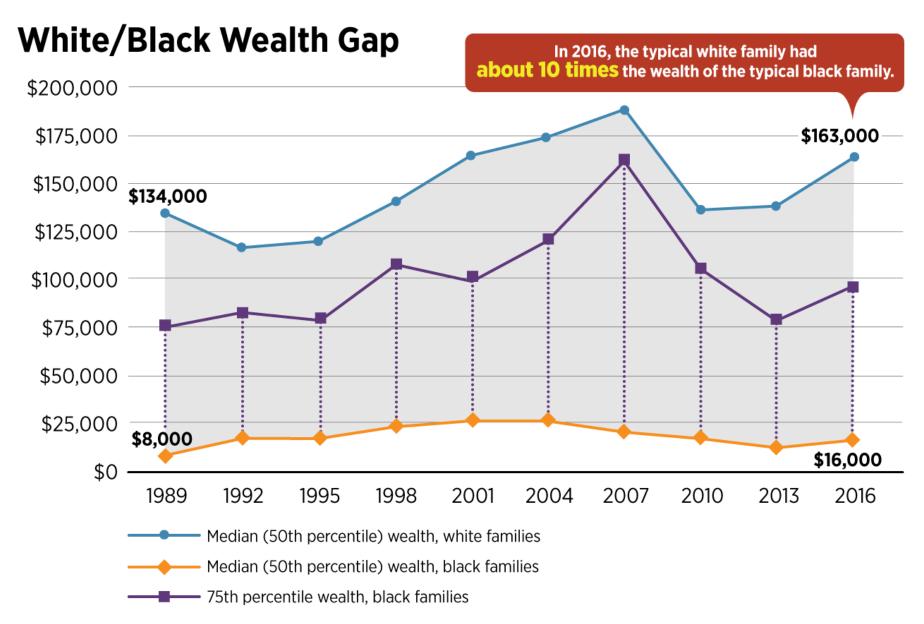
Hazardous



Source: Mapping Inequality, Richmond University



Why? Wealth Gap...



Why? Credit Scores...

FICO Scores, by Race or Ethnicity, 2018

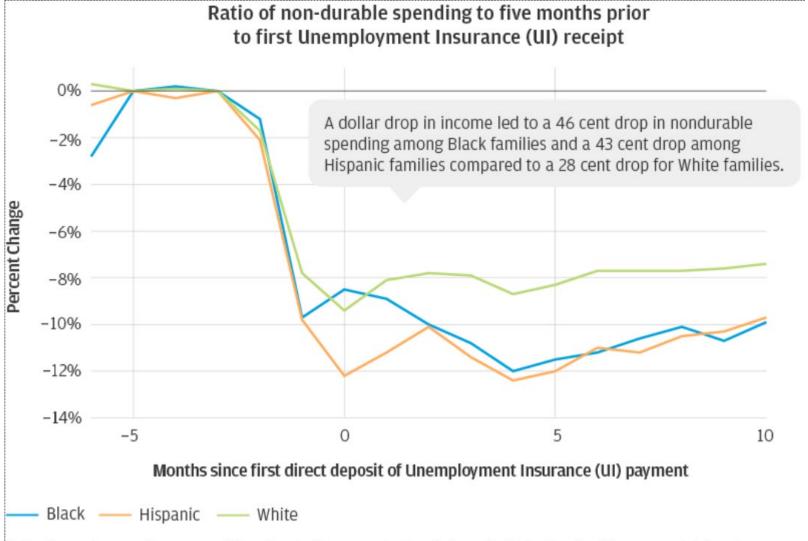


Source: Freddie Mac.

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Why? Lack of Financial Buffer



Note: Unemployment Insurance (UI) refers to UI payments direct deposited into the checking account, labor income only includes inflows to the checking account identifable as labor income, and non-durable spending refers to expenditures on non-durable goods from the checking account and using Chase credit cards. The ratio is relative to month -5 (5 months before first UI payment).

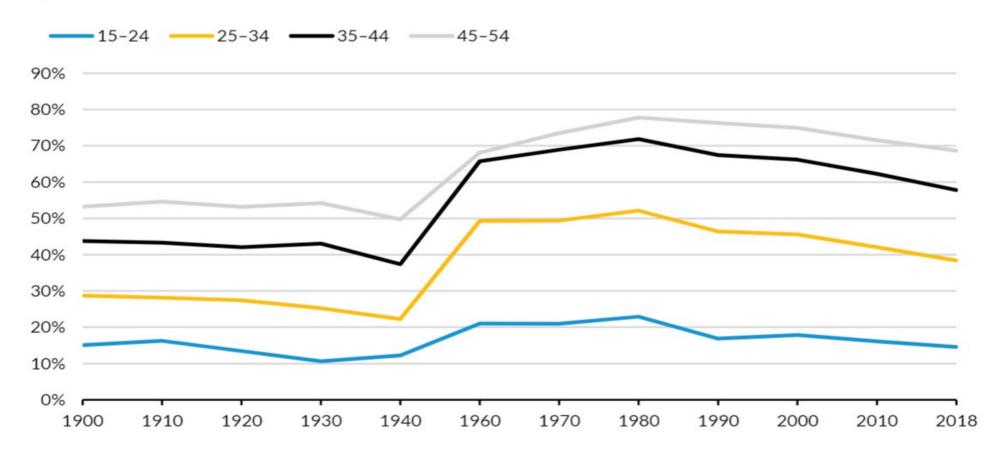
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Why? Millennials Not Benefitting From Homeownership Like Their Boomer Parents

FIGURE 4.2B

US Homeownership Rates, by Age Group, 1900–2018

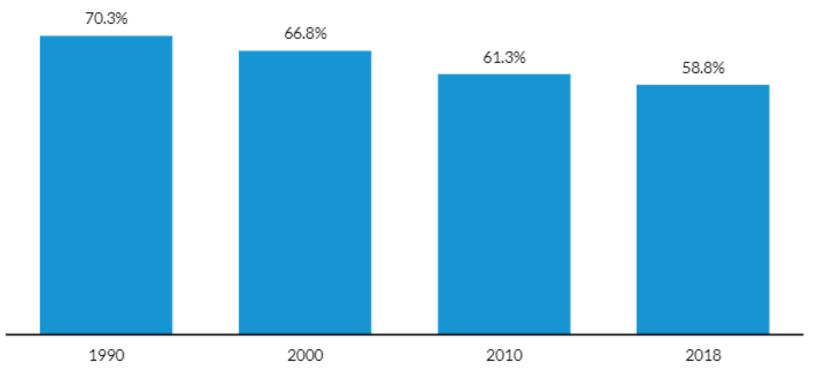
Ages 15-54



Sources: Laurie Goodman, Rolf Pendall, and Jun Zhu, *Headship and Homeownership: What Does the Future Hold?* (Washington, DC: Urban Institute, 2015), Decennial censuses, and American Community Surveys.

Why? Fewer Two-Income Households

Marriage Rates among 25-to-54-Year-Olds, 1990-2018



URBAN INSTITUTE

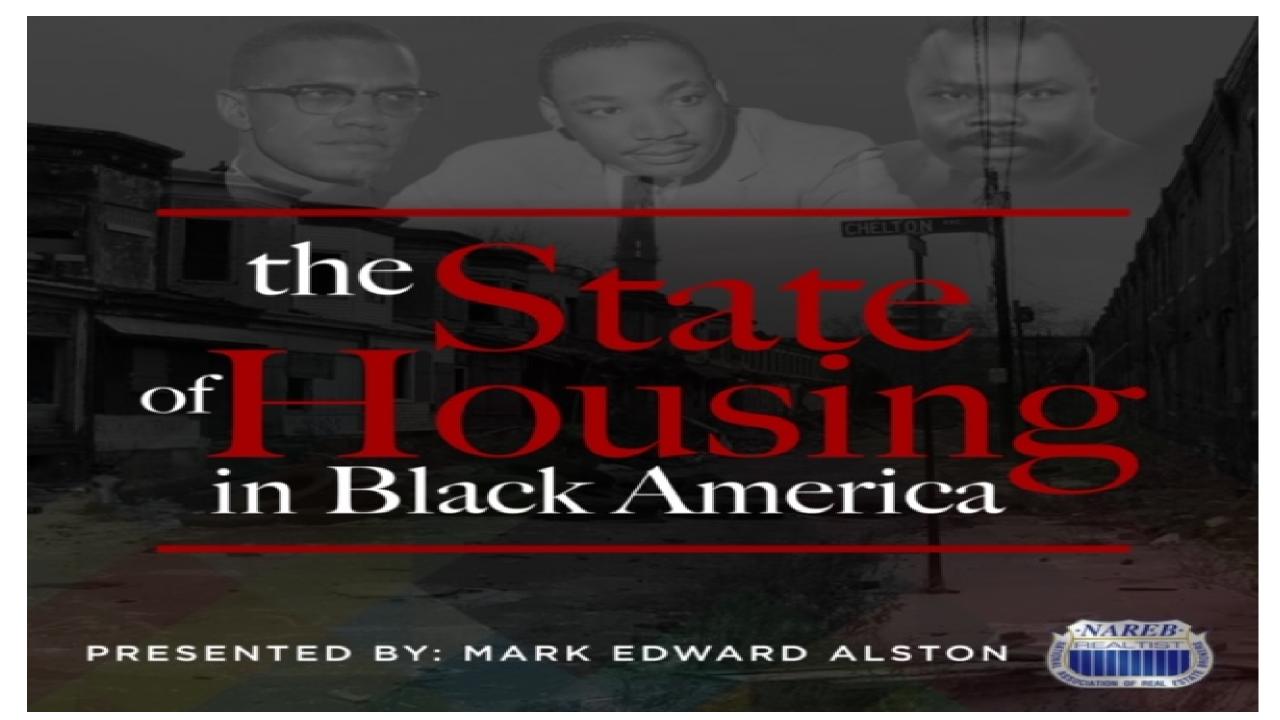
Sources: Urban Institute calculations from the 1990, 2000, and 2010 Decennial Censuses and the 2018 American Community Survey.



CLOSING THE HOMEOWNERSHIP GAP

Atlanta Regional Housing Forum

Wednesday, June 2, 2021



HOME OWNERSHIP RATE DISPARITY

WHITE HOME OWNERSHIP RATE 73.8%

BLACK HOME OWNERSHIP RATE 45.1%

The gap between Black and White homeownership is 28.7% as of the 1^{st} . Quarter 2021

MORTGAGE DISPARITY - US

2019 TOTAL MORTGAGES 9,325,241
 BLACK 516,405 5.5% BLACK ORIGINATIONS

2020 TOTAL MORTGAGES 14,460,821
 BLACK 711,526 4.8% BLACK ORIGINATIONS

BLACKS ARE 12.2% OF THE US POPULATION BUT ONLY RECEIVED 4.8% OF NEW MORTGAGES

ATLANTA METRO

WHITE HOMEOWNERSHIP RATE 75.3%

BLACK HOMEOWNERSHIP RATE 47.4%

The gap between Black and White homeownership in the Atlanta MSA is 27.9%

MORTGAGE DISPARITY – ATLANTA MSA

TOTAL MORTGAGES 304,367

WHITE 153,169

BLACK 55,226

Blacks are 34.3% of the population but only received 18.1% of the new mortgages. The Black denial rate is 18.64%, White is 10.71%. It took 106,283 Black family applications to originate 55,226 new mortgages.

ATLANTA - CITY

TOTAL MORTGAGES 27,007

WHITE 15,047

BLACK 4,224

Blacks are 51% of the population of the city of Atlanta but only received 15.6% of the new mortgages. The Black denial rate is 21.83%, more than double that of White denial 10.02%. 49.82% of Black applications were approved, 68.15% of White applications. It took 8,687 Black applications to achieve 4,224 new originations.

INTENTIONAL

THERE HAS BEEN "TARGETED" OPPOSITION TO BLACK HOME OWNERSHIP SINCE THE EMANCIPATION PROCLAMATION

Public policy and tradition have served to block access, and severely restrict Black home ownership opportunity

EXCLUSIONARY ZONING PRIVATE COVENANTS US GOVERNMENT REDLINING PREDATORY HOUSING CONTRACTS EMINENT DOMAIN AND URBAN RENEWAL RACIALLY DISPARATE HOUSING FINANCE **POLICIES**

A GOOD HEAD START... BEATS FAST RUNNING

246 YEARS (1619-1865) **SLAVERY** 103 YEARS (1865-1968) JIM CROW 53 YEARS (1968-PRESENT) FAIR HOUSING

FAIR HOUSING... just ain't fair

MAINTANANCE OF STATUS QUO IS THE OVERWELMING SOCIAL CONSTRUCT

WE HAVE TO ADVOCATE FOR POSITIVE, AFFIRMITIVE, ASSERTIVE PROGRAMS AND INITIATIVES "TARGETED" TO INCREASE BLACK HOMEOWNERSHIP



CALL TO ACTION



NATIONAL RESTORATIVE JUSTICE HOUSING FUND



REFORM AND STANDARDIZE THE SCHOOL LOAN CALCULATION FOR MORTGAGE QUALIFING



ELIMINATE LOAN LEVEL PRICE ADJUSTMENTS (LLPA'S)

"THE POOR PAY MORE FEE ADJUSTMENT"

Table 2: All Eligible Mortgages (Excluding MCM): LLPA by Credit Score/LTV

PRODUCT FEATURE	LLPAs by LTV Range								
	≤ 60.00%	60.01 – 70.00%	70.01 – 75.00%	75.01 – 80.00%	80.01 – 85.00%	85.01 – 90.00%	90.01 – 95.00%	95.01 – 97.00%	SFC
Representative Credit Score	Applicable for all mortgages with greater than 15 year terms For whole loans purchased on or after April 1, 2011, and loans delivered into MBS with issue dates on or after April 1, 2011.								
<u>></u> 740	-0.250%	0.000%	0.000%	0.250%	0.250%	0.250%	0.250%	0.250%	N/A
720 – 739	-0.250%	0.000%	0.250%	0.500%	0.500%	0.500%	0.500%	0.500%	N/A
700 – 719	-0.250%	0.500%	0.750%	1.000%	1.000%	1.000%	1.000%	1.000%	N/A
680 – 699	0.000%	0.500%	1.250%	1.750%	1.500%	1.250%	1.250%	1.000%	N/A
660 – 679	0.000%	1.000%	2.000%	2.500%	2.750%	2.250%	2.250%	1.750%	N/A
640 - 659	0.500%	1.250%	2.500%	3.000%	3.250%	2.750%	2.750%	2.250%	N/A
620 - 639	0.500%	1.500%	3.000%	3.000%	3.250%	3.250%	3.250%	3.000%	N/A
< 620 ⁽¹⁾	0.500%	1.500%	3.000%	3.000%	3.250%	3.250%	3.250%	3.250%	N/A

⁽¹⁾ A minimum required credit score of 620 applies to all mortgage loans delivered to Fannie Mae in accordance with the Selling Guide; exceptions to this requirement are limited to loans in which any borrower has nontraditional credit and those originated in accordance with Refl Plus 100 Refl Plus (see the Refl Plus Pricing Matrix).

REFORM REDRESS RESTORATION

"OUR LIVES **BEGIN TO END** THE DAY WE **BECOME SILENT ABOUT THINGS** THAT MATTER."

-MARTIN LUTHER KING JR



Build. Thrive. Grow.

2016-21 Strategic Goals

- ✓ Increase homeownership
- ✓ Focus on targeted neighborhoods
- ✓ Build Habitat's capacity

Completed 5-Year Strategic Plan

701 Homeowner Families Served

- 236 built or rehabbed houses
- 204 houses Repaired with Kindness
- 261 houses Brushed with Kindness
- 100+ neighborhoods under revitalization

\$24.2M Economic Impact

244 Ready Homebuyer Families

(*My Money. My Future.* financial literacy, match savings, and homeownership education program)



SCALING OUR SINGLE-FAMILY HOMEOWNERSHIP DEVELOPMENT



Innovative Single-Family Development

- 750+ developed since Foreclosure crisis, 122 in FY20
- Nearly tripped production in less than 5 years
- Focus on mission-aligned, risk-sharing partnerships
- Increase enterprise capital to fund additional scale
- Leverage additional capital for NMTC and CMF
- Focus: Providing/connecting nearly 1,000 buyers to DPA
- Focus: Veteran families





who we serve

RACE

Homebuyer and Critical Home Repair Programs

•Black: 93.2%

MEDIAN AGE

New Homeowners: 38

Home Repair participants: 71

HEAD OF HOUSEHOLD

New Homeowners

Female: 80.2%

Male: 11.8%

Joint: 8%

REPAIR WITH KINDNESS (Critical Home Repair)

Female: 64.1%

Male: 28.3%

Joint: 7.6%

30% of Repair with Kindness recipients are

U.S. Military Veterans

MEDIAN HOUSEHOLD INCOME

New Homeowners: \$33,100

Repair with Kindness: \$25,080

RACIAL EQUITY IN THE MARKETPLACE

In addition, to closing the homeownership gap, ANDP is intentional in its efforts to create economic opportunity and build capacity of locally-based, Black-owned businesses.



Our homeowners...

- √ 60% female head of household
- ✓ 60% earn less than 80% AMI
- √ 77% are Black/African American
- √ 90% first-time homebuyers
- √ 82% receive down payment assistance
- ✓ Average Wealth Creation for ANDP Homebuyers = \$88,797

Creating Economic Opportunity

- ✓ Below-market loans to Black-owned developers of affordable housing
- ✓ 50%+ of ANDP development partners are Black-owned businesses
- ✓ Partnership w/ANDP is growing their business income, increasing hiring, and increasing homeownership among their staff.

\$50M in 5 Years to Black-owned Businesses

- ✓ Direct contracts for ANDP development
- / Below-market rate capital to local, black-owned businesses



American Jobs Plan

- Broad infrastructure package that includes funds for roads, bridges, airports, transit, broadband, the electric grid, water lines and sewers, and climate resilience for homes, schools, hospitals and federal buildings.
- \$318 billion in funding to build and renovate homes including:
 - The Neighborhood Homes Investment Act, a new tax credit for building and rehabbing homes for owner occupants in distressed neighborhoods
 - New funding for building multifamily housing including \$35 billion for HOME,
 \$45 billion for the Housing Trust Fund, \$12 billion for the Capital Magnet
 Fund, and \$40 billion for public housing
 - New funding for rural housing, Tribal areas, energy efficiency retrofits, and community revitalization

Neighborhood Homes Investment Act (NHIA)

- A tax credit that fills the valuation gap for homes whose values are too low to support renovation costs
- Targeted to census tracts with low incomes, low home values and higher poverty rates
- Only for homeownership
- Allocated by state housing finance agencies according to state priorities
- Investors only receive tax credits on funds invested when the homes are inspected and occupied by income qualified homeowners

NHIA Eligible Neighborhoods: Atlanta

