

Congratulations

MassHousing's Innovation Policy
Team



Francis Jhoan Goyes-Flor



and



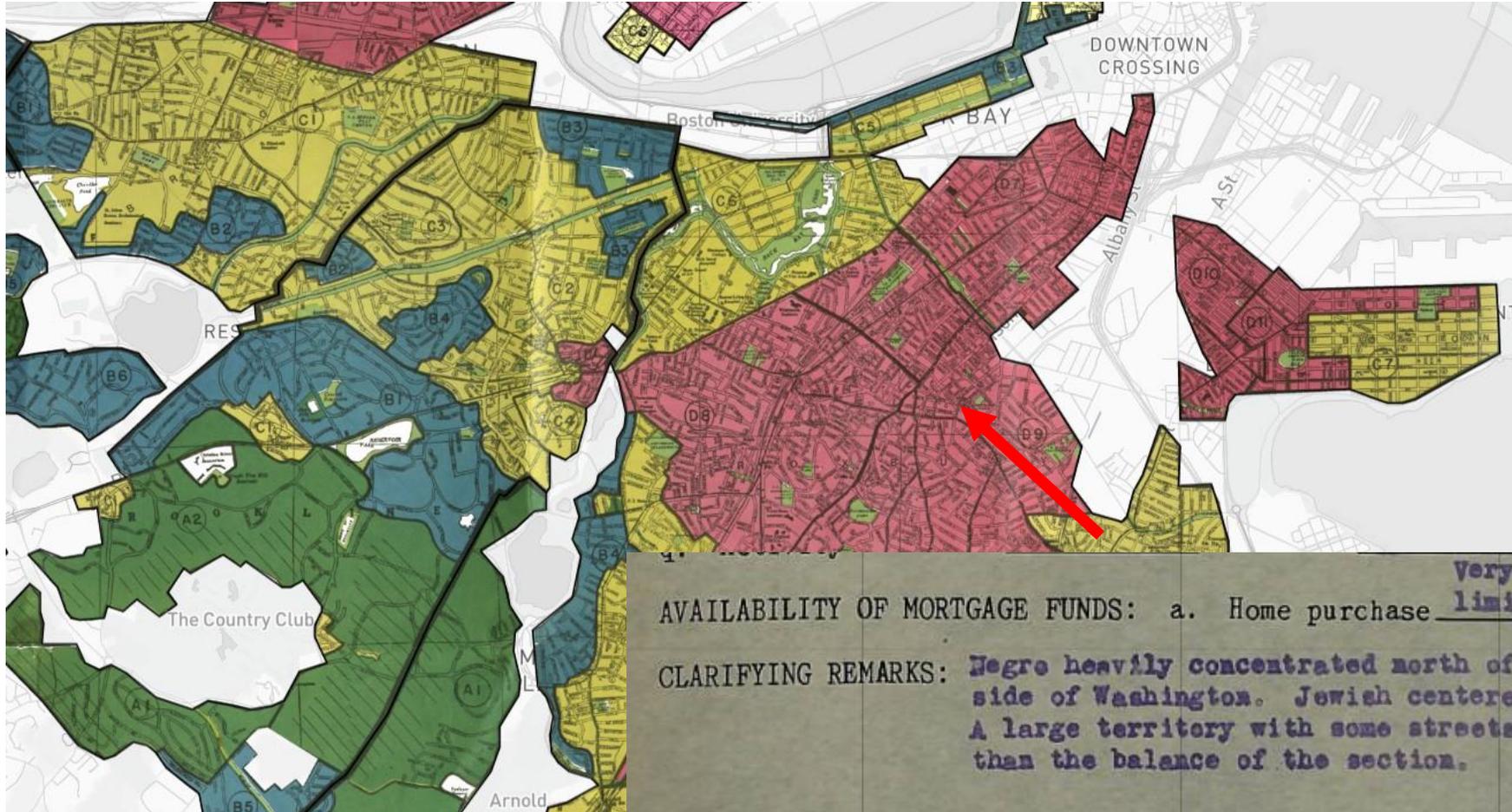
Monique Gibbs

- Through **redlining**, the federal government denied government-backed mortgages for purchases in communities of color.
- **Legal racially-restrictive deeds** prevented households of color from moving to certain neighborhoods.
- Housing developers were **denied federal construction loans** if they did not include racially-restrictive deeds.

E. No persons of any race other than the Aryan race shall use or occupy any building or any lot, except that this covenant shall not prevent occupancy by domestic servants of a different race domiciled with an owner or tenant.

5. That the said land or buildings thereon shall never be rented, leased or sold, transferred or conveyed to, nor shall same be occupied exclusively by person or persons other than of the Caucasian Race.

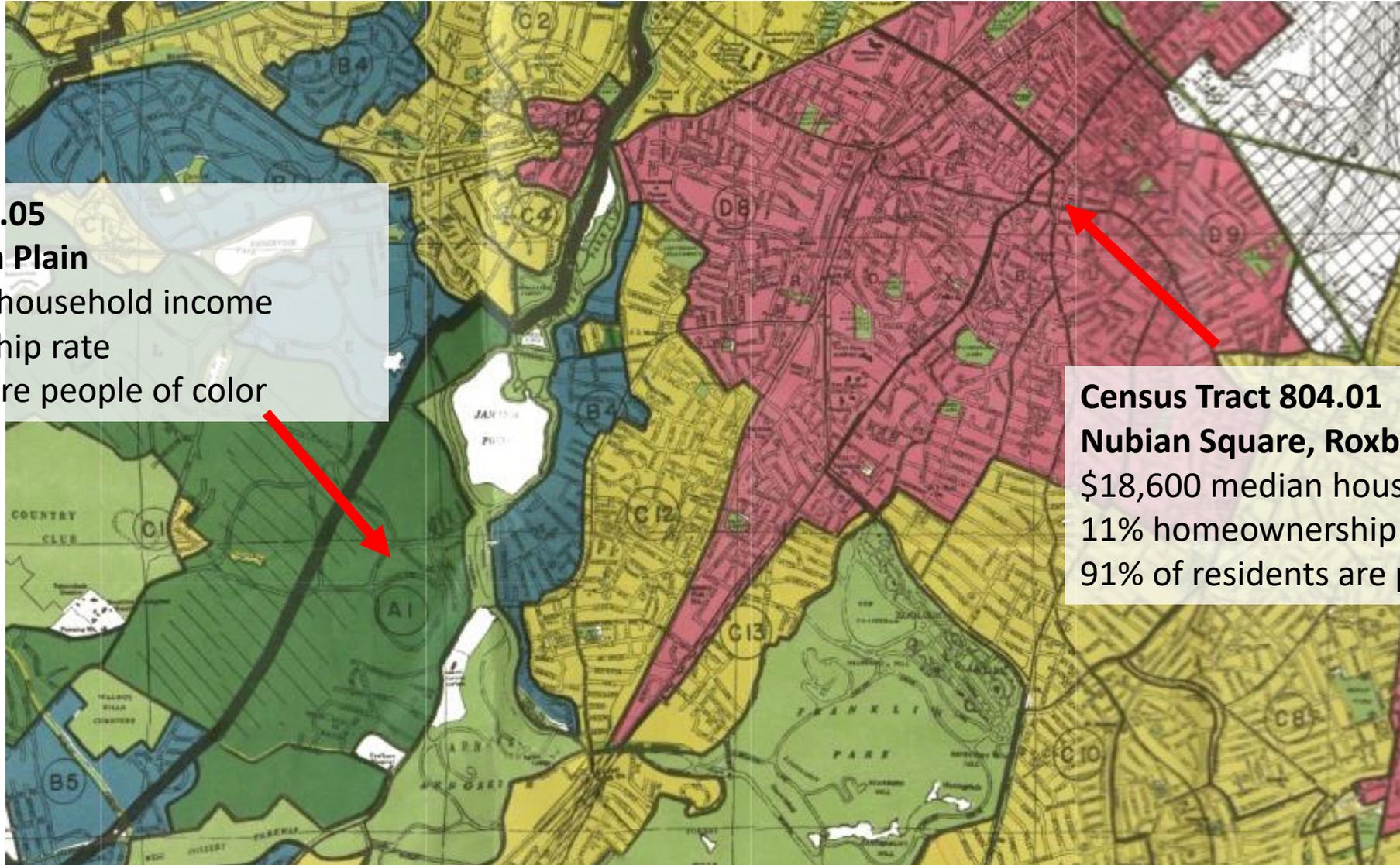
Redlining in Boston, c.1937



AVAILABILITY OF MORTGAGE FUNDS: a. Home purchase very limited; b. Home building _____

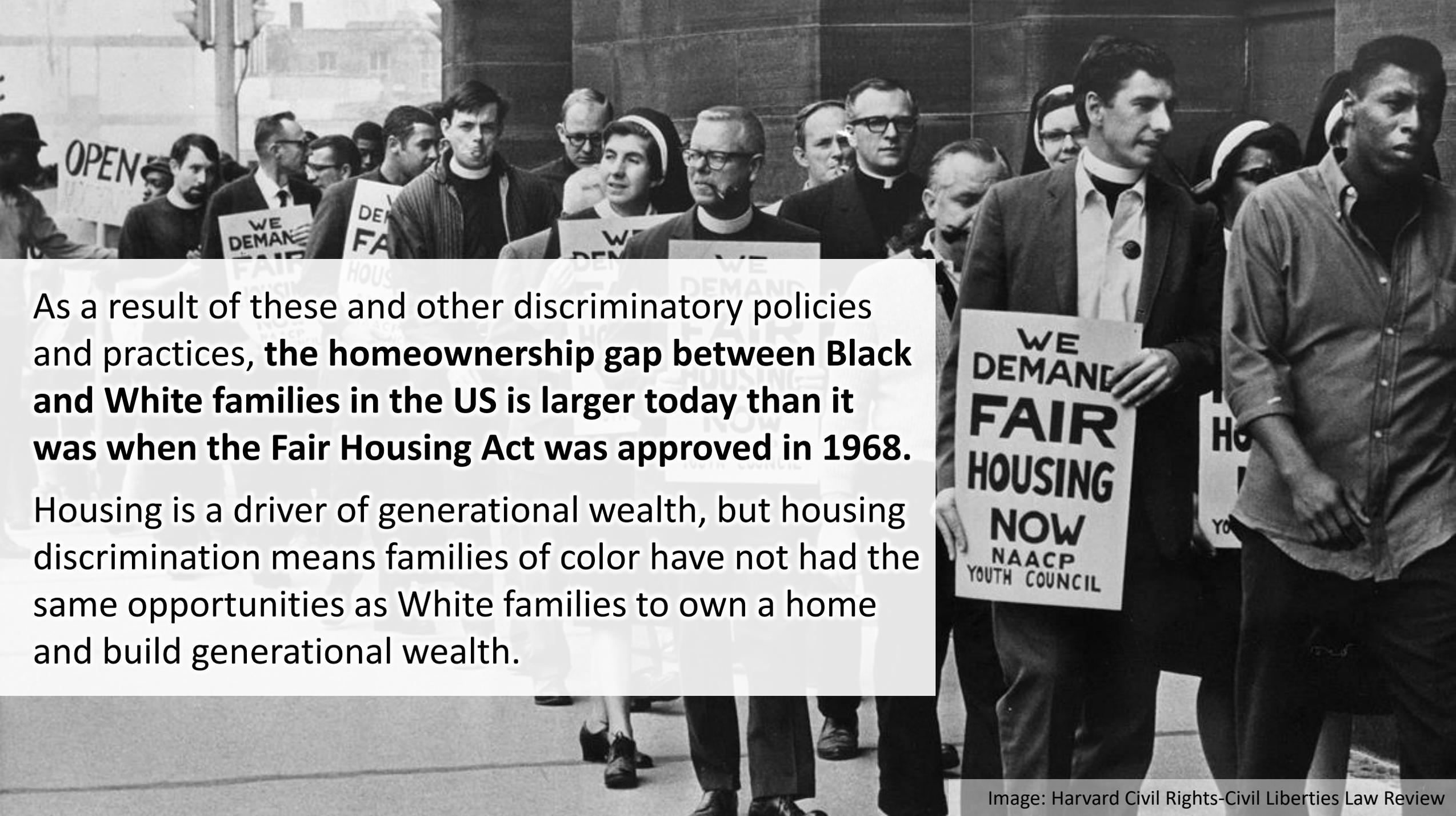
CLARIFYING REMARKS: **Negro heavily concentrated north of Ruggles St. on the west side of Washington. Jewish centered near Columbus Square. A large territory with some streets showing better experiences than the balance of the section.**

Redlining's legacy in Boston



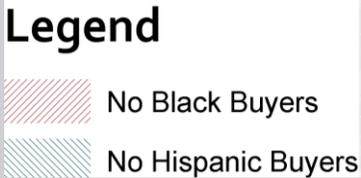
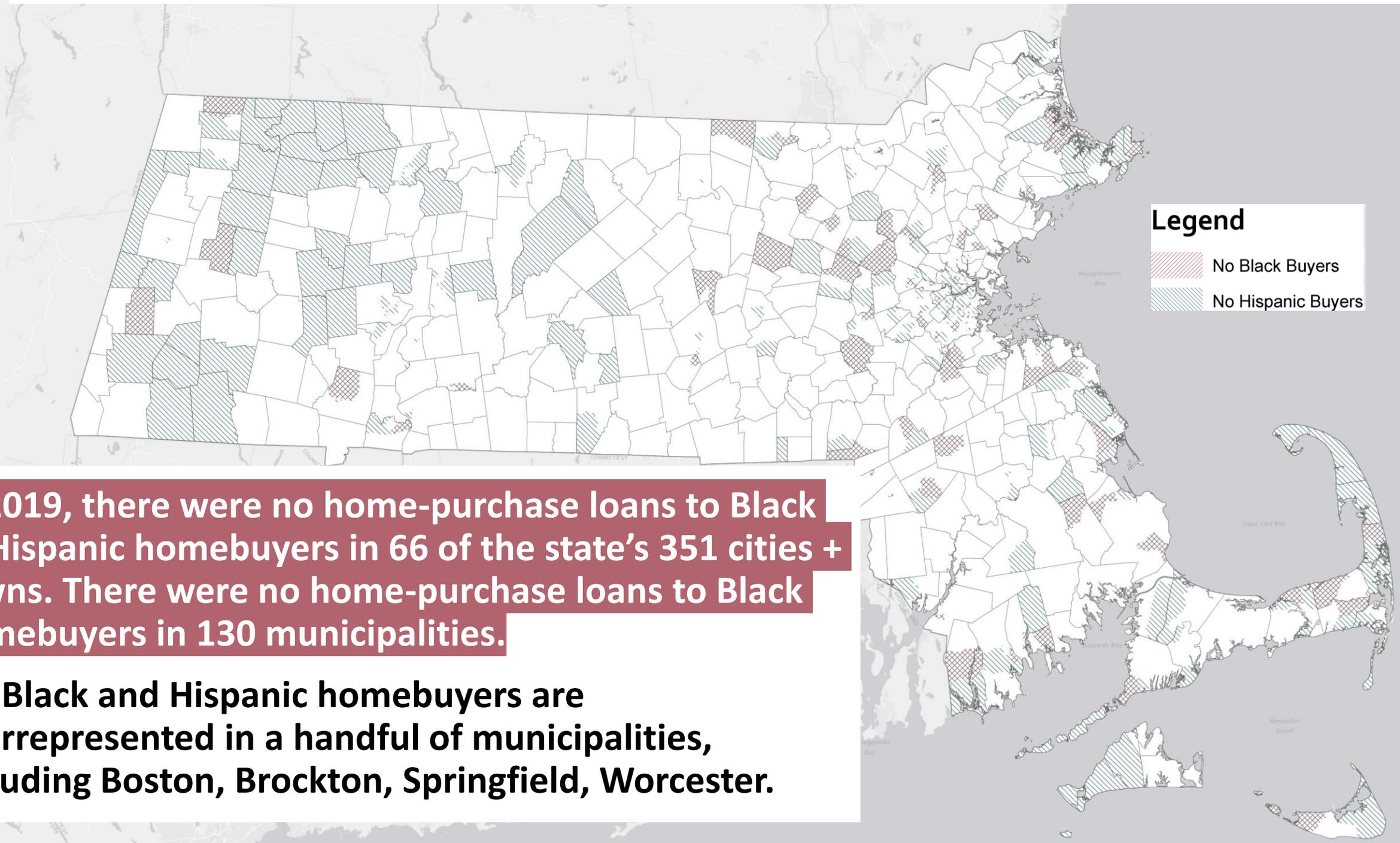
Census Tract 1201.05
Moss Hill, Jamaica Plain
\$161,500 median household income
89% homeownership rate
17% of residents are people of color

Census Tract 804.01
Nubian Square, Roxbury
\$18,600 median household income
11% homeownership rate
91% of residents are people of color



As a result of these and other discriminatory policies and practices, **the homeownership gap between Black and White families in the US is larger today than it was when the Fair Housing Act was approved in 1968.**

Housing is a driver of generational wealth, but housing discrimination means families of color have not had the same opportunities as White families to own a home and build generational wealth.

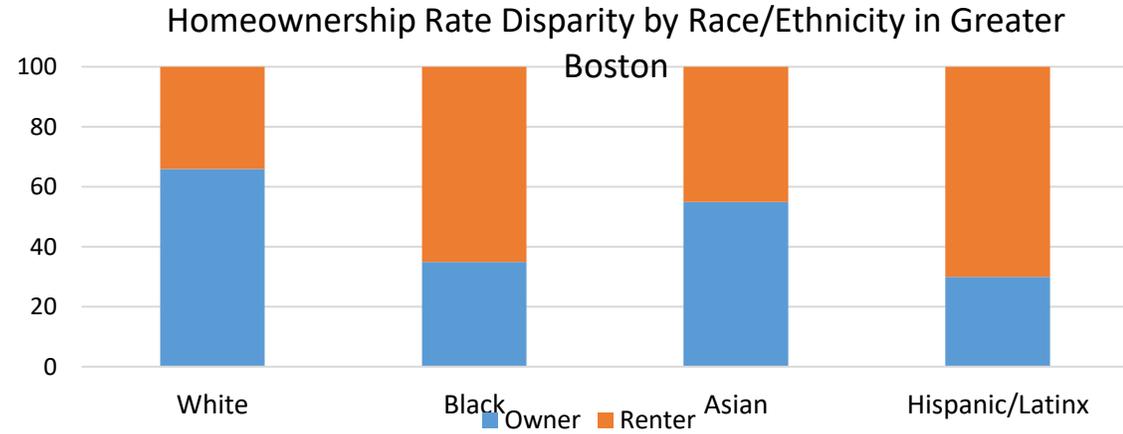


In 2019, there were no home-purchase loans to Black or Hispanic homebuyers in 66 of the state's 351 cities + towns. There were no home-purchase loans to Black homebuyers in 130 municipalities.

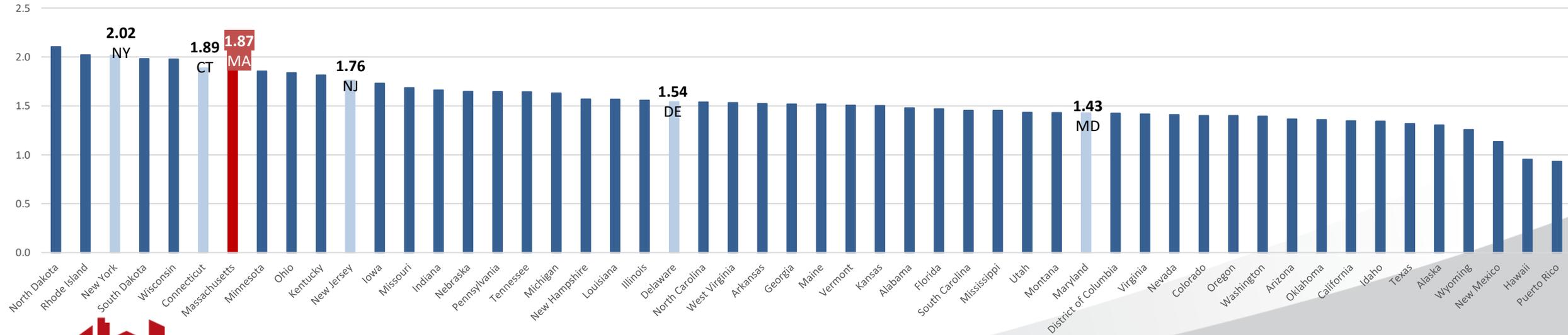
Yet Black and Hispanic homebuyers are overrepresented in a handful of municipalities, including Boston, Brockton, Springfield, Worcester.

Racial Homeownership Gap in Massachusetts

- Massachusetts has one of the largest racial homeownership gaps in the country.
- In Massachusetts, a white household is almost twice as likely to own a home than a non-white household.
 - Nearly 70% of white households own a home
 - Only 37.4% of non-white households own a home



Homeownership Rate Gap between White households and non-White households¹



Almost 50% of Black and Hispanic/Latinx borrowers purchased in Boston and Gateway Cities in 2019

Municipality	Gateway City	Black Loan Count	Black Loan Share	Share of Population that is Black	Share of Statewide Loans to Black Borrowers
Brockton	Yes	544	52.2%	40.8%	15.3%
Boston	No	306	6.4%	22.7%	8.6%
Springfield	Yes	251	16.0%	18.6%	7.1%
Worcester	Yes	229	13.9%	11.9%	6.5%
Taunton	Yes	156	20.9%	8.1%	4.4%
Randolph	No	133	39.3%	39.7%	3.7%
New Bedford	Yes	106	11.4%	5.9%	3.0%
Stoughton	No	85	24.6%	14.3%	2.4%
Fall River	Yes	83	11.6%	5.2%	2.3%
Lynn	Yes	78	7.8%	11.2%	2.2%
State Total	-	3,547	4.8%	6.8%	100%

Top 10 municipalities that Black and Hispanic/Latinx borrowers in 2019.

Municipality	Gateway City	Hispanic/Latinx Loan Count	Hispanic/Latinx Loan Share	Share of Population that is Hispanic/Latinx	Share of Statewide Loans to Hispanic/Latinx Borrowers
Springfield	Yes	642	39.2%	44.7%	9.7%
Lawrence	Yes	503	85.4%	80.3%	7.6%
Lynn	Yes	462	44.8%	41.5%	7.0%
Worcester	Yes	298	17.2%	21.3%	4.5%
Methuen	Yes	234	32.9%	29.0%	3.5%
Boston	No	220	4.3%	19.7%	3.3%
Revere	Yes	215	49.1%	32.5%	3.2%
Haverhill	Yes	208	22.4%	20.3%	3.1%
Lowell	Yes	190	19.3%	18.8%	2.9%
New Bedford	Yes	152	14.6%	20.1%	2.3%
State	-	6,642	9.0%	11.6%	100.0%

Source: FY2021 Massachusetts Community Banking Council Report

First-Time Homebuyer Assistance

Tools in the Toolbox:

➤ Down Payment Assistance Program:

- The program is designed to empower first time homebuyers whose incomes can support a mortgage, but lack sufficient savings, or access to resources, to access the traditional mortgage market with a sizeable down payment.

- MassHousing and Mass Housing Partnership have additional resources, including **mortgage insurance programs** and **mortgage interest subsidy programs**, that can help lower the costs of homeownership.

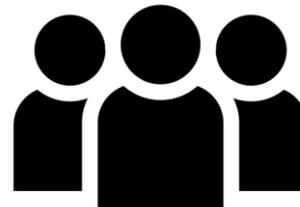
Since 2018, MassHousing's Down Payment Assistance Program has helped more than 4,000 moderate-income borrowers:



Total DPA
Amount
\$40,327,940



Average DPA
\$9,977



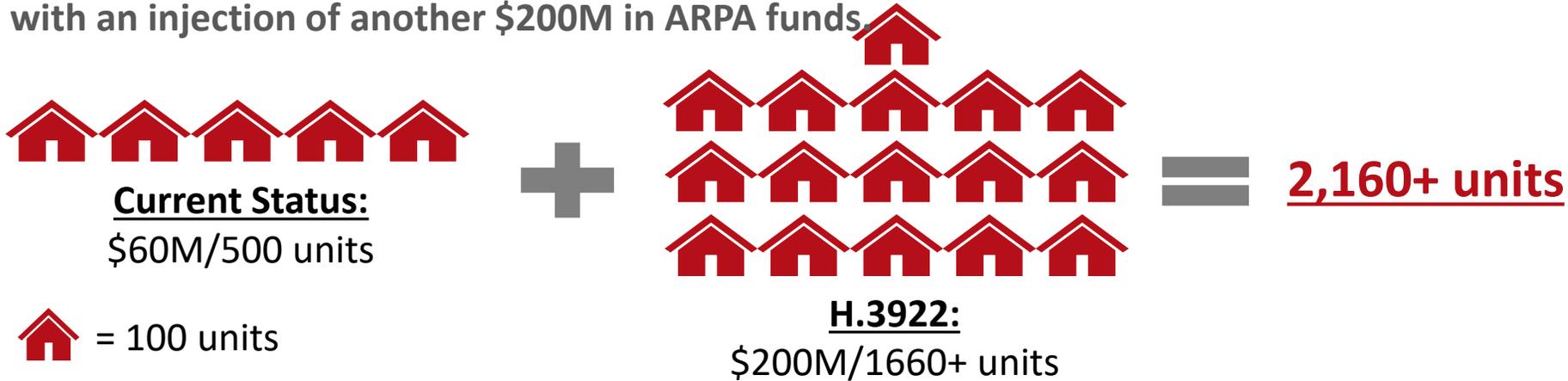
35% Minority Borrowers



“...homebuyer education classes familiarized Massachusetts buyers with ONE Mortgage and MassHousing’s affordable mortgage programs, which are more affordable alternatives for low and moderate income borrowers even compared to attainable FHA loans. Down payment assistance also further empowers low and moderate income borrowers to choose these products over FHA.”
--Excerpt from the *FY21 Report on Mortgage Lending Trends in Massachusetts* by the *Massachusetts Community Banking Council (MACBC)*

The Commonwealth Builder Program (CWB)

Background: Currently supported by \$60M in state funds, this program has the ability to scale and expand opportunities by approximately 333% with an injection of another \$200M in ARPA funds.



How it works: The program offers for-sale homeownership units middle income residents (i.e. 70-120% AMI) through the following guiding principles:

1. Build in key communities

- The City of Boston
- Gateway Cities
- Qualified census tracts (QCT)

2. Help create much-needed supply

- Up to \$150K potential subsidy per unit for a max total of \$5M
- New construction or adaptive reuse

3. Increase minority homeownership opportunities

- Current homeownership rate for non-white is about half that of white residents
- Boston and Gateways are home to 50 percent of the state's population but 75 percent of all residents of color

Example Projects:



Mount Washington Homes,
Haverhill
7 units, all CWB units



2147 Washington Street, Roxbury
14 homeownership units, 8 CWB units
+ 62 affordable rental units



Mount Washington Homes, Haverhill

- 7 new Commonwealth Builder homeownership opportunities
- Homes sold to first-time homebuyers for between \$150,000 and \$200,000
- Majority of homeowners are single mothers and women of color
- Average monthly housing cost savings of \$300

Rosa, a new homeowner:
“I no longer have to worry about a rent increase. I can offer my kids more stability. And with the affordable monthly mortgage payment, I am able to increase my savings and have a better chance to increase my kids’ college fund. I will forever be grateful for this opportunity.”



Please join me in thanking Francis and Monique for their efforts to make the Commonwealth's affordable housing ecosystem more just.

