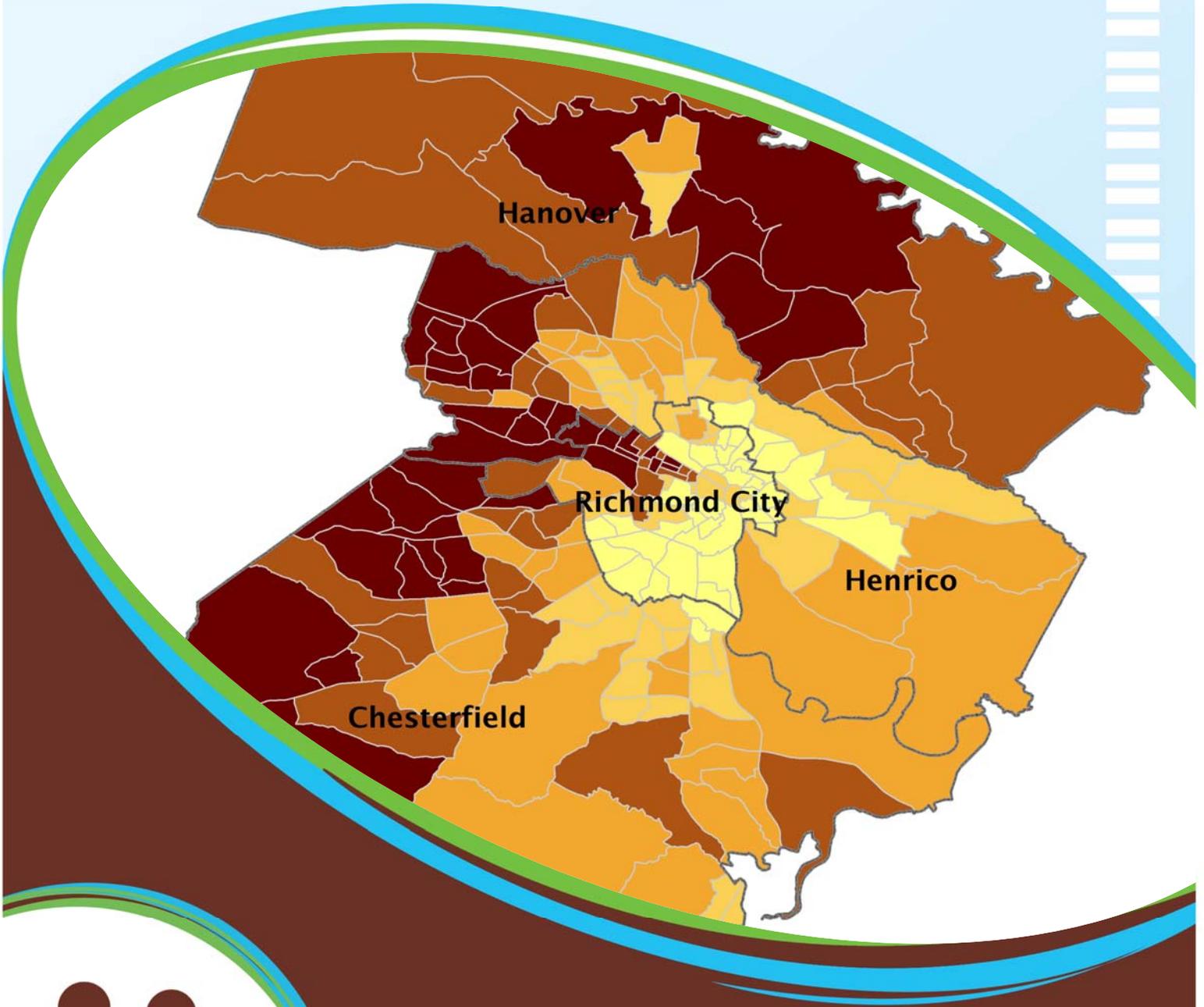


# Where You Live Makes All The Difference: An Opportunity Map of the Richmond Region



Housing Opportunities Made Equal of Virginia, Inc.





## ACKNOWLEDGEMENTS

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**Housing Opportunities Made Equal of Virginia, Inc. (HOME)** is a 501(c)3 non-profit corporation organized under the laws of the Commonwealth of Virginia and a HUD-approved housing counseling agency. It was founded in 1971 to fight discrimination in housing access. Many of HOME's victories are well known, setting Supreme Court precedents and providing national impact.

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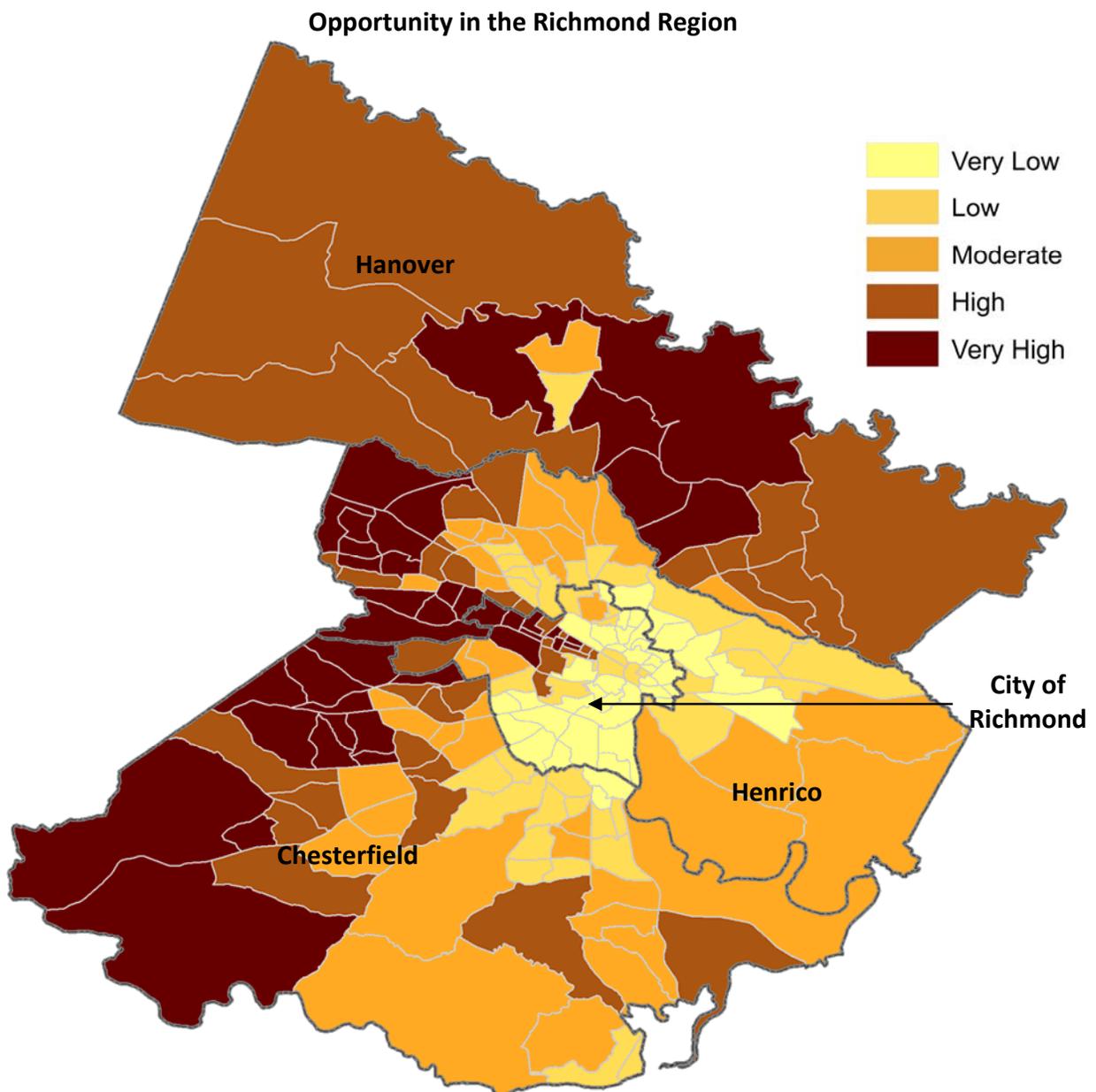
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## EXECUTIVE SUMMARY

The Richmond region, defined here as the city of Richmond and the counties of Chesterfield, Hanover, and Henrico, has long suffered from the repercussions of its past. Beginning in the 1930s, federal housing policy promoted segregation through incentivizing the growth of white, middle class suburban areas. Entire neighborhoods were denied credit, or “redlined” as the act came to be known due to the red line that realtors, insurance agents, and mortgage lenders would draw around African American neighborhoods. In essence, a “dual track” housing policy greatly influenced the current state of our region today. Federal investment and incentives spawned the flight of whites to the suburbs while simultaneously concentrating poor minorities in the inner city. These policies have led to intergenerational, concentrated poverty in some of the oldest neighborhoods of the region, while increasingly remote neighborhoods, available only to those with the necessary means, continue to blossom and flourish.



## EXECUTIVE SUMMARY

*Where You Live Makes All the Difference: Access to Opportunity in the Richmond Region* provides a unique, housing-focused perspective to the socio-economic dynamics of the region. We measured opportunity by equally weighing, and then mapping, 22 wide-ranging socio-economic variables that measure core factors in housing, transportation, wealth, education, health, and access to credit. Examples include median household income, homeownership rates, English and math performance scores, and percentage that visited a general family doctor in the last 12 months. The Richmond Region Opportunity Map underscores the important role that housing plays in accessing opportunity.

The majority of the city of Richmond and a good portion of central Henrico County are classified as very low opportunity. By and large, these are the same neighborhoods that house the majority of the African-American population of the region. These are the same neighborhoods that have the lowest educational attainment outcomes, highest rates of foreclosure, greatest rates of poverty, and lowest rates of homeownership in the entire region. To complicate matters, the region's transportation network further isolates these neighborhoods from entry-level jobs in high job-growth areas on the periphery of the city.

The cycle of inopportunity is clear. When residents of the region are unable to secure meaningful employment, their need for public assistance grows exponentially. It is more likely that these residents will be unable to afford health insurance, and their health will eventually deteriorate in relation to their wealthier neighbors elsewhere. When the sole focus of these families becomes finding enough food to feed their children, energy expended upon helping children with homework declines. When grades begin to slip for school age children, so too does the desire to perform well. When that desire is eroded, the possibility of securing gainful employment is greatly diminished. Thus, the cycle of living in a low-opportunity neighborhood repeats itself.

The Richmond region will only be able to move forward by addressing housing as a gateway to opportunity. By adopting a regional perspective that places the quality of life of all of the regions residents first, the necessary linkages between housing, education, jobs, and transportation will emerge. Due to policy failure and discrimination, housing the region's poorest residents has become, by and large, the sole responsibility of the city of Richmond. This is neither just nor sustainable. As the Richmond Region Opportunity Map shows, these residents are trapped living in an area with very little opportunity for them to succeed.

Preventing a significant portion of the region's population from gaining access to meaningful employment and wealth building opportunities through public policy is not only morally and socially repugnant; it is bad economic development policy. The vitality of our region is solely dependent upon ensuring that as many people as possible, regardless of skin color or income level, have access to those opportunity factors that allow them to build their families up, not continue to keep them down.

There is no one solution to solving these problems. Success will only be achieved through regional cooperation, policy change, intensive social support, and a change in perspective. The





## EXECUTIVE SUMMARY

four policy objectives outlined below will ensure that people have the choice to move to high opportunity neighborhoods while bringing new opportunity to low opportunity neighborhoods. We recommend the following four policies to focus on:

**Where you live should not limit your employment opportunities.**

Develop a regional transportation policy that helps to effectively connect workers to jobs.

**Where you live should not be limited based on the location of affordable housing units.**

Develop a regional housing policy that encourages development of affordable housing in the areas of greatest job growth and other opportunity factors.

**Where you live should not impact the education your children receive.**

Encourage a regional educational policy that promotes sharing successful strategies among school divisions to enhance educational outcomes for all.

**Where you live should not be determined by discrimination.**

Ensure all area residents have true housing choice by adopting policies that enable working families, including those who have portable rental subsidies to move into areas of high opportunity.

# INTRODUCTION

Opportunity mapping is a technique used to demonstrate the impact that housing choice within a community has on a person's ability to access all of the resources that comprise opportunity. Opportunity-based housing is a concept that suggests that housing development must be deliberately connected to meaningful opportunity structures within a region, such as high-performing schools, adequate transportation, economically stable neighborhoods, mainstream financial institutions, and health care.

*Where You Live Makes All The Difference: An Opportunity Map of the Richmond Region* begins by documenting the history of housing policies, which along with both overt and covert discrimination, has made the Richmond region one of the most racially segregated regions in the US. Next, we discuss the concept of housing as the centerpiece of opportunity and present the nearly two dozen socioeconomic indicators that were compiled to reveal the landscape of opportunity in the Richmond region. The disparities in access to opportunity reveal themselves when comparing high opportunity areas with low opportunity areas. We then discuss the disparity in four broadly defined categories: wealth and transportation, education, health, and access to credit. The report concludes with four primary policy recommendations that will ensure that all the residents of our region have access to opportunity.

"Fifty years of social science research has demonstrated that racially isolated and economically poor neighborhoods restrict employment options for young people, contribute to poor health, expose children to extremely high rates of crime and violence, and house some of the least performing schools."<sup>1</sup>

This report builds upon a model developed by the Kirwan Institute at Ohio State University to highlight the specific areas in which the complex fabric of opportunity has been eroded throughout many parts of the greater Richmond community. By highlighting these neighborhoods, we are able to show the disparities that exist throughout the region and illustrate how they are directly attributable to the spatial location of housing. Our goal is to present alternative solutions to traditional models, promoting the deliberate connection between affordable or assisted housing to regional opportunities such as high performing schools, meaningful employment, viable transportation, quality childcare, responsive health care, and other institutions that grant individuals and families access to opportunity.

The world is becoming increasingly connected, both socially and economically. It is more relevant than ever before to look beyond jurisdictional boundaries when discussing housing. The concept of regionalism is nothing new; unfortunately, there is little political will or incentive for localities to implement effective regional solutions in the Richmond region. While regions like the Research Triangle Park in North Carolina flourish in response to their regional cooperation, the Richmond region continues to stagnate.

In order to remain competitive in a global economy, the Richmond region must be able to compete. This means ensuring that *all* of the region's students are prepared to enter an ever-changing, dynamic, and highly-skilled workplace. It means ensuring that *all* of the region's families have affordable and safe homes in which to raise their children. It means having jobs connected to workforce housing by affordable means such as public transportation and/or bicycle paths. It means ensuring that *every* person in the region has the same access to opportunity, regardless of their race, color, national origin, religion, gender, familial status, disability, or age.



# SECTION 1: BARRIERS TO OPPORTUNITY: PERCEPTIONS OF POVERTY

“In a society obsessed with public opinion polling and market research, it is remarkable that poor people have rarely been asked where they want to live. It is sometimes assumed that because low-income families stay behind when higher-income families leave neighborhoods, the former must be exercising a ‘choice’ to remain.”<sup>2</sup>

Housing is the centerpiece of opportunity. Where you live has a fundamental impact on your ability to gain access to the resources needed for success.

We must think critically about the intersection of housing and opportunity: specifically, how barriers to housing access are also barriers to resources such as transportation, education, health, credit, and thus, opportunity.

There are persistent divides in our region across every major social, economic, and cultural institution. “Yes, Americans of all races are working together more than ever before, as workplace statistics confirm, but can they share communities? Can they live together and educate their young people together across persistent social divides?”<sup>3</sup>

In the Richmond area, 85,599 people – including children – live below the federal poverty line. Out of 2,352 square miles, 50,102 of those in poverty (58%) are concentrated within just 74 square miles of land (chart 2).<sup>4</sup>

Barriers to opportunity have developed over time and make it difficult for even the most persistent to overcome poverty. Negative

Only through understanding the effects of our public policies across all socioeconomic classes, will we be able to make effective decisions in the future to create a prosperous Richmond Region.

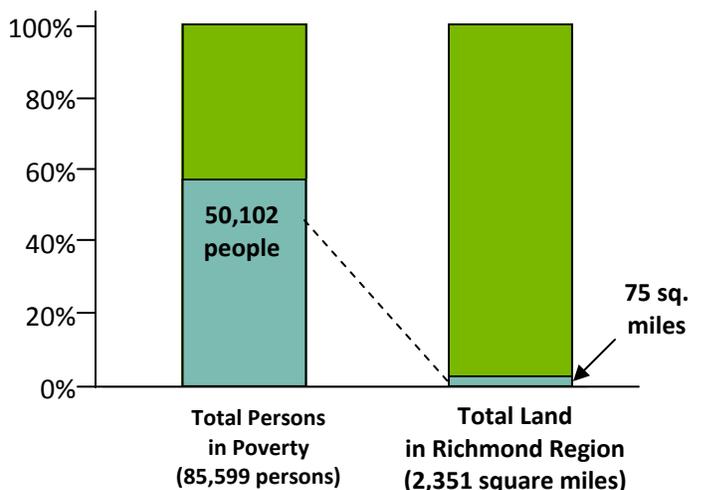
perceptions of people in poverty, which influence our public policy debates, perpetuate this inability for low-income and minority populations to succeed.

While 60% of European citizens believe that the poor are trapped in poverty by reasons beyond their control, only 29% of Americans share this view. Conversely, 60% of Americans believe the poor are lazy, as compared to 26% of European citizens.<sup>5</sup>

Only through understanding the effects of our public policies across all socioeconomic classes will we be able to make effective decisions in the future to create a prosperous Richmond region. We must overcome commonly held misconceptions of the poor as being lazy and understand their access to opportunity is being limited in very real and very damaging ways.

**Chart 2: Concentrated Poverty in the Richmond Area**

Of 85,599 persons living in poverty in Richmond, 50,102 are concentrated in just 75 of 2,352 square miles



# BARRIERS TO OPPORTUNITY: HOUSING DISCRIMINATION

“Americans pay enormous penalties for the discrimination they practice... Because discrimination is wrong, when we practice it, we hurt ourselves. We deny our children the chance to witness the ideals of integrity, fair play, and equality that we try to teach them. For acts of commission by some and acts of omission by others, everyone pays a price. Equally important is the opportunity which is lost. We deny ourselves a chance to be what we want to be, what we could be, what we ought to be, and what we would relish being.”<sup>6</sup>

Along with perceptions of poverty that influence our public policies, housing discrimination is another barrier to opportunity. It can take the form of direct, interpersonal discrimination in which someone overtly prevents someone else from making a housing choice because of their race, color, national origin, religion, gender, familial status, disability, or age. More often, however, discrimination is much harder to detect. It can take the form of discriminatory zoning policies or unequal access to credit. Below are some examples of unlawful discriminatory housing practices that prevent families and individuals from accessing neighborhoods of opportunity.

Unlawful discriminatory housing practices include:<sup>7</sup>

1. Charging a higher amount for rent or deposit than is advertised.
2. Refusing to rent to a person using a wheelchair for fear a unit may be damaged.
3. Being told by a manager that the unit has already been rented but the unit is still being advertised.
4. Being told, “Since you use a walker, you need additional insurance coverage.”
5. Enforcing rules or performing repairs for some tenants or residents but not others.
6. Publishing an ad that says “no children,” or posting ads online saying “no minorities,” or a sign in a yard saying “Hispanics need not apply.”
7. Refusing to allow someone using a walker to install a ramp at their expense.
8. Limiting the number of children in a complex or confining them to a specific building or floor.
9. Steering minority homeowners to sections of town where other minorities live, or telling white homeowners they may not be welcome in some neighborhoods.
10. Charging additional rent or deposits because someone with a mental disability needs a service animal.
11. Charging different fees or rates on a loan because someone is Native American.
12. Building a new multi-family building that is not accessible to people with disabilities.
13. Requiring Muslims to pay for criminal background checks but not requiring the same of other religions, races, or nationalities.
14. Retaliating against someone for having filed a housing discrimination complaint or for having participated as a witness or in an investigation.



## SECTION 2: HOW DUAL HOUSING POLICIES HAVE SHAPED RICHMOND

Far too many families in the Richmond area live in areas without access to opportunity. In our backyard, the poor have been concentrated into small areas; 58 percent of those living below the federal poverty level occupy just three percent of the area's land. Heavily concentrated in eastern portions of the city of Richmond and Henrico County, these are the same neighborhoods that have been starved for credit and the ability to accumulate wealth for generations.

Competing housing policies instituted in the wake of the Great Depression created a cycle that profoundly shaped housing patterns and access to opportunity in Richmond to this day.

Beginning in the 1930s, the federal government adopted policies that helped ensure the availability of mortgage loans to the white residents of the suburbs. Simultaneously, federal public housing policy concentrated low-income, minority populations in public housing complexes in inner cities. Not coincidentally, suburban areas witnessed tremendous growth while urban areas experienced decline, ultimately increasing economic and racial segregation (figure 1). Unfortunately, "by the late 1950s, many central cities were locked into a self-perpetuating cycle of decline that was directly encouraged and largely supported by federal housing policies."<sup>8</sup>

### Home Owners Loan Corporation: The Legacy of Redlining.

The Home Owners Loan Corporation (HOLC) was created by the federal government in 1933 to refinance urban mortgages and give low-interest loans to families going through foreclosure. HOLC adopted standards in which the quality of the neighborhood was determined by the race of the residents. Mortgage money was made available to white neighborhoods but not to black neighborhoods (outlined in red in map 2), a practice that came to be known as "redlining." Both public and private lenders followed this precedent.<sup>9</sup> The practice of redlining created an image of high poverty neighborhoods as "a

devastated social and economic landscape, with pervasive poverty, an almost complete lack of healthy social and economic characteristics, and prevailing norms of lawlessness and anti-social behavior."<sup>10</sup>

Map 2: City of Richmond Home Owners Loan Corporation Boundaries, 1937<sup>11</sup>

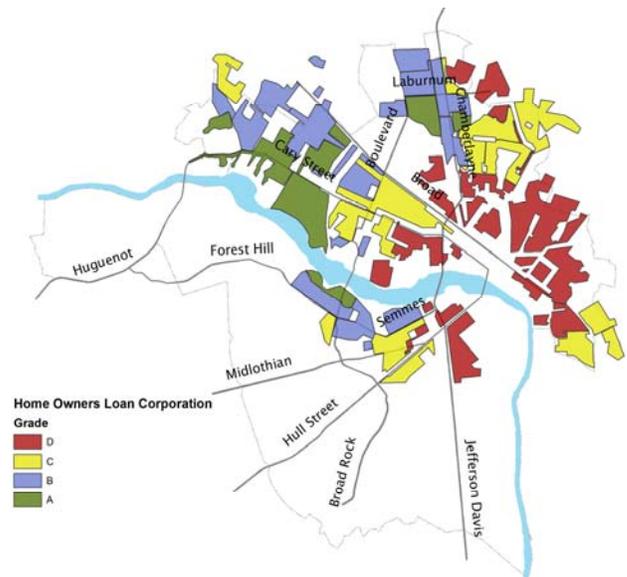
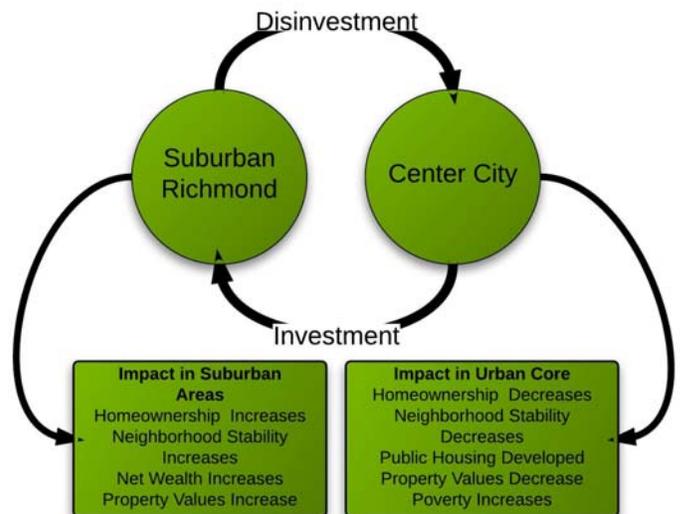


Figure 1: Dual Housing Policies



The four categories of the HOLC neighborhood rating system (table 1) reflected factors such as housing quality, economic status, and racial composition. Most often, race trumped all other factors, such as the age, architectural style, or quality of the houses. This practice also made way for the development of public housing in the disinvested urban areas.<sup>12</sup>

**Table 1: HOLC Categories**<sup>13</sup>

<b>A</b>	High demand areas with room for new residential growth. Lenders were “willing to make their maximum loans” in these “hot spots during good times or bad.
<b>B</b>	Completely developed neighborhoods. Not as desirable as the hot spots, but still good.
<b>C</b>	Older neighborhoods with poorly maintained homes. In a transitional period and becoming obsolete. Expiring or missing deed restrictions meant “lower grade populations” such as African Americans could infiltrate the neighborhood and disrupt the homogeneity.
<b>D</b>	Fully declined areas—poor property conditions, low homeownership rates, undesirable population. Denied investment by lenders—seen as extremely high risk. Applied to ALL African American areas in Richmond.

### Urban Renewal: Public Housing Development

In 1937, the Wagner-Steagall Act established a permanent public housing program in the U.S. In combination with the Housing Act of 1949, which provided local government financial incentives for the redevelopment of slums, the consolidation of high-poverty, minority households into neighborhoods easily identifiable as “projects” began.<sup>14</sup> Known as *urban renewal*, this process of slum redevelopment further concentrated low-income minority populations into public housing projects, which with their federally stipulated income requirements ensured the long term concentration of poverty.

Thus, the same neighborhoods decimated by the disinvestment resulting from the practices of the HOLC and other federal policies were redeveloped into homogenous, poverty-stricken communities of color.

Simultaneously, the Federal Aid Highway Act of 1956 spurred investment in the outlying suburbs by making them easily accessible to cities via newly constructed highways. The result was to further channel wealth and investment away from the city center into overwhelmingly white suburban communities.

By the late 1950s, Richmond, like virtually all cities throughout the US, was locked into a cycle of decline as a direct result of federal policy.<sup>15</sup> The federal government continued to promote project-based public housing development as its core assistance program to low-income households throughout the 1970s. The legacy of these failed policies is found throughout the region; many of the same neighborhoods in our area that received poor HOLC ratings in the 1930s have been subject to *reverse* redlining, in which they have been targeted for specific loan products. As such, they bore the brunt of the subprime lending and foreclosure crisis (chart 3 on page 8). For example, there were eight times as many notices of trustee sales in Richmond neighborhoods formerly graded as C or D than were located in neighborhoods graded A or B by the HOLC.<sup>16</sup>

**“One of the core components of the HOLC was the incorporation of a grading scheme that institutionalized the practice of redlining and thereby restricted mortgage lending in areas which had been infiltrated by a lower grade population.”**





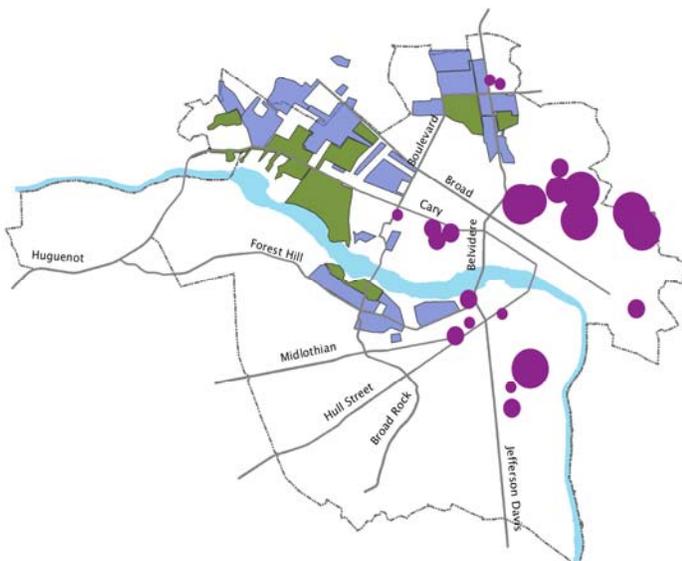
What was once the province of civil rights activists seeking the removal of explicit racial barriers to housing, education and jobs has become a twenty-first century conundrum for metropolitan planning and development: how to create economically viable, livable, and sustainable regions.<sup>17</sup>

Public housing, although serving a critical need, created concentrated poverty. In the city of Richmond alone, more than 3,500 families with an average income of only \$9,501 live in public housing. All but one public housing project in Richmond is located in an area of concentrated poverty (20%+ poverty rate).<sup>18</sup> Map 3 illustrates how public housing was concentrated in neighborhoods disinvested by the HOLC.

**Troubles with the Voucher Alternative**

As an alternative to expanding project based public housing, the federal government created the Housing Choice Voucher program (Section 8) to promote housing choice and mobility by allowing the voucher holder to seek residence in a neighborhood of their choosing.

**Map 3: Current Concentration of Public Housing, Contrasted with the HOLC Areas (Graded A & B) That Received the Majority of Home Loans<sup>19</sup>**



While the Housing Choice Voucher program was designed to allow families to move to areas with greater opportunity, it has failed to live up to its promise. Examples as to why voucher holders have been unsuccessful in moving out of high poverty communities include:

1. Some landlords deny vouchers as a "proxy for other legally prohibited kinds of discrimination, such as that based on race, ethnicity, national origin, gender, family status or disability."<sup>20</sup>
2. Voucher holders continue to live in areas of concentrated poverty to be near their social network and services.<sup>21</sup>
3. Voucher holders locate in low-income neighborhoods due to lack of affordable, unsubsidized housing stock.<sup>22</sup>
4. Administrative inefficiencies of the housing authorities, as well as regulatory requirements, impose a financial burden on the landlord, who then may choose not to accept the vouchers.<sup>23</sup>

Whatever the reason, in 2009, more than 50 percent of voucher holders in the Richmond area lived in areas with greater than 20 percent poverty (areas with low and very low opportunity levels – examined in Section 3).

**Number of public housing households in Richmond in 2011: 3,861**

**Number of public housing households in areas graded A or B by the HOLC: 0**

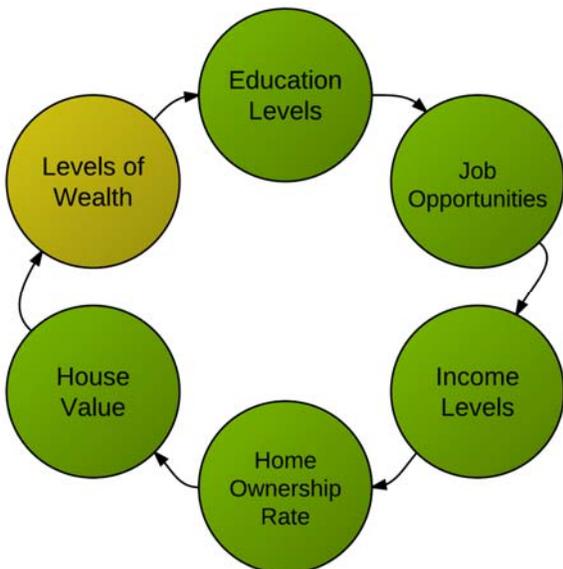
## SECTION 2

### Intergenerational Impacts of Housing Policy: The Opportunity Cycle

More than 70 years after the institutionalized practice of redlining starved many communities of credit, these neighborhoods continue to experience higher poverty levels and a disproportionately higher number of foreclosures. This trend has stifled the ability of low-income areas to generate and sustain wealth, which perpetuates the concentrations of poverty that have come to be engrained in the Richmond area's social and economic fabric.

Wealth directly impacts the level of education a person is able to attain. Educational achievement directly impacts the job opportunities and income levels a person will experience in their employment. It is a well known fact that homeownership is greater among families with higher incomes. Property values in neighborhoods with high rates of owner-occupied housing are more likely to increase over time compared to property values in neighborhoods composed primarily of renter occupied housing. It is this creation of wealth through homeownership that dictates education levels for the next generation of the family (figure 2). The inter-

Figure 2: Housing Opportunity Cycle

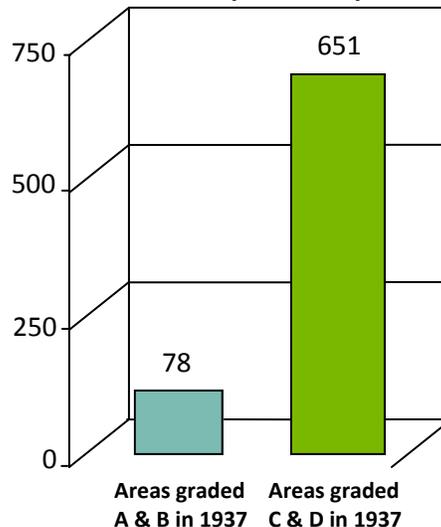


generational poverty apparent in the exact same communities that were disinvested in decades ago is precisely due to the breakdown of this cycle.

Not only does this collapse of inter-generational wealth creation impact the lives of families throughout the Richmond region, it detrimentally impacts the long-term economic viability of the region. Cities with low educational outcomes are overlooked by private investment in favor of regions with good schools. In light of the Great Recession, local governments are strapped for cash, and the social services that many of these families rely upon for support are having their budgets slashed exactly when they are needed the most.

The collapse of the housing market, resulting foreclosure epidemic, and recession disproportionately affected the very same neighborhoods that experienced disinvestment. Because of the credit vacuum created by redlining, families in these neighborhoods were vulnerable to predatory lenders and willing to accept loans regardless of the loan terms. This resulted in unprecedented levels of foreclosure in low-income, minority neighborhoods (Chart 3).

Chart 3: Notices of Trustee Sale filed 2007 through 2009 within boundaries formerly defined by HOLC in 1937<sup>24</sup>





## SECTION 3: HOUSING AS THE CENTERPIECE OF OPPORTUNITY

Neighborhood conditions play a vital role in the life outcomes of the residents who live there. They determine how well your children are educated and whether you will have access to mainstream financial institutions. How stable a community is impacts the ability to build equity to use for education, home improvements, and health care. Many of the families that live in areas of low opportunity have inferior access to employment opportunities, quality schools and adequate healthcare.

Equal access to opportunity is a timeless American value and critical to promoting economic growth and social advancement. Across the Richmond area, access to opportunity is not equally available. Many communities are geographically isolated from the positive social and economic resources that are necessary to succeed.

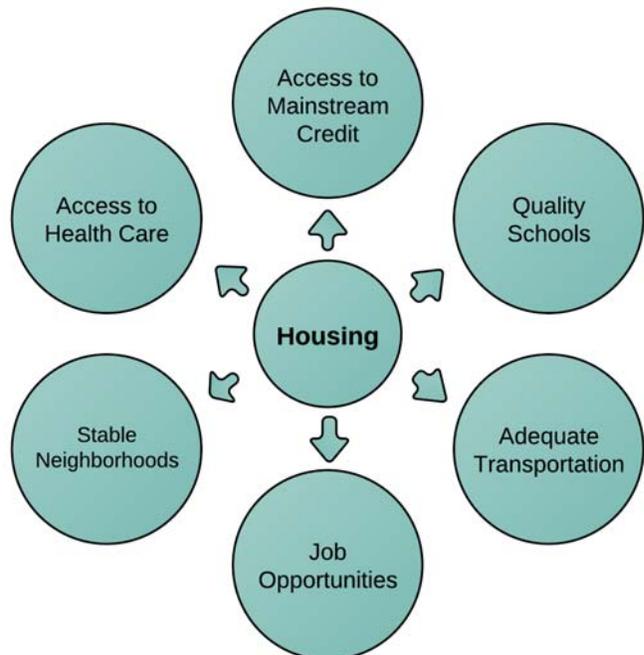
Metropolitan areas across the country have used opportunity mapping to understand the dynamics of opportunity within their communities. The ultimate purpose of opportunity mapping is to better understand the forces that impact opportunity and to propose effective policies and strategies to generate new opportunities in low opportunity neighborhoods.

Opportunity based housing places housing location as central to access to opportunity as illustrated by Figure 3. Where one lives directly impacts their ability to gain access to high-performing schools, adequate transportation, economically stable neighborhoods, mainstream financial institutions, and health care.

Using nearly two dozen socioeconomic indicators for the Richmond area, the map to the right (Map 4) is the visual representation of opportunity in the Richmond region. Collectively, this is called the Richmond Area Opportunity Map.

Low opportunity areas are primarily concentrated in the east portion of the city of Richmond and areas of eastern Henrico and north-central Chesterfield. Geographically, this correlates with the areas characterized by both the highest poverty rates and the highest concentrations of foreclosures. The higher opportunity areas are primarily located in the western portions of the city of Richmond, Chesterfield County, and Henrico County, and all of Hanover County.

Figure 3: Housing as the Centerpiece of Opportunity



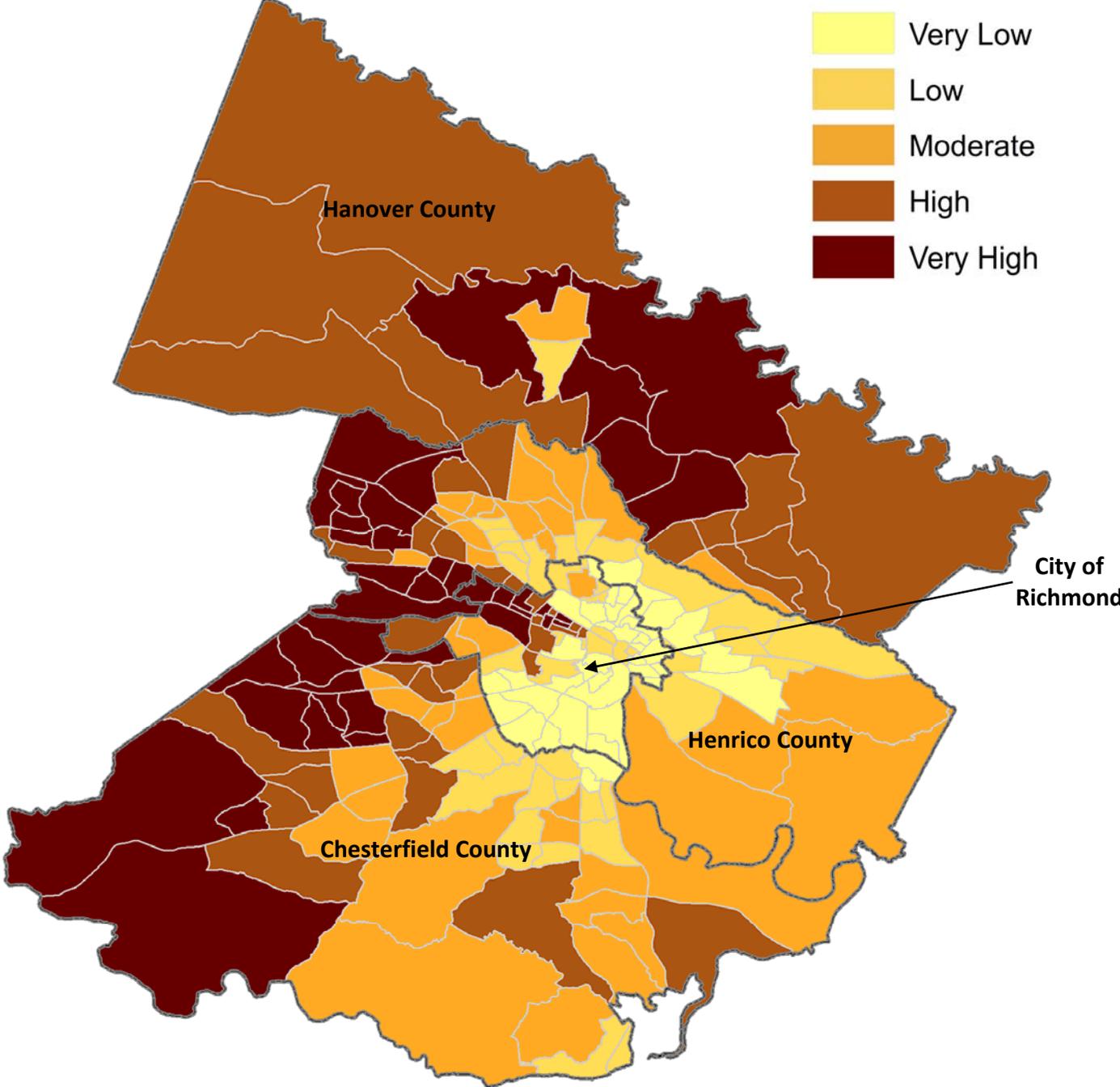
### OPPORTUNITY

...is broadly defined as a *good chance for advancement or progress.*<sup>26</sup>

Housing is not simply shelter. Where you live has a fundamental impact on your access to opportunity.

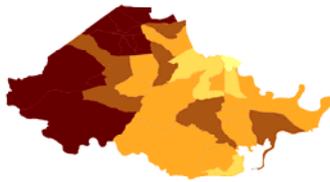
# ILLUSTRATING OPPORTUNITY IN THE RICHMOND AREA

## Map 4: Richmond Area Opportunity Map





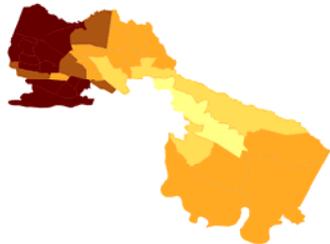
# OPPORTUNITY BY LOCALITY IN THE RICHMOND AREA



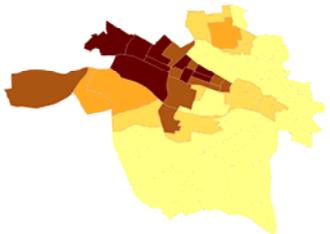
**In Chesterfield County, nearly half of all census tracts are high opportunity.** The majority of these high-opportunity census tracts are concentrated in the western portion of the county in the Midlothian and Matoaca areas.



**In Hanover County, nearly three-quarters of the census tracts are high opportunity areas.** None of the census tracts in Hanover are classified as very low opportunity and only three tracts are classified as low opportunity.

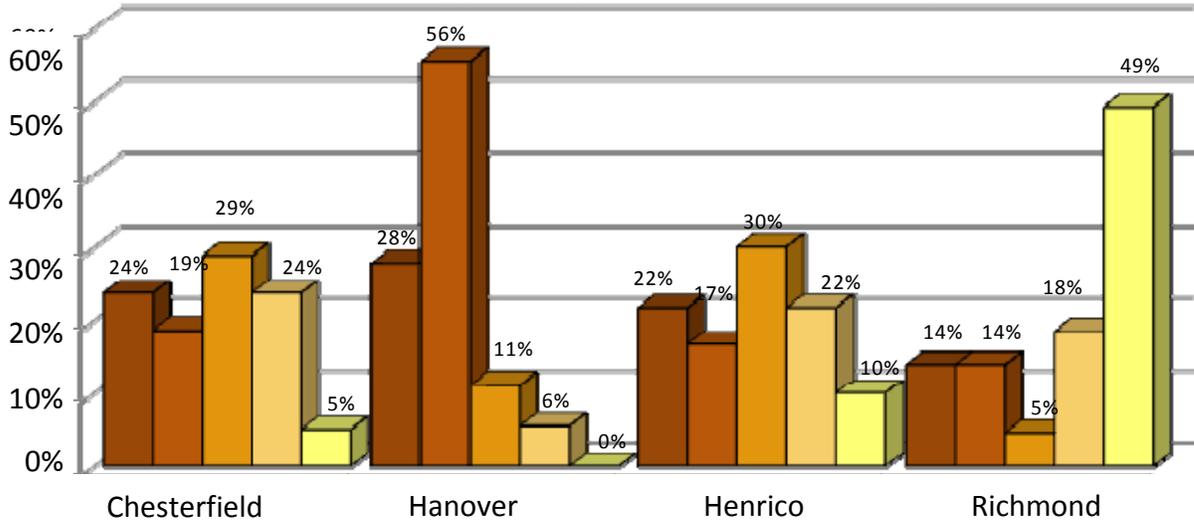


**In Henrico County, nearly 40 percent of the census tracts rank as high opportunity.** All are concentrated in western Henrico. None of the neighborhoods in eastern Henrico rank higher than moderate opportunity.



**In the city of Richmond, only nine census tracts, including Windsor Farms and areas of the Fan and Museum District, rank as very high opportunity areas.** However, almost half (32 out of 65 census tracts) of the neighborhoods in the city rank as very low opportunity. These include Highland Park, Barton Heights, Fairfield Court, and others.

Chart 4: Distribution of Opportunity Areas Within Each Locality<sup>27</sup>



Very High
  High
  Moderate
  Low
  Very Low

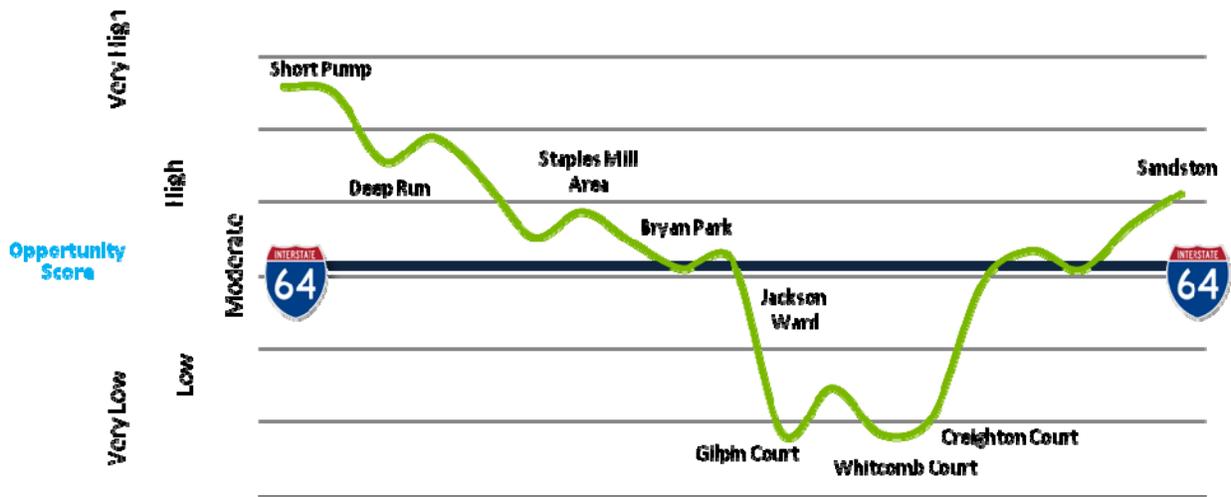
SECTION 3

**The Dynamics of Community Along I-64**

To help demonstrate the distribution of opportunity in the Richmond area, we used a landmark familiar to all in the area: Interstate 64. Beginning in the Short Pump area of western Henrico and driving east along Interstate 64 through the city of Richmond and again through Henrico County, the contrasting levels of opportunity are apparent (Chart 5 and Table 2).

The opportunity levels found along this stretch of roughly 30 miles highlight some of the region’s highest-and lowest-opportunity communities. The effects of past housing policies are clearly evident; the region’s most affluent areas are located in the western areas of the region, while public housing and concentrated poverty still mark the urban core.

**Chart 5: Changing Opportunity along Interstate 64 through Richmond**



**Table 2: Examples of Socio-Economic Changes, Interstate 64 through Richmond<sup>28</sup>**

	Short Pump	Deep Run	Crestview (Broad Street & Glenside)	Staples Mill Area	Bryan Park	Jackson Ward	Gilpin Court	Whitcomb Court	Creighton Court	Sandston
Homeownership Rate	69%	72%	58%	82%	39%	30%	0%	26%	16%	80%
Poverty Rate	2.0%	2.6%	11.3%	14.2%	17.3%	20.2%	69.0%	64.8%	45.7%	1.1%
Percent Population with Public Assistance Income	0.9%	0.0%	0.9%	0.0%	1.7%	0.0%	23.5%	20.2%	11.6%	0.0%
Percent Population Traveling More than 45 Minutes to Work	5.9%	5.0%	14.0%	2.6%	6.4%	5.9%	32.1%	22.0%	17.7%	10.6%
Percent Visited a Doctor in Past 12 Months	34%	35%	36%	30%	39%	33%	17%	16%	17%	29%
Dropout Rate	1.2%	1.4%	2.2%	4.6%	3.5%	6.5%	6.5%	6.5%	6.5%	4.5%
Math Score	97	99	92	91	86	71	71	71	71	84



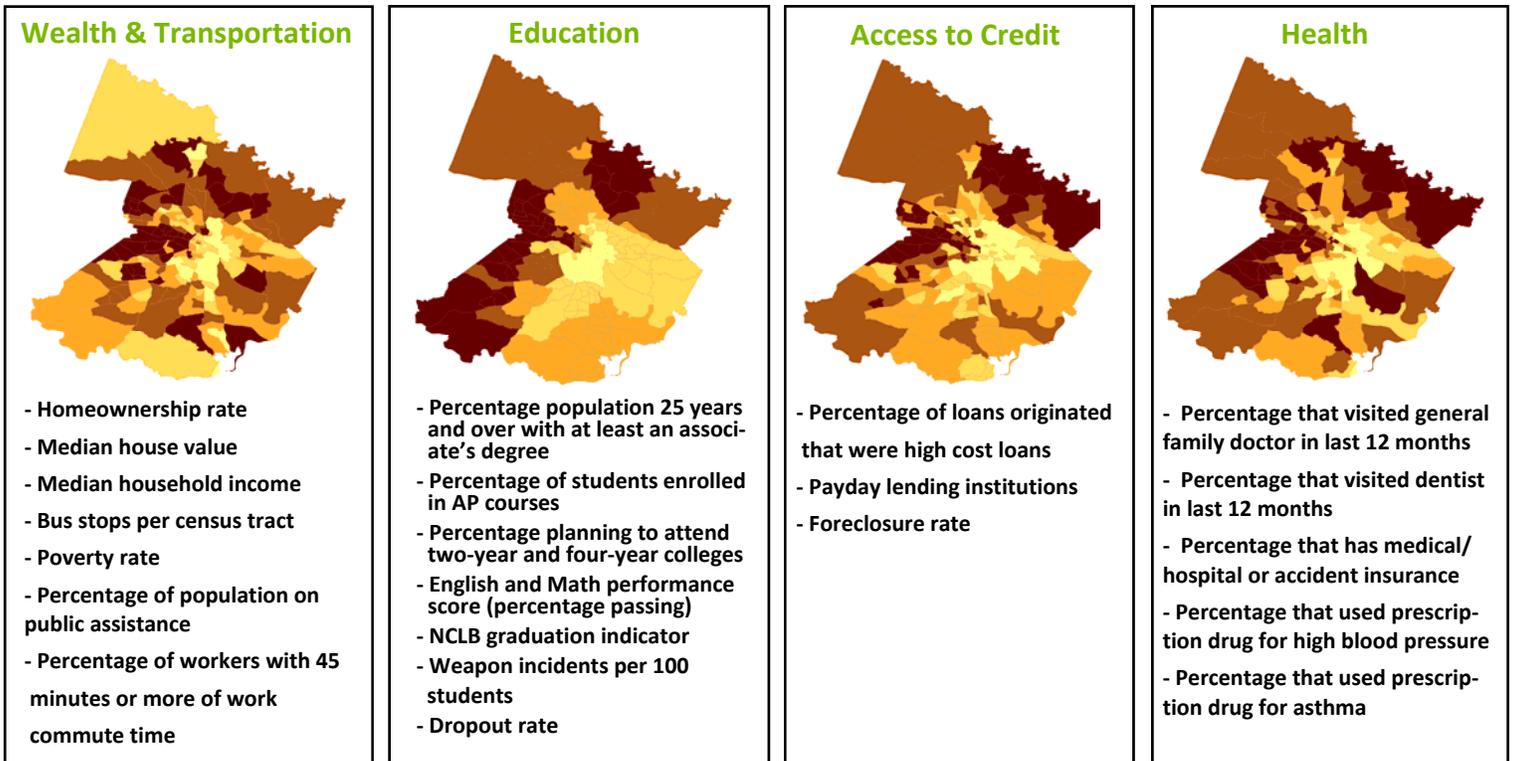
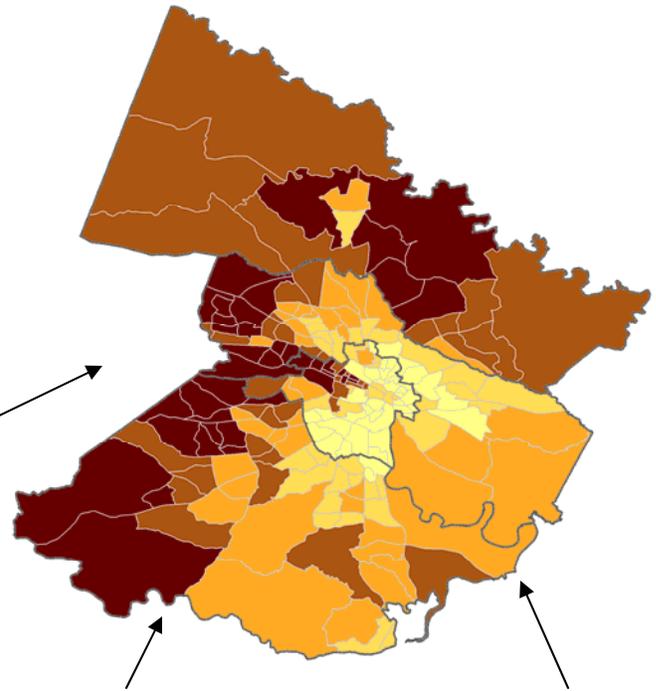


# THE INDICATORS OF OPPORTUNITY

To map opportunity in the Richmond area, we used four broad categories: education, wealth and transportation, access to credit, and access to health care. Each category is made up of various socioeconomic variables and together comprise the opportunity indicators (Figure 4). These socioeconomic variables were chosen as they all indicate various types of societal welfare. For example, the percentage of the population 25 years and over with at least an associate’s degree indicates the percentage of the population within a census tract that is most able to derive higher wages from their labor. Some indicators that were used have a positive impact on opportunity, such as quality schools and homeownership. Others have a negative impact on opportunity such as poverty rates and weapons incidents at school.

The opportunity indicators were compiled at the census tract level and then converted into a standardized measure in order to analyze each in relation to the others.

Figure 4: Opportunity Mapping Category and Variables



# HOUSING, WEALTH, AND TRANSPORTATION

Households with higher permanent income have a higher likelihood of homeownership. If more families are able to achieve homeownership today, there will be a substantially higher proportion of children striving for and achieving homeownership tomorrow. Children of homeowners attain higher levels of education. This leads to higher levels of income and savings, increasing the cumulative probability of homeownership and the expected level of expenditure on a home.<sup>29</sup>

This section examines the factors that contribute to neighborhood economic well-being. Since many households are spatially disconnected from jobs, access to transportation plays a significant factor in not only the ability of residents to find meaningful employment, but also the economic competitiveness of the region.

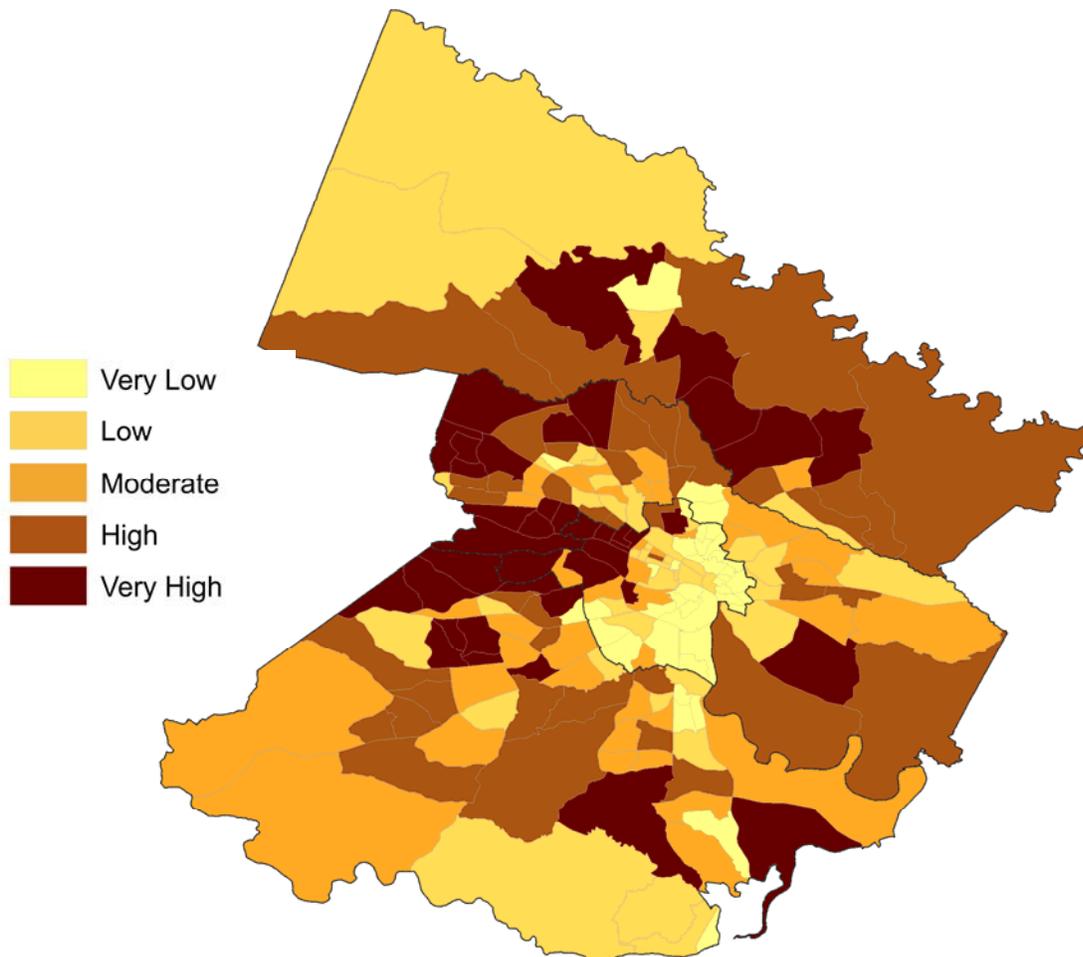
## Transportation and Affordable Housing

The closer people live to their jobs, the less time and money they must spend commuting. For those without cars, public transportation

can be the only means to get to work. Access to public transportation and low commute times indicate greater employment accessibility, which contributes to the financial well being of families.

Oftentimes, housing that is affordable to low-income families is located in urban and inner-suburban locations, whereas a large percentage of recent job growth has occurred in suburban areas. This spatial mismatch severely limits access to suburban jobs for those households with limited transportation options. As a result, many working families

**Map 5: Wealth and Transportation**





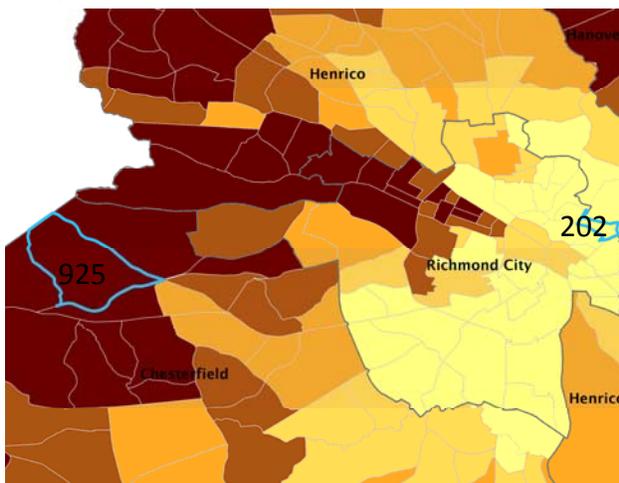
(earning between \$20,000 - \$50,000 in household income) pay higher transportation costs as a tradeoff for affordable housing. In many metropolitan areas, at 12 to 15 miles commuting distance, the transportation costs increase outweighs the savings on housing, and more income must be devoted to transportation to compensate.<sup>30</sup>

### Interpreting the Wealth and Transportation Map (Map 5a)

Lack of access to public transportation and lengthy daily commute times hinder the economic well-being of areas that would otherwise rank as high opportunity. This is apparent in portions of western Chesterfield and Hanover Counties. However, a more insidious trend becomes apparent when comparing the characteristics of low- and high-opportunity census tracts. For example, Census Tract 202 in the city of Richmond has among the lowest homeownership rate (16 percent) of any census tract in the region. Located north of Church Hill, the tract is home to the Creighton Court public housing complex. Census Tract 925, located in northwestern Chesterfield County, has among the highest homeownership rates in the region (96 percent).

Vast differences exist between these two

Map 5a



census tracts beyond homeownership rates. Median household income is 11 times higher, and the poverty rate 33 times lower in the Chesterfield tract compared to the Richmond tract. The most interesting characteristic that these tracts exhibit is the inverse relationship between access to public transportation and commute time to work. Seventeen percent of the population in the low-opportunity tract, which contains 25 GRTC bus stops, spend more than 45 minutes commuting to work each day. In the high-opportunity census tract located in Chesterfield county, which has zero GRTC bus stops, 7.5 percent of the population spend 45 minutes or more commuting to work. The longest commute times are incurred among the lowest paid individuals living in the poorest neighborhoods.

Further analysis of the role that public transportation has on maintaining socioeconomic segregation throughout the region reveals that only 53 percent of the regions' jobs are served by GRTC. The overwhelming majority of those jobs served by public transportation are located within the city. In fact, very few bus routes even extend into the surrounding counties, and those that do are primarily express lines, serving commuters coming into the city for employment opportunities as opposed to those going out to the suburbs for jobs.

Due in large part to an ineffective public transportation system and discrimination guiding the location of affordable housing, there exists a large percentage of the population that is not able to access employment opportunities and contribute to the general welfare of the local economy. This spatial mismatch must be remedied through a public transportation system that efficiently serves workers throughout the region. Additionally, affordable housing opportunities must be expanded to be in close proximity to suburban employment centers.

## HOUSING AND EDUCATION

Housing and education are inextricably linked. Quality schools have a strong influence on housing values. Therefore, higher performing school districts are often unaffordable for low- to moderate-income households.<sup>31</sup>

Moreover, access to a quality education is an essential ingredient to ensure future opportunity. Receiving a quality education increases the ability of an individual to secure adequate employment and stay financially stable enough to generate intergenerational wealth, as discussed on page 8.

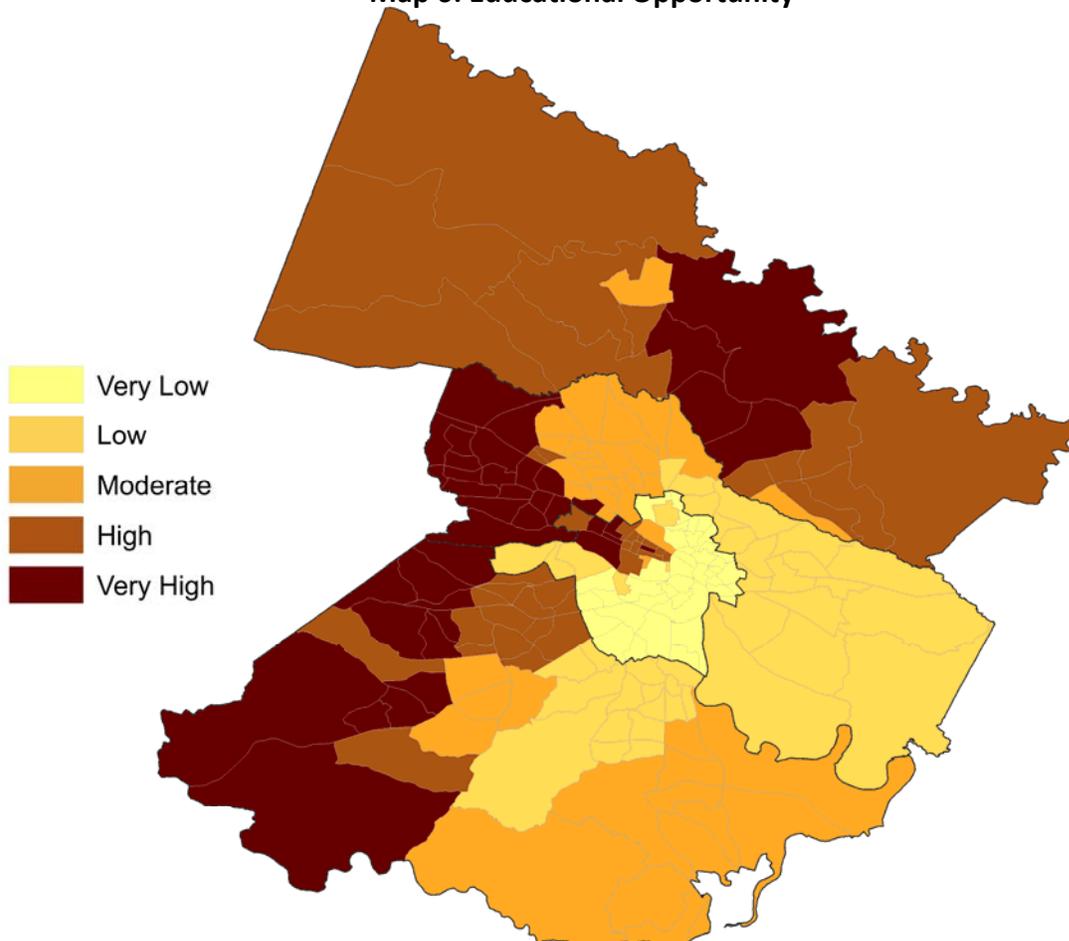
### Educational Opportunities and Residential Location

As one study found, children from public housing living and attending schools in a middle class neighborhood showed measurable improvement in academic performance over children with similar

characteristics living and attending schools in a low-income neighborhood.<sup>32</sup> Additionally, the Center for Housing Policy, the research arm of the National Housing Conference, contends that adequate and affordable housing significantly influences a student's educational performance.<sup>33</sup> If higher achievement in school has a positive impact on opportunity, securing affordable housing in high opportunity areas is imperative.

Access to quality schools typically equates to living in stable neighborhoods that benefit from higher-than-average median household income and have high levels of homeownership. Private education aside, the neighborhood in which a family resides largely determines the quality of education their children will receive. Additional educational opportunities such as Advanced Placement courses, after-school programs, and a safe

**Map 6: Educational Opportunity**





school environment depend on the tax base of the residential area. This is directly influenced by concentrations of wealth and poverty in the community.

### Interpreting the Education Map (Map 6a)

The disparities in opportunity are evident when it comes to education in the Richmond area. All high opportunity areas are located in western portions of the city of Richmond, Chesterfield County, and Henrico County, and nearly all of Hanover County. The lowest opportunity areas are in the eastern, northeast, and southeast portions of the city of Richmond.

Comparing two elementary schools in different opportunity areas of the region shows the direct impact that housing location has upon children's educational experience. For example, Chimborazo and Mary Mumford are both elementary schools located in the city of Richmond. The Mary Mumford district contains all very high or high opportunity census tracts while the Chimborazo district contains only very low opportunity tracts. Virginia Assessment Program Standards of Learning (SOL) test results reveal stark contrasts between the two schools. Third grade students at Chimborazo Elementary are

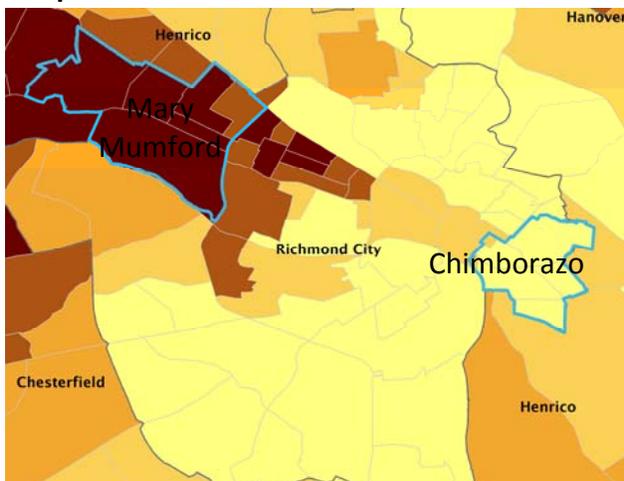
2.25 times more likely to fail the reading assessment test, 18 times more likely to fail the math assessment test, 2.2 times more likely to fail the science assessment test, and 1.7 times more likely to fail the history assessment test than third grade students at Mary Mumford.

What is most startling, however, is the disparity between students who test at the advanced level of the reading assessment test. At Mary Mumford, 50 percent of third graders tested at the advanced level in the reading assessment compared to just 19 percent at Chimborazo. Disparities were even higher among the other test categories: 61 percent of third graders at Mary Mumford tested at the advanced level in the math assessment compared to just 13 percent at Chimborazo; 54 percent in science compared to 14 percent; and 53 percent compared to 7 percent in the history assessment.

The fact that Mary Mumford has one of the highest percentages of out-of-district student attendance in the city further highlights the disparity in educational outcomes for families with the means to drive their children to a better school compared to those without that ability.

It is clear that there exists great disparity in the educational outcomes of children based solely upon where they live. Simply put, this fact is neither just nor sustainable. Depriving children of an education based solely upon where they happen to live is short-sighted, poor public policy, and a gross and negligent waste of public funds. Removing barriers to housing choice while simultaneously increasing the availability of affordable housing in high-opportunity neighborhoods is the only strategy to ensure that all children of the region receive the type of quality education that will not only allow them to succeed in a dynamic economy, but arm the Richmond region with the skilled and educated workforce to compete economically in the years to come.

Map 6a



## HOUSING AND HEALTH

Housing quality, homeownership, zoning policies, poverty levels, the physical and social environment of our neighborhoods and even the amenities offered in our communities all affect the health of residents. All these factors impact the geography of opportunity.

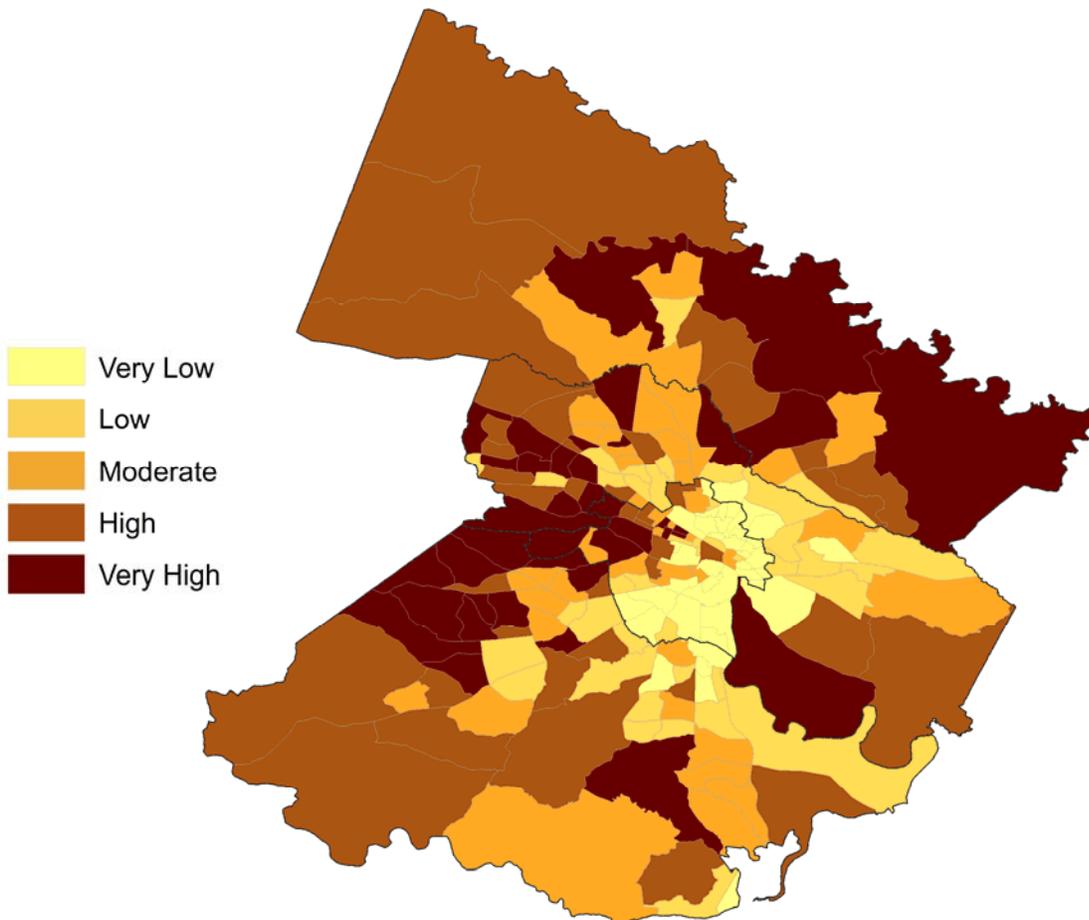
The environment of a neighborhood greatly impacts the health of its residents in two primary ways:

*First, through relatively short-term influences on behaviors, attitudes, and health-care utilization, which affect health conditions; and second, through a longer-term process of ‘weathering,’ whereby the accumulated stress, lower environmental quality, and limited resources of poorer communities, experienced over many years, erodes the health of residents in ways that make them more vulnerable to mortality from any given disease.<sup>34</sup>*

As such, socioeconomic status is one of the strongest indicators of how healthy a community is. Put simply, higher levels of wealth translate into better health, as do higher levels of homeownership and housing quality – all of which are patterned along racial lines in Richmond area.<sup>35</sup>

In the case of the Richmond area, disparities in housing and health are typically rooted in the prevalence of structurally inferior, inadequate housing among racial/ethnic minorities and exacerbated by the limited affordable housing options in suburbs. As an example, in the Richmond area, the average year that households were built in minority

**Map 7. Housing and Health Opportunity**



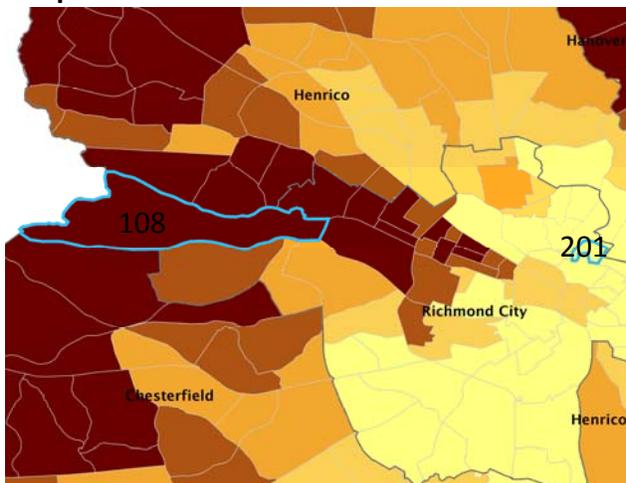


neighborhoods was 1956, whereas the average year that households were built in predominantly white neighborhoods was 1972.<sup>36</sup>

### Interpreting the Health Map (Map 7a)

Examining the relationship between health and housing reveals that residential location directly impacts access to healthcare services and influences the health of residents. Census Tract 201, located in the city of Richmond, contains Whitcomb Court, a public housing development. It ranks as one of the lowest opportunity areas in the region. Census Tract 108, located in western Henrico County,

**Map 7a**



follows the banks of the James River, contains several private golf courses and is one of the highest ranking opportunity areas in the region.

Forty-two percent of people living in the Henrico tract visited a dentist in the past year, compared to just 16 percent in the Whitcomb Court tract. Not surprisingly, the percentage of people who visited a general/family physician within the past twelve months in the high-opportunity tract is 35 percent, compared to just 16 percent in the low-

opportunity tract. The number of people using asthma prescriptions and blood pressure medication is similar between these tracts.

Finally, the percentage of people within each census tract that have medical/hospital insurance is much higher in the Henrico tract (66 percent) than in the Richmond tract (28 percent). It goes without saying that income and age are primary determinants of the prevalence of all of these health measures. However, the impact that residential location has on not only access to healthcare, but the health of residents, is clearly demonstrated through opportunity mapping.

Ensuring that our region has a wide variety of affordable housing options in high opportunity areas will allow low- to moderate- income households access to better healthcare opportunities, healthier environments, and ultimately lead healthier lives.

## HOUSING AND ACCESS TO CREDIT

“Residents in distressed neighborhoods tend to hold little wealth. Their weak and precarious economic condition makes their need for financing dire. Low-income households, with almost no cash reserves, are vulnerable to becoming victims of high-cost and predatory lending.” Furthermore, many of those residents have “weak credit histories. They may not qualify for prime credit.” They credit products they do qualify for, such as payday loans or subprime mortgages, “have the effect of directly increasing their perceived and real credit risk,” thereby trapping low-wealth communities in a cycle of poverty.<sup>38</sup>

Living in neighborhoods with access to mainstream credit directly impacts the ability to build individual wealth and pass it on to future generations. This in turn affects the stability and sustainability of communities.

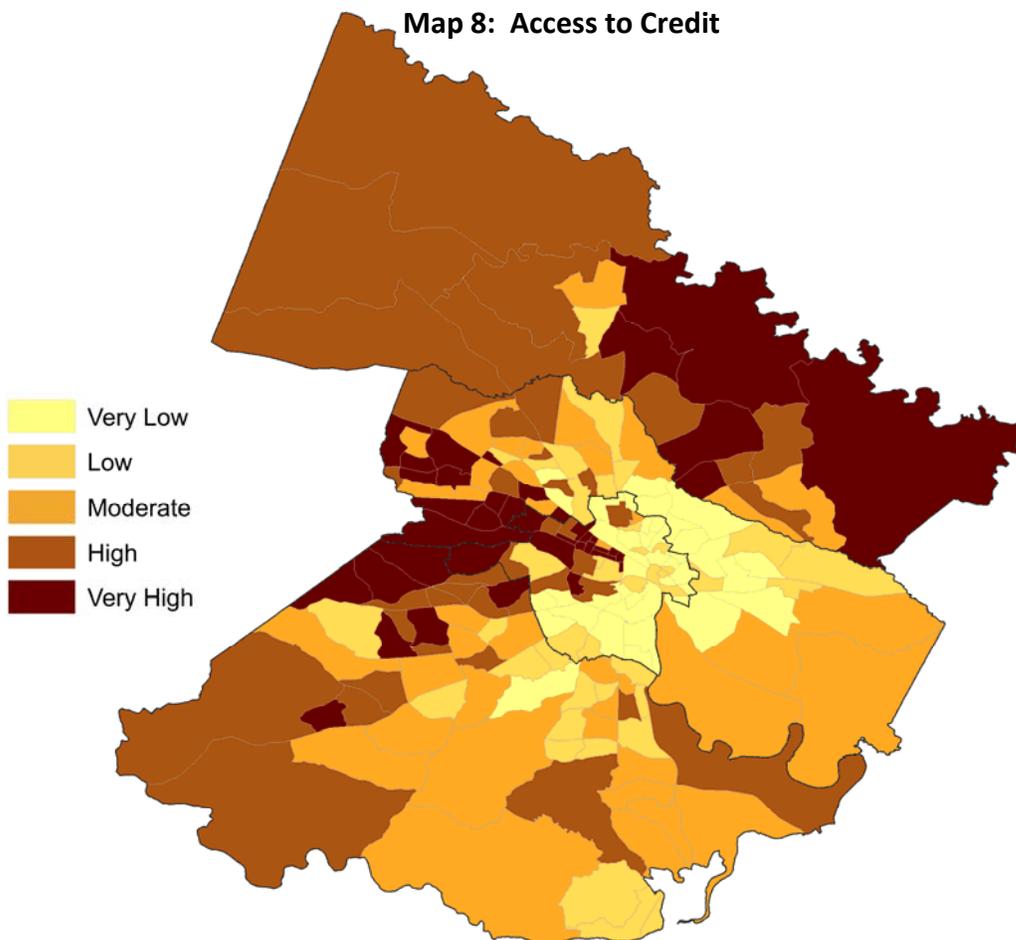
### Legacy of Housing Discrimination

Many forms of housing discrimination remained legal and common practice until passage of the Fair Housing Act in 1968. This included “redlining by lenders and insurers, racially restrictive covenants, and discriminatory FHA loans.”<sup>39</sup> Along with rigid

credit markets, discrimination severely limited the ability of racial minorities, particularly African Americans, to obtain home loans, become homeowners, and thus accumulate wealth. Over time, this contributed to creating and perpetuating cycles of poverty.

Though housing discrimination is no longer legally sanctioned (see Section 1), it persists in the form of credit denial, predatory lending, and excessive interest rates, all of which have contributed to exponential growth in foreclosures and a significant loss of wealth, particularly in minority communities

**Map 8: Access to Credit**





throughout the region.<sup>40</sup> The rise of subprime lending in the early part of this century allowed credit to flow into many underserved communities and created numerous new homeownership opportunities.

Unfortunately, however, it also led to the targeted marketing of unsustainable mortgage products to traditionally credit-starved communities. These mortgages took various forms, including adjustable interest rates and prepayment penalties. Fueled by the secondary mortgage market, these loans were bundled, securitized, and re-sold to investors around the world. Profit incentives such as yield spread premiums, which allowed mortgage brokers to earn more for generating a subprime versus a prime loan, fueled the subprime lending spree.

### Interpreting the Access to Credit Map (Map 8a)

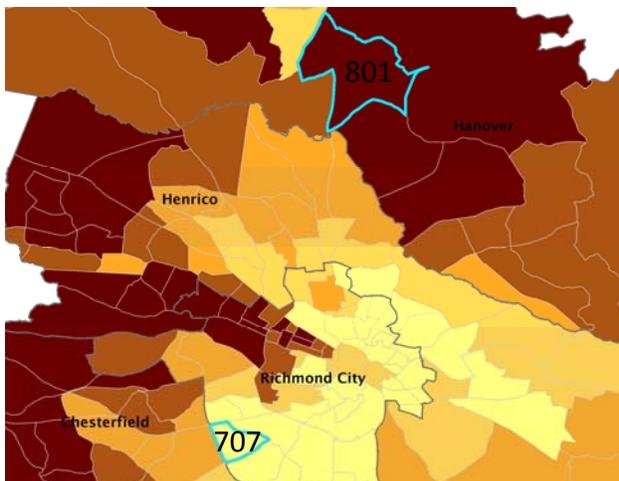
Access to not only credit, but sustainable credit, is largely determined by where you live. Census Tract 801 located in Hanover County just east of Interstate 95 is among the highest opportunity areas in the region. Census Tract 707, located in south Richmond,

near Hull Street Road, is among the lowest opportunity tracts in the region.

Examining these two tracts for differences in access to mainstream credit reveals stark differences. Homeowners in the Richmond tract were more than three times as likely to receive high cost or subprime loans as their counterparts in the Hanover tract. In fact, half of all loan originations in the low-opportunity tract were high cost compared to just 15 percent in the high-opportunity tract. Moreover, payday lending institutions target low income neighborhoods, further stripping these communities of their wealth. In high-opportunity neighborhoods, it is nearly impossible to receive a loan from a payday lender simply because there are none to be found. These factors contributed to the Richmond tract having a foreclosure rate 9.5 times higher than the Hanover tract.

The impact on opportunity that access to credit has on these neighborhoods is undeniable. Communities that are able to access mainstream, sustainable loan products are more likely to retain their wealth to pass along to future generations. Conversely, communities that are targeted for unsustainable mortgage products or payday loans by predatory lending institutions have their wealth stripped from them.<sup>41</sup>

Map 8a



## SECTION 5: POLICY RECOMMENDATIONS

### **Where you live should not limit your employment opportunities.**

Develop a regional transportation policy that helps to effectively connect workers to jobs.

### **Where you live should not be limited based on the location of affordable housing units.**

Develop a regional housing policy that encourages development of affordable housing in the areas of greatest job growth and other opportunity factors.

### **Where you live should not impact the education your children receive.**

Encourage a regional educational policy that promotes sharing successful strategies among school divisions to enhance educational outcomes for all.

### **Where you live should not be determined by discrimination.**

Ensure all area residents have true housing choice by adopting policies that enable working families, including those who have portable rental subsidies, to move into areas of high opportunity.





## CONCLUSION

For too long, public policy and private investment based on discrimination have created disparate levels of opportunity throughout our region. The failures of past federal housing policies served to create massive investment, and thus opportunity, in the suburbs and disinvestment in the inner city. Redlining created credit vacuums in minority neighborhoods, which were flooded with unsustainable loan products, leaving them devastated in the wake of the housing market collapse and subsequent Great Recession. This two-sided housing policy further concentrated minorities in inner city neighborhoods with increasingly poor educational opportunities for their children, bleak job prospects for themselves, and lack of public transportation infrastructure to move them around. The Richmond Region Opportunity Map clearly demonstrates these effects on the people living in certain parts of the region and emphasizes the fact that where you live makes all the difference.

As this report has shown, opportunity is a multifaceted concept. As such, there is no one method to resolving the opportunity disparity that is so apparent throughout the region. New opportunities must be created in low-opportunity neighborhoods while simultaneously ensuring that residents of low-opportunity neighborhoods have the ability to choose to move to higher opportunity neighborhoods. Creating new opportunity in low-opportunity neighborhoods will require a broad approach and input from diverse stakeholders ranging from private housing developers, local nonprofits, school boards, and healthcare providers. At the most basic level, it will require extensive input from the people who live in low opportunity neighborhoods to detail the opportunity infrastructure needed in their communities.

The surest path to guarantee that all residents of the region are able to access opportunity is by the enforcement of fair housing laws and the dismantling of barriers to fair housing. It is time that policy makers begin to look for new, creative ideas to not only ensure that every person has the ability to choose where they want to live, but to also spark the creation of opportunity in the neighborhoods that need it most.

Certainly, Short Pump does not need another grocery shopping alternative, but Gilpin Court, located in the city of Richmond, is in dire need of fresh food. The third graders at Chimborazo Elementary School want to succeed academically every bit as much as the third graders at Mary Mumford, but have a lesser chance of success because they live in such concentrated poverty. A first-time home buyer looking to purchase a house in a low-opportunity neighborhood in order to invest in their financial future will more likely than not be put into an unsustainable loan product solely because of where they live.

This is an idea whose time has come. No longer is it acceptable public policy to isolate the poorest - the families most in need of a helping hand - in neighborhoods with no opportunity.

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# APPENDIX

## Education Indicators

### **1. Percent population 25 years and over with at least an Associate's Degree**

This indicator demonstrates the level of education of those within each census tract. When students are surrounded by others with higher educational attainment, it is likely that they are able to get assistance in their studies. *2005 to 2009 American Community Survey 5 Year Estimates, U.S. Census Bureau*

### **2. Percent of students enrolled in AP courses**

The percentage of students enrolled in advanced programs is a key indicator of school quality at the secondary level. Students who take Advanced Placement courses can often count those credits toward college coursework. *2008-2009 Va. Dept of Education*

### **3. Percent planning to attend two-year or four-year college**

This indicator represents the percent of students who plan to attend a two year or four year college after graduating from high school. *2006-2007 Va. Dept of Education*

### **4. English and Math performance score (percent passing)**

Schools, school divisions, and states are rated according to the progress toward the goals of the No Child Left Behind Act of 2001 (NCLB). This federal law requires states to set annual benchmarks for achievement in reading and mathematics leading to 100 percent proficiency by 2014. *2008-2009 Va. Dept of Education.*

### **5. NCLB Graduation Indicator**

No Child Left Behind (NCLB) requires schools to make progress in graduation for high schools. The graduation rate is based on the percentage of students achieving a regular high school diploma. *2007-2008 Va. Dept of Education*

### **6. Weapon incidents per 100 students**

Virginia's accreditation standards require school report cards to include information about school safety. This indicator is used to demonstrate the number of weapon incidents per 100 students to indicate the level of student safety within each school. *2008-2009 Va. Dept of Education*

### **7. Dropout Rate**

Dropout percentages represent the number of dropouts for a given school year divided by the membership on September 30 of that school year. *2007-2008 Va. Dept of Education*

## Wealth and Transportation Indicators

### **8. Homeownership rate**

This data represents the percentage of owner occupied houses in relation to all occupied households. A higher value of this indicator suggests greater neighborhood stability with less resident turnover and problems associated with absentee landlords.

### **9. Median house value**

This data represents the median home values in 2000. Housing prices are influenced by many factors, including proximity to jobs, quality schools, quality of the housing, and the income of the neighborhood.

### **10. Median household income**

This data represents the median household income. Household income is useful in understanding the ability to afford the goods and services needed by families and individuals to maintain a comfortable standard of living as well as save money and invest in the





community.

#### **11. Bus stops per census tract**

This data represents the number of active bus stops within each census tract as an indicator for availability of transit service. The ability to access public transportation is important in accessing employment and other services for those without private transportation. Individual bus-stops are included in a data set from GRTC, and the number of stops within each census tract is calculated. A higher number of stops indicate greater availability of transit service. *2009 GRTC Transit System.*

#### **12. Poverty rate**

This data represents the proportion of the population with income below the Census Bureau poverty levels. Higher percentages mean more concentrations of people living at or below poverty level. Neighborhoods with concentrated poverty can negatively impact the surrounding community due to the increase of negative social issues associated with poverty such as crime, and psychological stress. It can also indicate that residents have less money available for saving and investing in the community.

#### **13. Percent population on public assistance**

This data represents the percentage of population receiving public assistance, including general income assistance such as Temporary Assistance for Needy Families (TANF) but excluding payments received for hospital or other medical care or Social Security Income. Census tracts with higher percentages suggest fewer economic opportunities, less potential for economic mobility and more people who are dependent on a public subsidy to survive. Living in a neighborhood with significant populations on public assistance suggests that local and neighborhood social networks are not well connected to employment opportunities.

#### **14. Percent of workers with 45 minutes or more of work commute time**

This data represents the mean commute time for each worker who works outside of their home. Commute time is a general measure commonly utilized to assess the proximity to regional employment opportunities or transportation time needed to reach employment. The purpose of including this measure was to identify areas that are the most accessible (in respect to travel time) to the region's employment opportunities. Higher values for this data set also mean that workers have relatively less time to attend to their personal needs compared to workers who spend less time traveling.

*All data from the 2005 to 2009 American Community Survey 5 Year Estimates, U.S. Census Bureau unless otherwise indicated.*

### **Health Indicators**

#### **15. Percent population that visited general family doctor in last 12 months**

This data represents the estimated number of residents who visited a doctor in the last 12 months relative to the 2009 local population. The ability to visit a doctor when needed is vital in staying healthy and avoiding potentially serious long-term health issues. Since this data reports the estimated number of residents who saw a doctor based on survey and economic modeling data, it does not fully capture the actual activity in the region.

#### **16. Percent population that visited dentist in last 12 months**

This data represents the estimated number of residents who visited a dentist in the last 12 months relative to the 2009 estimated local population. Regular dentist visits are essential to

maintaining good hygiene and avoiding other potentially serious long-term health issues. Since this data reports the estimated number of residents who saw a dentist based on survey and economic modeling data, it does not fully capture the actual activity in the region.

**17. Percent population that has medical/hospital or accident insurance**

This data represents the estimated number of insured residents relative to the 2009 estimated local population. Health insurance is essential to accessing high quality health care. The number of such insured residents is divided by estimated population of 2009. Since this data reports the estimated number of insured residents based on survey and economic modeling data, it does not fully capture the actual number of people with health insurance in the region.

**18. Percent population that used prescription drug for high blood pressure**

This data represents the estimated number of high blood pressure prescription users relative to the 2009 estimated local population. Higher incidences of high blood pressure could have a number of causes, but is generally considered an indicator of stress, bad health or an unhealthy lifestyle. Since this data reports the estimated number based on survey and economic modeling data, it does not fully capture the actual number of people suffering from high blood pressure in the region.

**19. Percent population that used prescription drug for asthma**

This data represents the estimated number of asthma patients relative to the 2009 estimated local population. Higher incidences of asthma suggest the neighborhood could contain more air pollution. Since this data reports the estimated number based on survey and economic modeling data, it does not fully capture the actual number of people suffering from asthma in the region.

*All health data from 2009 ESRI Market Potential Index*

**Access to Credit Indicators**

**20. Percent of loans originated that were high cost loans**

High cost lending is an important measure used to understand the type of home mortgage lending activity that is taking place within a neighborhood. Many high cost loans in recent years were given to unsuspecting borrowers in vulnerable neighborhoods who would have otherwise qualified for a prime loan with a much lower interest rate.<sup>10</sup> High-cost loans are defined as first lien loans with a rate spread three points or higher over the comparable treasury yield or five points or higher for subordinate lien loans. *2004 to 2007 HMDA.*

**21. Payday lending institutions**

Payday lending institutions charge high-interest rates in excess of 300% to financially distressed families and individuals who are in immediate need of money. Many payday loan users take out more than one loan and find themselves unable to repay the high interest and work their way into a cycle of debt. This measure represents the number of payday lending institutions within each census tract. *2009 Virginia Bureau of Financial Institutions*

**22. Foreclosure Rate**

This indicator represents the notices of trustee sale per owner-occupied household within each census tract. Foreclosures impact not only the homeowners who are at risk of losing their home, but can contribute to blight and increases in crime as well as decreasing the local tax base and decreasing surrounding property values. *Jan 2007 to April 2009 RealtyTrac Inc.*





**Housing Opportunities Made Equal of Virginia, Inc. (HOME)** is a 501(c)3 non-profit corporation organized under the laws of the commonwealth of Virginia and a HUD-approved housing counseling agency. It was founded in 1971 to fight discrimination in housing access. Many of HOME's victories are well known, setting Supreme Court precedents and providing national impact.

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