MAPPING INEQUALITY IN RICHMOND

MAPPING RVA

WHERE YOU LIVE MAKES ALL THE DIFFERENCE

HOME

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Welcome to Mapping RVA!

Housing Opportunities Made Equal of Virginia, Inc. (HOME) presents Mapping RVA: Where You Live Makes All the Difference. HOME is the only housing nonprofit in the Richmond region that specializes in fair housing enforcement. As such, we felt we had a special responsibility to the community to raise awareness about fair housing.

By presenting housing research visually, as a series of Graphic Information System (GIS) Maps, we hope you will be able to clearly see problems that prevent our region from growing economically, and discuss how take action to create positive change for everyone in the Richmond region. HOME's Research Director, Brian Koziol, examined the historical connection between state and federal housing policies and the long-lasting effects of these policies on concentrations of growth and poverty, lending patterns, homeownership and educational outcomes for children.

This installation is a collaborative effort between HOME and our community partners to create a new way to elevate the conversation about segregation and fair housing issues, identify problems and find solutions to issues that cross jurisdictional boundaries, and highlight areas of economic growth in the Richmond region.

The Pursuit of Equal Access to Housing for All People

1968

Martin Luther King, Jr. was shot to death as he stood on the balcony outside his hotel room in Memphis, Tennessee. His assassination added to the momentum of passing the Civil Rights Act of 1968.

Richmond police officers prepare for race riots, Spring 1968.
Photo courtesy of the Valentine Richmond History Center.

The Civil Rights Act of 1968, signed by President Lyndon B. Johnson, was the first comprehensive fair housing law. It prohibited a broad range of discriminatory practices based on race, religion, color and national origin.

1971

Housing Opportunities Made Equal (HOME) was established by a group of citizens who wanted to make America's promise of equal treatment a reality and ensure that every person has the opportunity to live in the neighborhood of their choice.

> "The purposes for which the corporation is organized are: to make open housing a reality in the Richmond metropolitan area by encouraging owners and landlords to comply voluntarily with the law and offer their properties on a non-discriminatory basis, assisting potential buyers and renters, carrying forward educational programs, and supporting litigation where necessary for compliance with anti-discrimination laws."
> **–HOME's Articles of Incorporation**

By the winter of 1971, HOME had its first testing program in place, demonstrating the organization's vision and commitment to the enforcement of fair housing laws.

1973

HOME began rental and homebuyer counseling programs to promote inclusive and sustainable housing. These programs helped homeseekers become educated in both their legal rights and their responsibilities as tenants and homeowners.

1974

The Federal Fair Housing Act is amended to make housing discrimination on the basis of sex illegal.

HOME hired one of its founders, Barbara Wurtzel Rabin, as HOME's first executive director. Not satisfied with the pace of enforcement, Rabin created the first strategic, proactive testing enforcement plan.

1975

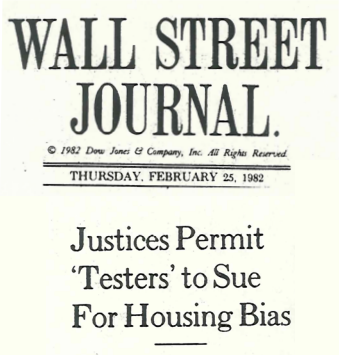
Sandra C. Coles, HOME's housing education specialist, joined HOME and developed HOME's first publication, "An Apartment Seeker's Guide" containing information on 500 apartment complexes with 43,000 apartments in metropolitan Richmond. It was first published in 1975 and has been published ever since. It is now a comprehensive guide to affordable housing.

1978

HOME hired Kent Willis, who worked with Barbara Rabin on an investigation of the Richmond residential real estate market. HOME tested 59 real estate firms to determine the extent of racial steering in the industry.

> A white tester, a black tester and a fair housing group called Housing Opportunities Made Equal had sued Havens Realty Corp., charging that the company gave false information about the availability of housing in the suburbs of Richmond, Va. In 1979, a federal judge in Richmond ruled that because the defendants weren't actually seeking housing, they weren't actually injured. The judge dismissed their suit."
> **– The Wall Street Journal, February 25, 1982**

HOME's testing program found that Havens Realty Corporation's policies and practices violated fair housing law. In 1978, HOME filed a lawsuit in Federal District Court against Havens Realty Corp. The plaintiffs listed on the suit are Sylvia Coleman, Kent Willis, Paul Coles and HOME.



WALL STREET JOURNAL.

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THURSDAY, FEBRUARY 25, 1982

Justices Permit 'Testers' to Sue For Housing Bias

> The Supreme Court upheld fair-housing group's use of 'testers' to bring court cases against discrimination. The Justices overturned a U.S. appeals court ruling in a 1979 Richmond, Va., case involving questioning of real estate brokers by persons who didn't actually seek to buy or rent."
> **– The Wall Street Journal, February 25, 1982**

HOME Sets National Precedents in Enforcement

1980

HOME released a seminal study on racial steering in the Richmond, Virginia real estate market. Ultimately, this study led the Richmond Realtors Association to voluntarily comply with fair housing law and focus on fair housing education for its members.

1982

The U.S. Supreme Court, in the landmark unanimous decision for the Havens Realty Corp. v. Coleman case, found that HOME and its testers had standing to sue in fair housing cases. This verdict set national precedent and expanded fair housing enforcement nationwide to include non-government agencies like HOME and other fair housing nonprofits. It is considered the single most important housing case ever decided.

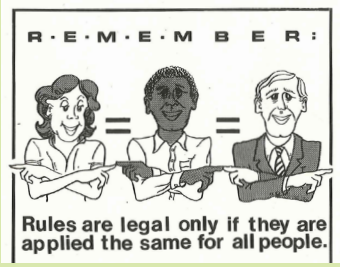
1983

After leading HOME through Havens v. Coleman, Barbara Rabin stepped down and HOME promoted Kent Willis to be HOME's second executive director.

1985

Community organizers with Richmond United Neighborhood (RUN), including HOME's senior housing counselor Regina Chaney and Rev. Ben Campbell of Richmond Hill, confronted banks about discriminatory lending practices.

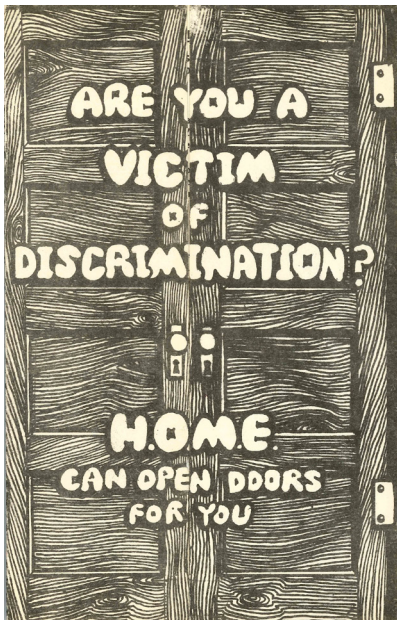
"What You Should Know About Fair Housing"
A 1985 HOME brochure



1987

Richmond's banks were leveraged by RUN to fund a pre-purchase counseling program to prepare first-time homebuyers for homeownership. HOME competes to administer this program and recruits senior housing counselor Regina Chaney.

Kent Willis led the organization through Saunders v. General Services Corporation, another precedent setting case. It was the first fair housing enforcement case in the nation based on discriminatory advertising.



> HOME's purpose is to promote equal opportunities in the rental, sale, and financing of housing in the Richmond area. It does this by fostering a climate in the community for voluntary compliance with the fair housing laws, by assisting individuals who encounter discrimination, and by providing information and counseling about existing housing opportunities."
> **– "Are You A Victim of Discrimination?" a 1980s HOME brochure**

1988

Kent Willis resigned from HOME to become the executive director of the Virginia affiliate of the American Civil Liberties Union (ACLU), where he served for 25 years. Connie Chamberlin was selected to be HOME's third executive director.

The Federal Fair Housing Act was amended to add protections for people with disabilities and families with children (familial status), and gave complainants a way to file fair housing claims without lawyers.

1989

The first mortgage default counseling program began to help homeowners save their homes from foreclosure.

1990

Recognizing the disability community's need for housing access, HOME began providing education to disabled consumers and fair housing training to the housing industry on the rights of people with disabilities.

1991

At the request of the City of Richmond, HOME began offering a program of counseling and down payment assistance, with the goal of increasing homeownership and revitalizing neighborhoods.

1992

With the help of a broad based group of supporters, HOME challenged a Richmond circuit judge's ruling that the nonprofit did not have standing to file lawsuits under Virginia law. The Virginia Fair Housing Law was amended through the Virginia General Assembly to clarify the right of organizations like HOME to sue in order to challenge discriminatory practices.

In the early 1990s, HOME became concerned about the lack of quality homeowners insurance in African-American neighborhoods, and began a lengthy investigation of insurance practices in the Richmond metropolitan area.

Some of the major national insurance companies, such as State Farm and Allstate, complied with fair housing law and made immediate changes to their policies when HOME and a team of fair housing organizations from around the country presented evidence of discrimination. Other insurance companies required litigation before they could be persuaded to provide services on an equal basis.

1996

In Richmond, HOME filed a lawsuit against the Nationwide Insurance Company, alleging redlining of African-American neighborhoods. The only insurance redlining case ever to go to trial, Housing Opportunities Made Equal v. Nationwide resulted in a short-lived victory for HOME.

Nationwide then appealed to the Virginia Supreme Court, which overturned the verdict. HOME requested reconsideration and the Virginia Supreme Court, in a highly unusual decision, vacated its earlier opinion. HOME and Nationwide eventually settled the case for a lesser amount than the original $100.5 million settlement awarded in the first Richmond circuit court verdict. The Nationwide settlement enabled HOME to establish the Virginia Equal Housing Foundation (VEHF) in 1999.


Richmond
RICHMOND, VIRGINIA 23293
Times-Dispatch
VIRGINIA'S NEWS LEADER
A MEDIA GENERAL NEWSPAPER
TUESDAY, OCTOBER 27, 1998

$100 million is awarded in bias case

Nationwide Insurance plans appeal

Nationwide then made major changes in its internal policies and in the way it did business, actively seeking customers in African-American neighborhoods in Richmond and throughout the country. According to Nationwide's corporate leadership, these new practices have increased profitable business. The company and HOME now consider themselves to be active partners in promoting urban revitalization and reinvestment in African-American neighborhoods.

This partnership demonstrates the impact of fair housing enforcement on increasing awareness and voluntary compliance within the housing industry to promote universally beneficial, systemic change.

Fighting Discrimination in the 21st Century

2001

HOME released a study of race discrimination in Hampton Roads and the Roanoke Valley showing that whites were treated more favorably than African-Americans in their search for rental housing, from 44 to 70 percent of the time. Studies completed in 2004 of selected cities showed almost the exact same results.

> HOME's research revealed that the vast majority, greater than 90 percent, of multi-family housing was not fully accessible to people with disabilities, despite requirements.
>
> **– HOME's Report on the Barriers Faced by African-Americans and People with Disabilities**

2002

HOME began the Housing Search Assistance Program in partnership with the Richmond Redevelopment and Housing Authority and a group of landlords. The program was designed to help Housing Choice Voucher holders move into neighborhoods of opportunity.

HOME presented the results of its statewide studies of housing discrimination against African-Americans and people with disabilities to the Virginia Housing Study Commission. HOME's research led to new legislation to create more effective fair housing enforcement in the commonwealth.

2003

HOME won a fair housing complaint with the Virginia Fair Housing Office alleging a homeowner in Chesterfield County refused to sell a house to an African-American woman based on race.


B8 Richmond Times-Dispatch • Saturday, May 3, 2003

Area is 'for whites only'

Rufus T. Matthews told the prospective purchaser, and later one of HOME's testers, "I can't sell you this house 'cause you're colored."

2004

Research conducted by HOME showed that 46 percent of people with disabilities experienced barriers in their search for rental housing and 24 percent of families with children were either denied housing or discouraged from applying, despite protections under state and federal fair housing law.

2005

HOME began the Virginia Lending Protection Project, a multimedia campaign to educate homeowners and policy makers about the dangers and impact of abusive lending practices.

> Blacks Hit Hardest by Costlier Mortgages: Regardless of income levels, blacks were about three times as likely as whites to borrow through more expensive 'subprime' mortgages last year, according to a nationwide lending survey released Tuesday by the Federal Reserve."
> **– The New York Times, September 14, 2005**

HOME succeeded in its campaign to incorporate fair housing concerns into the market analyses conducted by federal insurance regulators.

In 2005, HOME launched a "sign sharking" campaign, in which HOME employees removed predatory lending signs from public poles throughout the city of Richmond.

2006

HOME received the Best Housing Organization Award, as presented by Governor Tim Kaine at the 2006 Governor's Housing Conference.

2008

The stock market crash and global financial crisis precipitated the housing market crash. Coupled with the highest unemployment rates seen in decades, homeowners nationwide were confronted with the dreadful prospect of losing everything.

HOME successfully led a campaign with the Virginia General Assembly to outlaw foreclosure rescue scams. The bill became a law on July 1, 2008.

HOME was invited to join the Governor's Foreclosure Taskforce as a voice for fair housing.

2009

Housing organizations across the state worked with HOME, Delegate Jennifer McClellan and Senator Donald McEachin to pass the Trust in Lending Act in the Virginia General Assembly, which ensured mortgage brokers work in the best interest of the borrower.

Governor Tim Kaine signed the Trust in Lending Act into law on July 1, 2009, with support from Delegate Jennifer McClellan.

2010

The housing bubble, global financial crisis and subsequent foreclosure crisis were not caused by consumers alone. These crises occurred, in part, because financial institutions took great, unregulated risks, incentivized unsustainable loan products and aggressively marketed these predatory loan products to borrowers, especially minorities.

HOME's foreclosure prevention program proved successful in helping families keep their homes during the housing crisis. From July 2008–June 2009, 93 percent of clients who completed the program successfully avoided foreclosure of their home. HOME helped a peak of 855 families facing foreclosure from July 2009- June 2010, a significant increase from the 500 just three years earlier. The program was awarded Best Housing Program at the 2010 Governor's Housing Conference.

In 2011, HOME investigated a Henrico County "whites only" rental property, creating a viral social media fair housing campaign. One woman commented that she was "so sad this kind of ignorance is still going on! No one is better than someone else because of the color of their skin."

2012

In February of 2012, 49 state attorneys general and the federal government declared that the nation's five largest mortgage lending firms would be financially responsible for their negligence by paying $25 billion, known as the National Mortgage Settlement. The settlement aimed to ease the burden of financially distressed homeowners.

Virginia's portion of the settlement totaled at $66.5 million, of which $7 million (approximately 10 percent) will be contributed to the Virginia Housing Trust Fund. The Virginia General Assembly voted to utilize almost 90 percent of National Mortgage Settlement for non-housing budget items.

HUD implements the LGBT Final Rule to ensure that all FHA mortgage lenders and HUD approved programs and are open to all eligible individuals and families regardless of sexual orientation, gender identity or marital status.

"With this historic rule, the Administration is saying you cannot use taxpayer dollars to prevent Americans from choosing where they want live on the basis sexual orientation or gender identity – ensuring that HUD's housing programs are open, not to some, not to most, but to all."
– Secretary of U.S. Dept. of Housing and Urban Development Shaun Donovan

HOME hired Heather Mullins Crislip as president and chief executive officer in June 2012. Crislip brought a wealth of legal, policy, fund development, communications and leadership expertise to HOME.

2013

HOME was awarded the contract to author the city of Richmond's analysis of impediments to fair housing choice. This document, a requirement of HUD, is a major component of fair housing planning for all jurisdictions receiving federal community development funding.

2014

HOME launches the Move To Opportunity Program to support Housing Choice Voucher holders make use of their opportunity to choose where they want to live. There are still no protections in place for these families who can be denied housing because they pay with a voucher. By supporting these families, HOME ensures equal access despite the lack of legal protection.

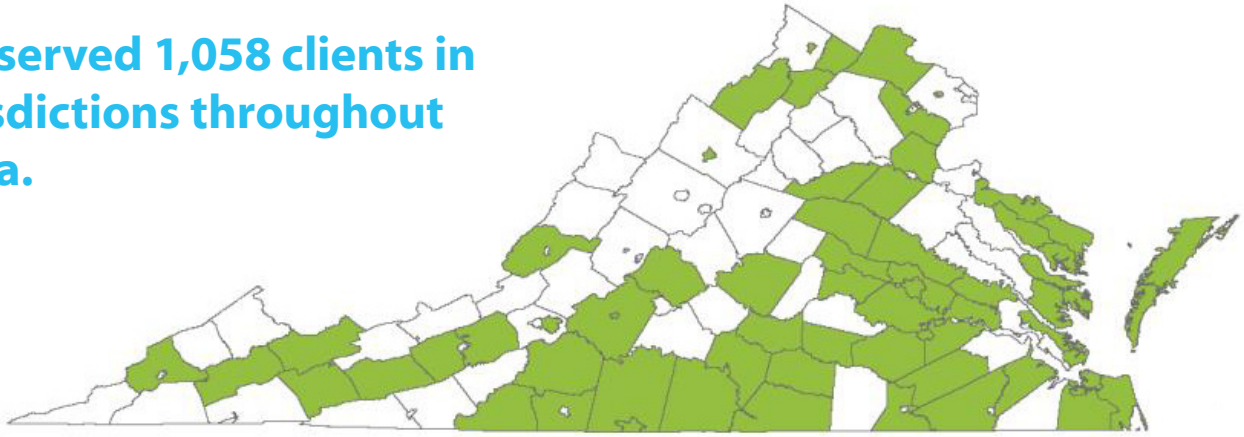
HOME joined the National Fair Housing Alliance and other fair housing groups across the country in filing complaints against US Bank and Deutsche Bank for maintaining foreclosed (REO) homes the banks owned in white neighborhoods in a better manner than in African-American and Latino neighborhoods in Hampton Roads.

Deutsche Bank's REO had a tree fall on the roof and the bank did not remove the debris and stopped taking care of the home, but was still marketing it.

A Danville court ordered John Sylvania Matthews III to pay $25,000 to HOME after HOME investigators proved an African-American woman's allegation of housing discrimination based on race.

"Obviously, one of the hallmarks of our society is we adopted a creed that all men are created equal, and what that means is that everybody, regardless of race, regardless of gender, is to be given the same opportunity. That's not to be construed with guaranteeing results, but rather opportunity. The opportunity to rent or acquire housing is well established in both federal and state law, and it is something that has to be diligently protected, because there have been in the past certainly well-known instances where individuals' right to obtain housing has been denied, based solely on an improper discriminatory purpose."
- Judge James J. Reynolds' statement regarding Mr. Matthews violation of the Fair Housing Act.

HOME served 1,058 clients in 75 jurisdictions throughout Virginia.



By working to ensure that every Virginian has housing choice, HOME helps create diverse and healthy neighborhoods. Neighborhoods of opportunity — those with good schools, adequate infrastructure, and access to transportation and employment — are the cornerstone of economic development. Ensuring that all Virginians have access to these social assets will guarantee that Virginia remains one of the best places to live, raise a family, vacation, and conduct business.

In 2014, HOME provided counseling and fair housing services to 1,058 families across Virginia. Through our website, Facebook, Twitter, blog and news media, HOME reached many more. HOME's website had 563,757 views, an increase of over 235,000 from last year, had 52,915 individual visitors (13,000 more than in 2013). Additionally, HOME's voice was highlighted in over 85 news stories throughout the year with over 10 million media impressions.

HOME expands housing opportunities for individuals, helping them gain the knowledge and financial skills they need to become successful, long-term homeowners, avoid mortgage default, and be good tenants. On average in 2014, HOME provided educational trainings and/or direct services to 79 clients per month. In total, 282 clients participated in homeownership education classes, 197 clients received one-on-one homeownership counseling services, and 209 clients participated in HOME's credit and money management classes.

HOME's approach to creating homeownership opportunities for qualified low- to moderate-income residents is based on a rigorous curriculum designed to ensure that our clients have the knowledge they need to make informed financial decisions. In this way, HOME creates homeowners who build wealth over the long term. Those clients who successfully complete the required curriculum and meet other financial criteria are eligible to participate in HOME's Down Payment Assistance (DPA) Program.

Through our Foreclosure Intervention and Prevention Program, HOME was able to make a substantial local impact by working to keep families in their homes. Additionally, forty-three clients received reverse mortgage counseling to help them use the valuable equity in their home, and 230 clients participated in HOME's superior tenant trainings, where they learned their rights and responsibilities in the landlord/tenant relationship. Ensuring that both parties are aware of their legal obligations is of critical importance, particularly for residents of cities like Richmond, where more than half of the households are renter-occupied.

By encouraging responsible and sustainable homeownership, HOME and our clients have generated an estimated $2,161,980 in local economic impact. With just an average of $8,960 in investment per client (a total of $403,200 for 2014), HOME is able to use its expertise to return over five times the initial investment. It is clear that promoting responsible homeownership is a win-win situation for first-time home buyers, local jurisdictions, and the local economy.

HOME ensures that fair housing laws are upheld across the commonwealth, thereby protecting the housing choices of all Virginians. In 2014, HOME provided services and investigation to 105 fair housing clients and filed 10 fair housing complaints.

Creating opportunities is part of HOME's core mission to ensure equal access to housing for all people.

Map 1: 1950 Richmond Population and HOLC Neighborhood Boundaries

In the wake of the Great Depression, the Federal government passed the National Housing Act of 1934 as part of the New Deal in an effort to make homeownership more affordable and prevent foreclosures.

A significant part of the Act was the creation of the Home Owners' Loan Corporation (HOLC) to prevent foreclosures and refinance mortgages. Until this time, mortgages were amortized over five to ten years and culminated in a balloon payment. The HOLC greatly extended the amortization period to 20 to 25 years. The program is credited for saving over one million homes from foreclosure. It is also credited with coining the phrase 'redlining.' Redlining refers to the practice of denying, or charging more for, services like banking and insurance. In the case of the HOLC residential security maps a red line delineated neighborhoods not fit for investment.

By working with local real estate agents in cities across the country, HOLC created Residential Security Maps based in significant part on the racial composition of neighborhoods. As seen in the map, those areas outlined in red or graded type D by the HOLC, were predominantly African American and found in the inner city. Areas labeled type C were classified as 'working class' and contained a larger number of whites. The vast majority of areas graded type A and B, were populated solely by Whites. The underlying racism the HOLC grading system and the resulting lack of investment in predominantly African American neighborhoods is still prevalent today.

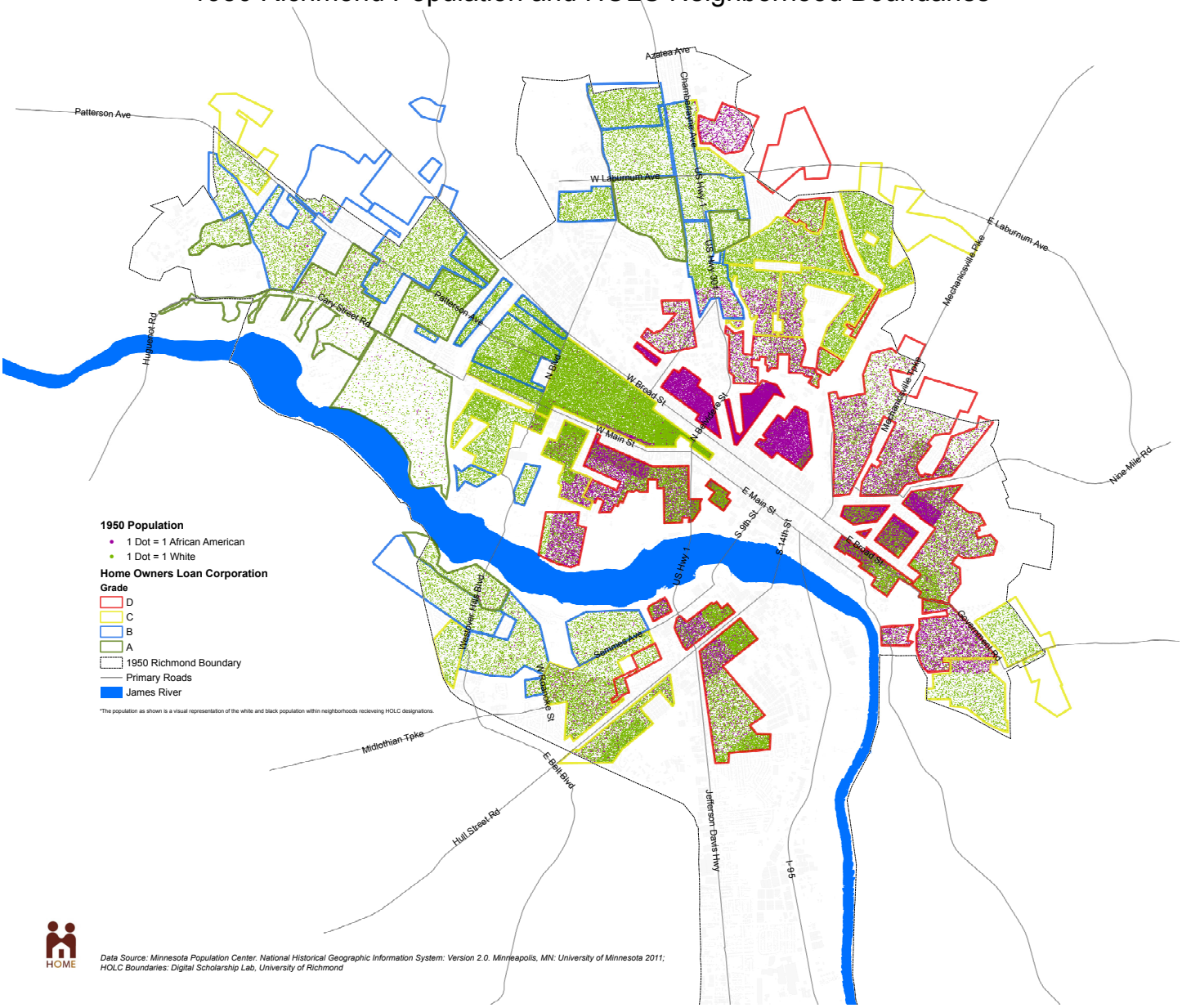
Nealie was searching to buy in the suburbs in 2002. She thought she had found the perfect house, until she tried to make the owner an offer. When Nealie approached the seller of the home, she was told that a deed restriction meant that only whites were eligible to buy; it was "not for coloreds."

Deed restrictions were commonplace during the Jim Crow era, but they were declared illegal by the U.S. Supreme Court in 1948. The language still exists in many deeds, but the covenants are not enforceable. Despite fair housing protections under the law, Nealie's story is not unique.

HOME was in her corner from the beginning. HOME documented her case, conducted tester investigations which established a pattern of discrimination, and helped file the original complaint to the Virginia Fair Housing Office. In announcing the decision, Chesterfield County Circuit Judge John F. Daffron Jr. praised the Fair Housing Board's "decisive steps" to reject discrimination and noted "the Commonwealth abhors such behavior and went to court to stop it."

Since then, Nealie has been a faithful donor to HOME. In 2007, she joined HOME's Board of Directors, demonstrating her commitment to HOME's mission of ensuring equal access to housing for all people.

1950 Richmond Population and HOLC Neighborhood Boundaries



Map 2: Brown v. Board of Education, Massive Resistance, and White Flight

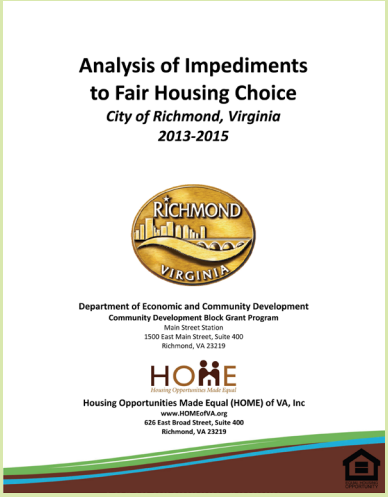
Decided by the United States Supreme Court in 1954, Brown v. Board of Education declared state laws which established separate public schools for black and white students unconstitutional. In Virginia, the strong presence of the Byrd Organization, led by former Virginia Governor and U.S. Senator Harry F. Byrd assured that integration was hard-pressed, if not completely prevented. Massive Resistance was characterized by the opening of private segregation academies for white students who refused desegregation. This phenomenon was not widely experienced in the city of Richmond; instead white families retreated into Henrico and Chesterfield Counties in an attempt to resist racial/ethnic integration. This was "White Flight."

Between 1960 and 1970, the white population in Henrico increased by 29 percent. For the three following decades, until 2000, white population consistently decreased in Richmond. In the period between 1970 and 1980, the percent of whites in Chesterfield increased by 85 percent, and from 1980 to 1990, the percentage increased by 41 percent. During these same periods, the percentage of whites in Richmond decreased by 27 percent and 16 percent, respectively. The increased focus of the white population in the counties surrounding Richmond illustrates the subsequent "White Flight" of Massive Resistance and the Brown v. Board of Education decision.

HOME conducted the City of Richmond's Analysis of Impediments to Fair Housing Choice for the City of Richmond in 2013. This is a short excerpt of the report and its findings. Over time, two distinct housing markets have developed within the city: one for affluent whites, the other for low-income minorities. This duality is underscored when examining the spatial distribution of several socioeconomic indicators including race and poverty. Changing the entrenched, segregated housing pattern of the City will take extraordinary, prolonged effort. In fact, it will take numerous generations of incremental change to overcome. The City has taken the first steps to addressing the economic inequality throughout the city. Implementing the strategies outlined in the Mayor's Anti-Poverty Commission Report, specifically, "pursuing best practice, model example of public housing redevelopment without displacement," must be made a priority of the City.

Impediments to fair housing reported:

- The economic and social isolation of many inner city neighborhoods – the entrenched cycle of poverty – restricts housing choice for a significant number of low-income, disabled, elderly, and minority residents.


Analysis of Impediments
to Fair Housing Choice
City of Richmond, Virginia
2013-2015

RICHMOND VIRGINIA

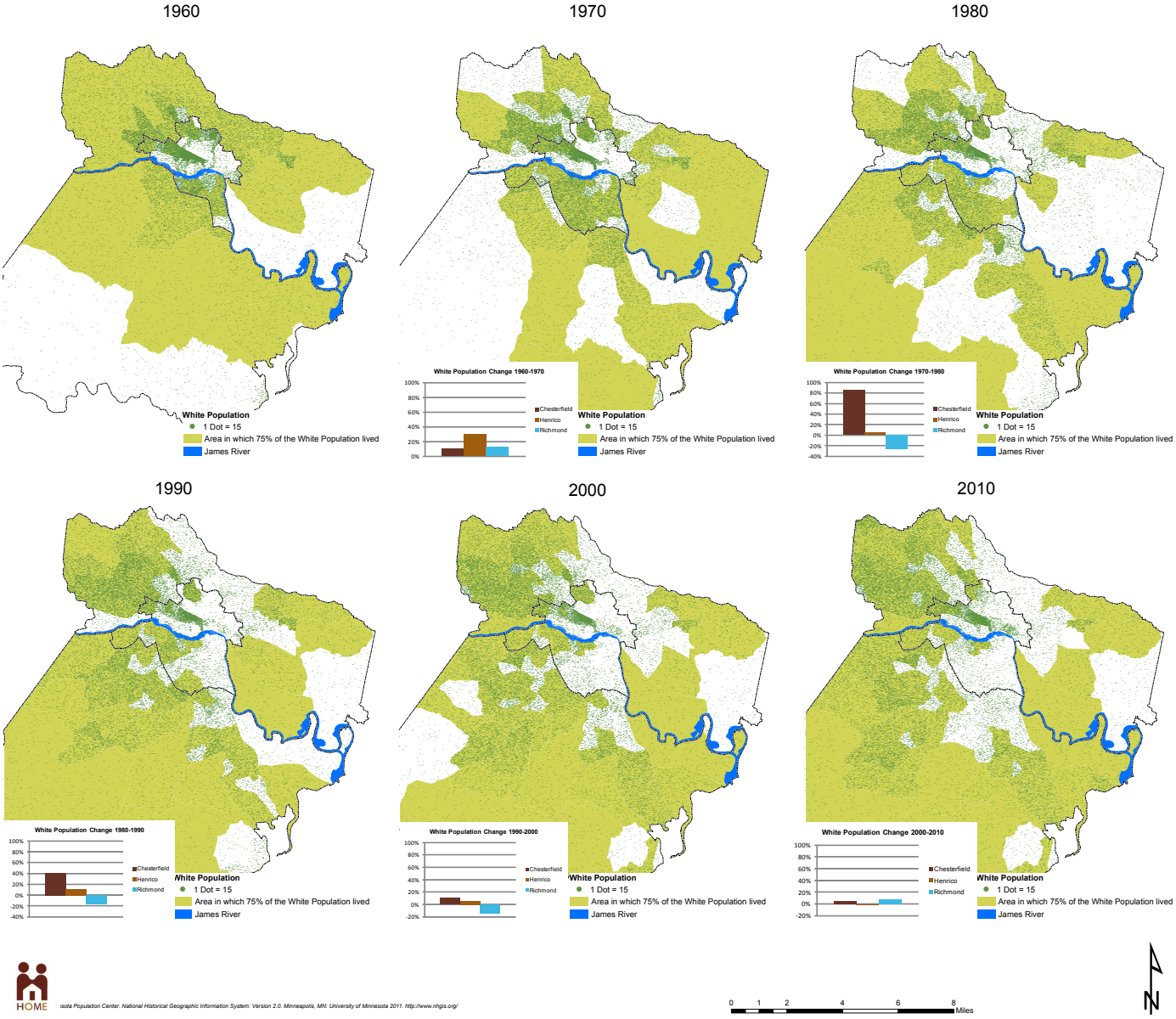
Department of Economic and Community Development
Community Development Block Grant Program
Main Street Station
1500 East Main Street, Suite 400
Richmond, VA 23219

HOME
Housing Opportunities Made Equal

Housing Opportunities Made Equal (HOME) of VA, Inc
www.HOMEofVA.org
626 East Broad Street, Suite 400
Richmond, VA 23219

- Housing market externalities limit the development of accessible housing affordable to families and individuals earning 50% or less of the Area Median Income (AMI).
- Private market practices in leasing and lending disadvantage minorities, people with disabilities, and families with children.
- Source of legal income discrimination limits housing choice.
- Public transportation limits the ability of many residents to choose where they would like to live.

White Flight in the Richmond Region



Map 3: Inner City Poverty, Project Based Public Housing, HCV, LIHTC

As part of Harry Truman's Fair Deal, the Housing Act of 1949 effectively served to concentrate poverty in the inner city through the construction of public housing. By and large, public housing units were constructed in neighborhoods receiving a D grade by the HOLC. Since that time, the efforts of Federal housing subsidies have been relegated to neighborhoods with the greatest poverty rates, in effect containing poverty to the inner city. This map shows the location of various types of federal housing subsidies: Housing Choice Vouchers (HCV) – a housing mobility program for low income residents more commonly known as Section 8, Low Income Tax Credits (LITHC) – Federal tax incentives for the construction of low income housing units, and conventional project-based Public Housing – more commonly known as 'the projects.'

The map shows the concentration of Federal housing subsidies in the inner city. This focus on providing housing subsidies to the residents most in need of receiving them is not misplaced. However, the unintended consequences of prolonged, concentrated poverty are a serious detriment to the health of the region. This concentration is greatly exacerbated by the lack of a regional public transit system which prevents residents of all income levels from accessing housing opportunities throughout the region, NIMBYism (Not In My Back Yard) - community opposition to new low-income developments in more affluent neighborhoods, and the spatial mismatch of skill levels and job opportunities for inner city residents.

Racine is a survivor! Years ago, she left an abusive relationship in order to provide a better life for herself and her son with special needs. Racine struggled financially after she left. She and her son lived in a family shelter while Racine secured employment and other resources. Determined to create a better life for her family, Racine balanced her son's needs with her work schedule until she started having issues with her health.

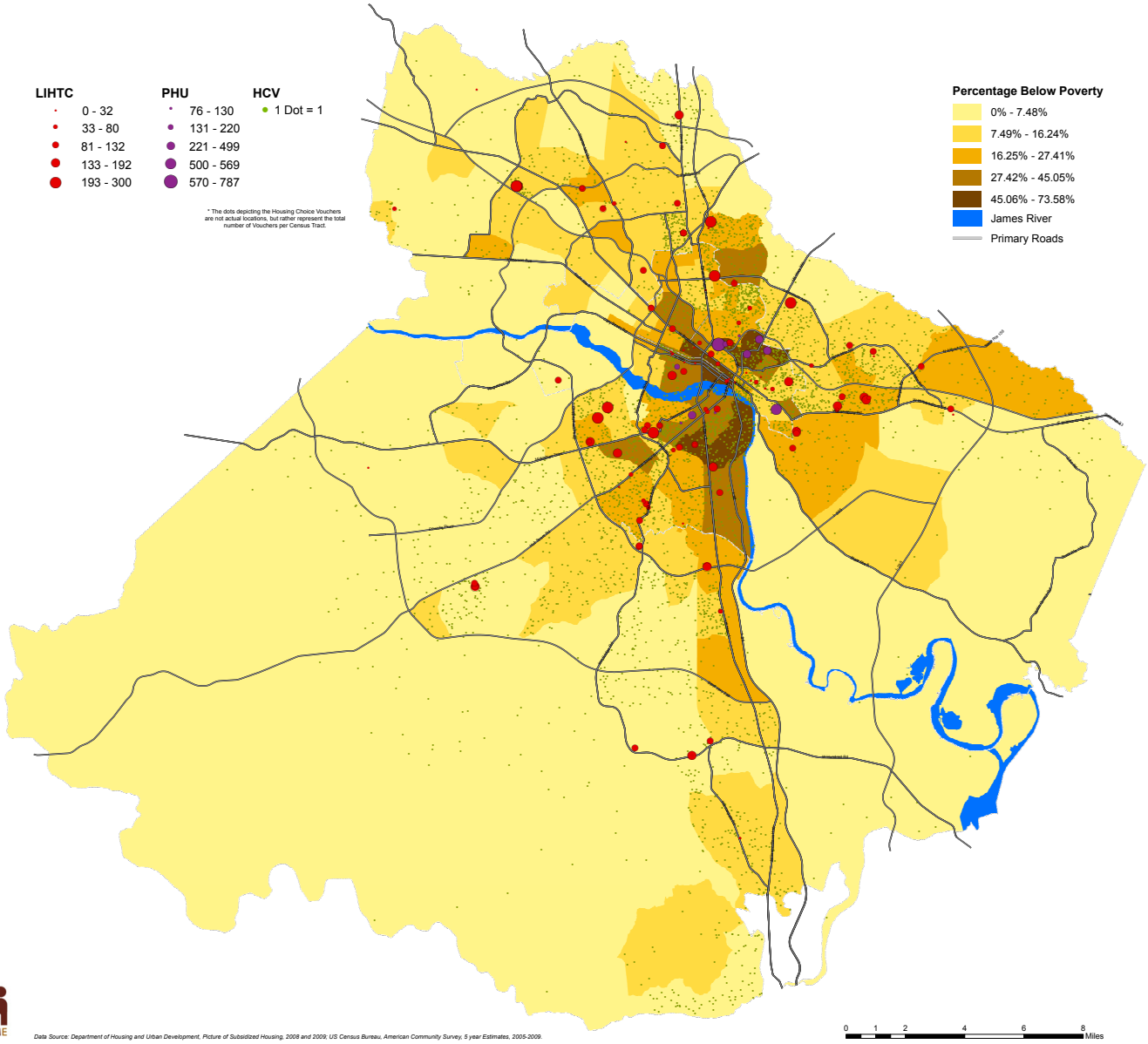
She applied for a Section 8 Housing Choice Voucher. She waited while her name sat on a waiting list for the voucher, finally receiving a "search voucher" which provided her 60 days to find an affordable apartment and a landlord willing to accept the voucher. Several landlords refused to rent to her because she was going to pay with a voucher. Unfortunately, her voucher expired before she could secure housing in a safe location.

Racine now lives with her son in an apartment complex for low-income renters. She is also twenty months cancer free! While she would like to secure a full-time job, she is grateful for her part-time position that allows her to take care of her son who has Down Syndrome.

Racine understands why some landlords may be hesitant to rent to people with Housing Choice Vouchers, but she wishes there were more opportunities for hard-working people to use supplemental sources of income to pay for rent when they are unable to work full-time due to extenuating circumstances.

Concentration of Federal Subsidies in Inner City

Location of Housing Choice Vouchers (HCV), Project Based Public Housing Units (PHU) and Low-Income Tax Credit Units (LIHTC) in Relation to Percentage of the Population Living Below the Poverty Line



HOME

Data Source: Department of Housing and Urban Development, Picture of Subsidized Housing, 2008 and 2009; US Census Bureau, American Community Survey, 5 year Estimates, 2005-2009.

Map 4: Subprime Lending

The subprime lending spree that precipitated the foreclosure crisis and the near collapse of the U.S. economy had disastrous effects on minority neighborhoods across the country. Touted as a way to expand homeownership opportunities to families that wouldn't qualify for traditional mortgage products, subprime lending had the effect of stripping any remaining wealth in minority neighborhoods and essentially creating a new landless class.

According to Home Mortgage Disclosure Act (HMDA) data, from 2004 to 2011, 107,345 home mortgages were originated for 1-4 family, owner occupied home purchases in the Richmond region. Of these, 12 percent, or 12,779 were considered subprime. Comparing these loans against the minority composition of the neighborhoods in which they were made reveals a startling disparity. Subprime loans accounted for just 5 percent (2,064) of the total number of loans (37,641) made in neighborhoods having less than a 20 percent minority population. In contrast, subprime loans constituted 31 percent (2,179) of the total number of loans (7,036) in neighborhoods having greater than 20 percent minority population.

Not only is it clear that minorities were more likely to receive a subprime loan than their white counterparts, they were more likely to be denied a loan in the first place. In 2006, at the height of the lending frenzy, blacks were denied home purchase loans 18.64 percent of the time compared to just 6.36 percent of whites. Minorities in total were denied 15.5 percent of the time. As the population of the United States continues its rapid shift towards a non-white majority, homeownership and economic equality must become a reality.

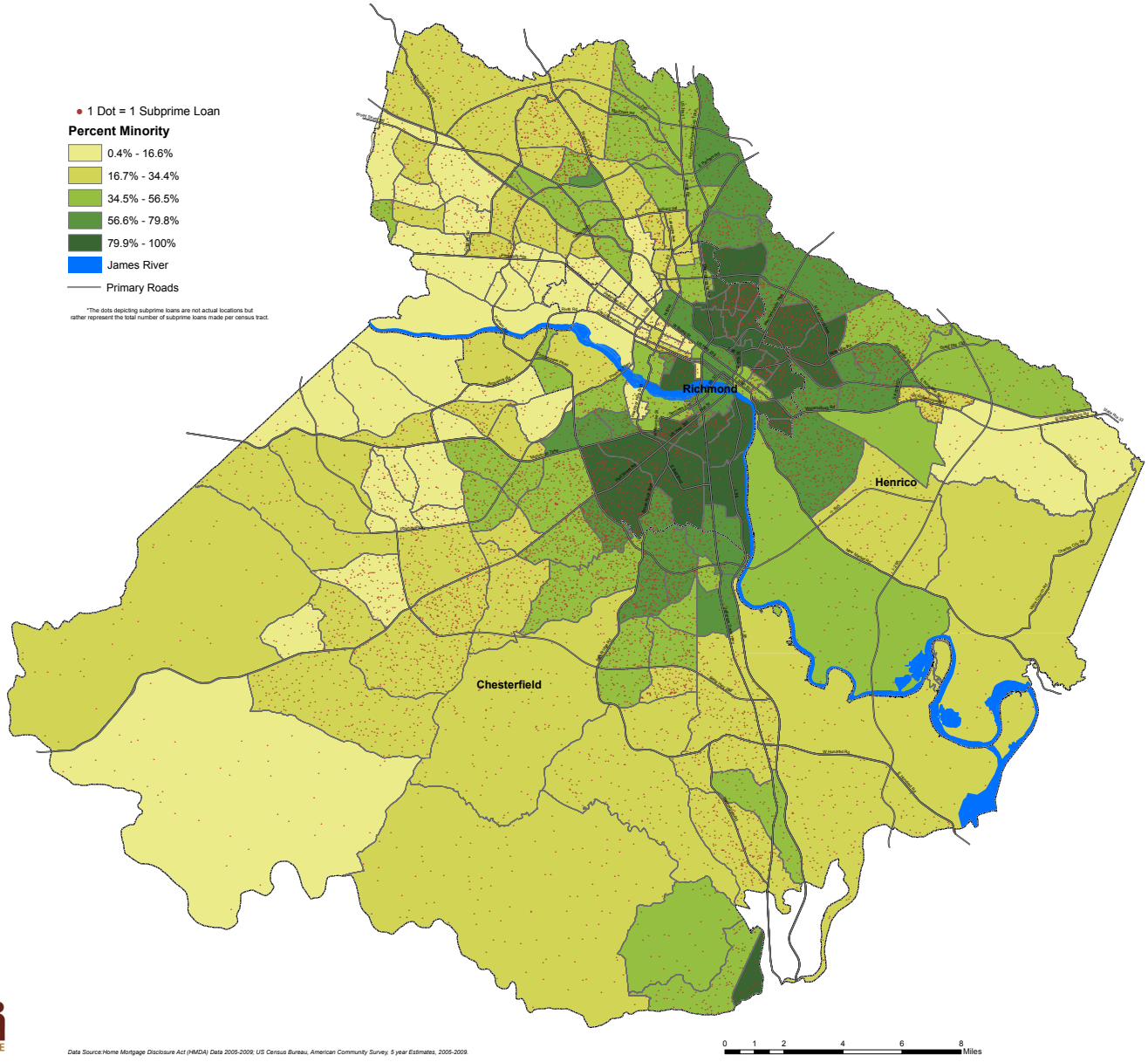
Linda has been a homeowner for over two decades, but over the past few years, her mortgage payment became unmanageable. Since it was an adjustable rate mortgage, her payments were constantly going up. At first she could manage, but when it went above $1100 a month and her hourly wages weren't enough to cover the change in expenses, she knew something had to give. She tried to work with her mortgage company to negotiate a rate she could afford, but they wouldn't budge. Linda continued to make every payment on time, even when it meant cutting other expenses.

Finally, she couldn't do it anymore. Linda was afraid she'd have to sell her house and move into an apartment if her mortgage company wouldn't help her refinance her loan. She didn't like the thought of moving into an apartment: it would be expensive, and she would have less space.

It was around this time that one of her friends told her about HOME. She thought, "Well, I've tried everything else, let me just call and see." After telling the counselor her situation, she was told HOME could

help. Linda was thrilled, calling it "a miracle, because nobody else [would] help me." Linda and her counselor worked together to compile all the necessary paperwork to send to her mortgage company, and within six months Linda was able to get a fixed rate HAMP loan, lowering her monthly payments by over $300. Now, the adjustment process is complete, and she is overjoyed to have it all behind her.

Subprime Mortgage Lending 2005-2009



HOME

Data Source:Home Mortgage Disclosure Act (HMDA) Data 2005-2009; US Census Bureau, American Community Survey, 5 year Estimates, 2005-2009.

Map 5: Foreclosures

The subprime mortgage lending industry was, by and large, non-selective when it came to originating inferior mortgage products. However, numerous high-profile examples exist that show subprime lenders purposely targeted minority neighborhoods in communities throughout the country. Moreover, there is little question that minority neighborhoods across the Country have been disproportionately impacted by the foreclosure epidemic of the past several years. Neighborhoods in Richmond are no different. Richmond's segregated housing patterns, subprime lending, the collapse of the economy, and the resultant foreclosure epidemic disproportionately impacted African American neighborhoods in our region.

For example, neighborhoods with greater than 75 percent African American homeownership rates account for just 12 percent of the total number of census tracts throughout the region; these tracts accounted for 21 percent of the total number of foreclosures or approximately 94 foreclosures per census tract. In comparison, neighborhoods with 25 percent or less African American homeownership rates account for 63 percent of the total number of census tracts in the region; these tracts accounted for 45 percent of the total number of foreclosures, or roughly 38 foreclosures per census tract. Given the fact that there are three times as many white homeowners in the region as there are African American, the concentration of foreclosures in predominantly African American neighborhoods is reason for serious consideration as to the future wealth building opportunities provided to minorities in our region.

Racial and ethnic differences in foreclosure rates persist even after accounting for differencesin borrower incomes.

Racial and ethnic disparities in foreclosure rates cannot be explained byincome, since disparities persist even among higher-income groups. For example, approximately 10 percent of higher-income African-American borrowers and 15 percent of higher-income Latino borrowers have lost their home to foreclosure, compared with 4.6 percent of higher income non-Hispanic white borrowers. Overall, low- and moderate-income African Americans and middle- and higher-income Latinos have experienced the highest foreclosure rates.

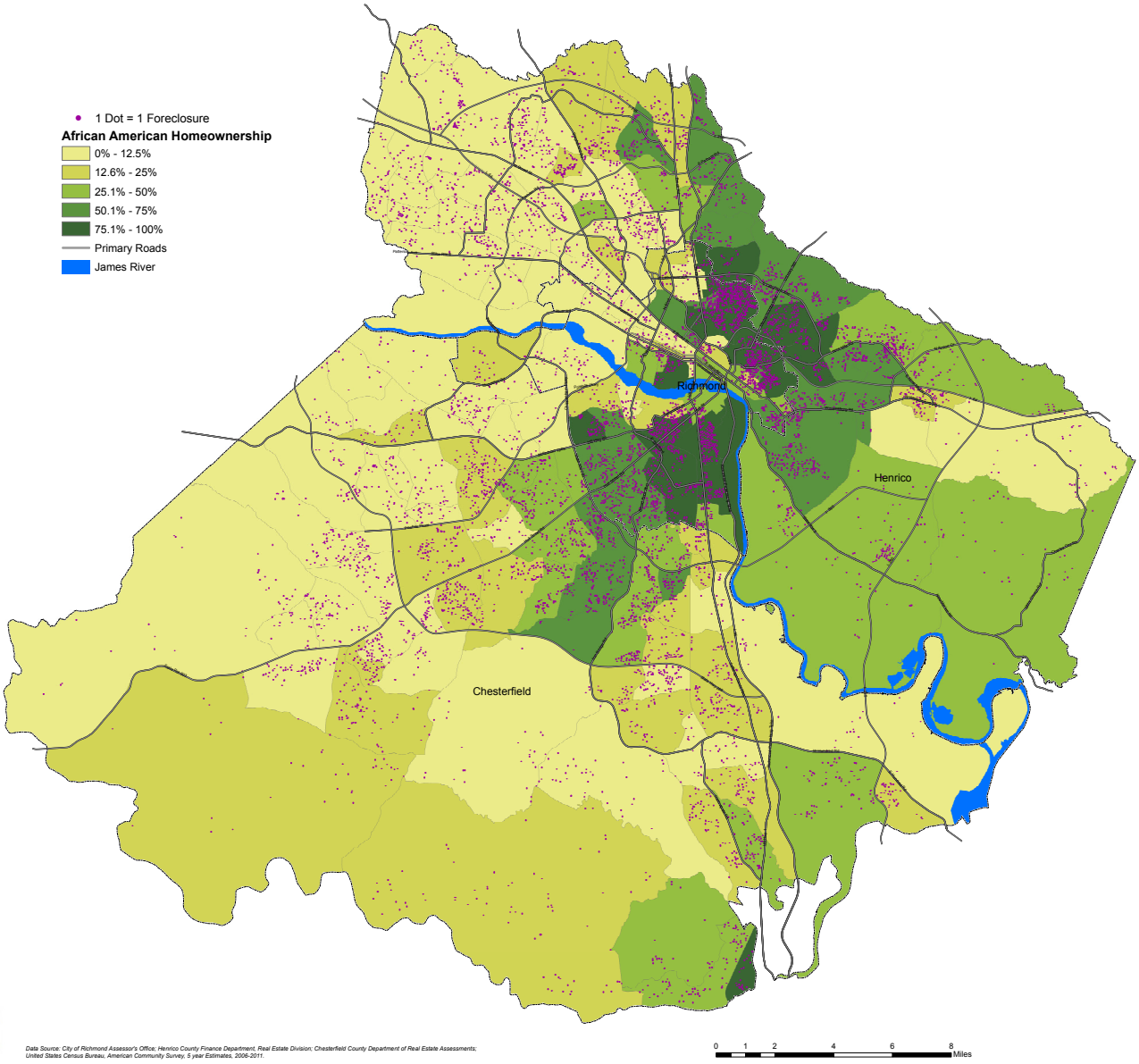
Loan type and race and ethnicity are strongly linked.

African Americans and Latinos were much more likely to receive high interest rate (subprime) loans and loans with features that are associated with higher foreclosures, specifically prepayment penalties and hybrid or option ARMs. These disparities were evident even comparing borrowers within the same credit score ranges. In fact, the disparities were especially pronounced for borrowers with higher credit scores. For example, among borrowers with a FICO score of over 660 (indicating good credit), African Americans and Latinos received a high interest rate loan more than three times as often as white borrowers.

Among borrowers with a FICO score of over 660 (indicating good credit), African Americans and Latinos received a high interest rate loan more than three times as often as white borrowers.

-Lost Ground, 2011: Disparities in Mortgage Lending and Foreclosures, Center for Responsible Lending

Foreclosures 2009-2012



HOME

Data Source: City of Richmond Assessor's Office; Henrico County Finance Department, Real Estate Division; Chesterfield County Department of Real Estate Assessments; United States Census Bureau, American Community Survey, 5 year Estimates, 2006-2011.

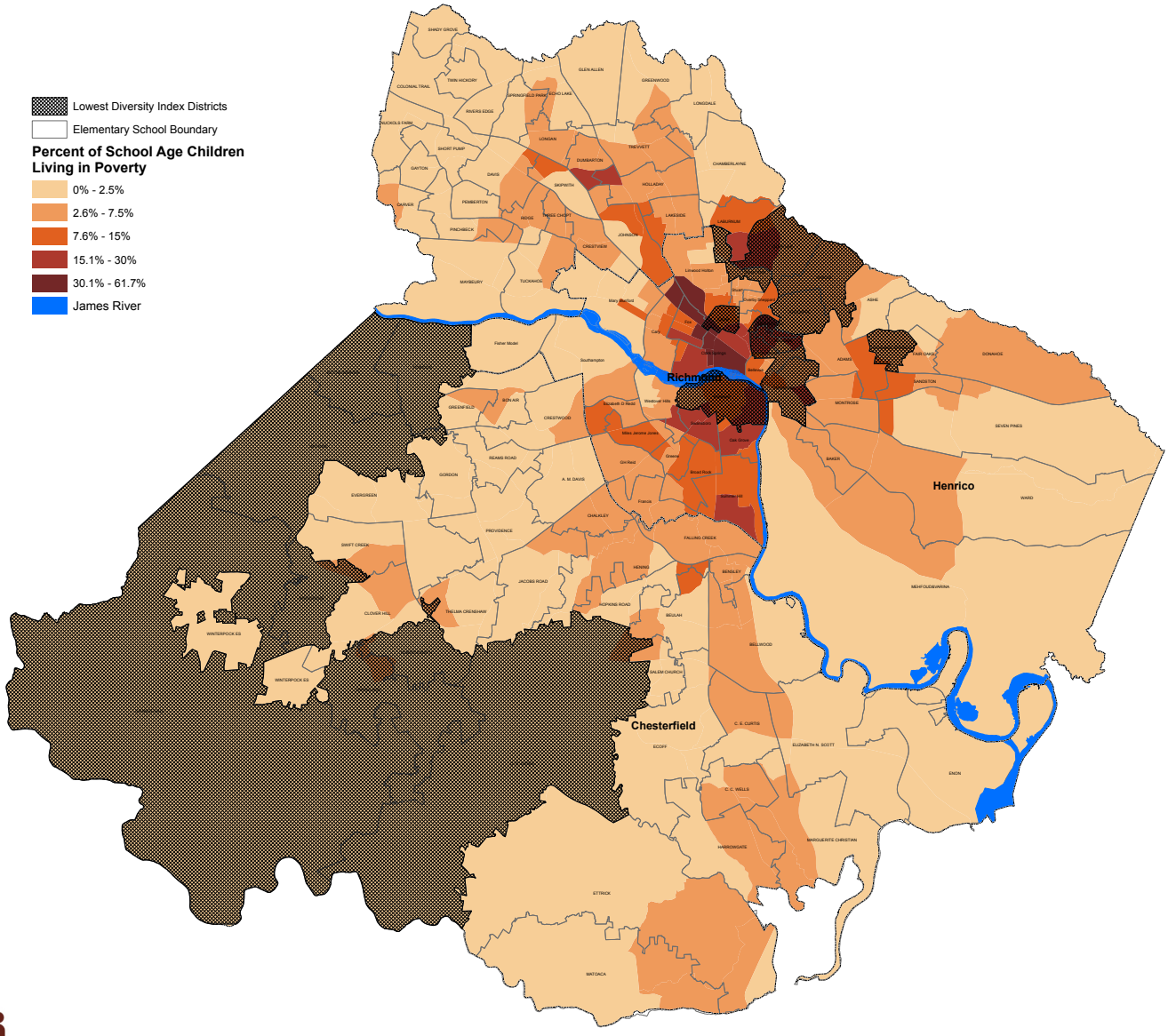
Map 6: Childhood Poverty and School Segregation

"Diversity" was measured using an algorithm measuring the racial/ethnic makeup of each elementary school in the region against the racial/ethnic makeup of the same regional cohort; the algorithm was then used to highlight school districts with the lowest levels of racial/ethnic diversity, shown in cross-hatch on the map.

The intention of Brown v. Board of Education have yet to be fully realized in our region due in large part to our segregated housing patterns. The least diverse schools in the city of Richmond and Henrico County are 97 percent African American whereas the least diverse schools in Chesterfield County are 82 percent white. The race and/or ethnicity of the student body bears no correlation to educational outcomes, however in Richmond segregation mirrors poverty, and poverty plays a contributing role in educational outcomes. The least racially/ethnically diverse schools in Chesterfield are found in census tracts that have an average of just 0.8 percent of the school age population living below poverty. The least diverse schools in Richmond and Henrico are located in census tracts where an average of 11.6 percent of the school age population lives below poverty. Five census tracts within these school districts have greater than 20 percent of the children living in poverty.

School performance varies greatly between these different districts. Using 3rd grade Standards of Learning (SOL) data to measure educational outcomes highlights the fact that the children of our region continue to suffer the effects of concentrated poverty. On average, 3rd graders in the least diverse, low poverty schools in Chesterfield achieved pass rates of 93 percent on their SOL tests while students in the least diverse, high poverty schools in the Richmond and Henrico achieved on average, just 71 percent. Advanced pass rates show 48 percent of students in Chesterfield passed their SOL tests at an advanced level while just 18 percent in Richmond and Henrico did the same.

Childhood Poverty and School Segreation



HOME

Data Source: United States Census Bureau, American Community Survey, 2011, 5 year estimates; United Stated Department of Education, Civil Rights Data Collection, 2009 School Reports; Virginia Department of Education, 2011-2012 School Report Card.

0 1 2 4 6 8 Miles

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Map 7: Opportunity Map

Where You Live Makes All the Difference: An Opportunity Map of the Richmond Region provides a unique, housing-focused perspective to the socio-economic dynamics of the region. Housing is the centerpiece of opportunity; where you live fundamentally influences your ability to gain access to the resources needed for success. We measured opportunity by equally weighing, and then mapping, 22 wide-ranging socio-economic variables to measure how access to transportation, education, health, and credit is impacted by the geographic location of where one lives.

The majority of the city of Richmond and a good portion of central Henrico County are classified as very low opportunity. As the preceding maps have shown, these are the same neighborhoods that were redlined beginning in the 1930's. These are the same neighborhoods that were targeted for public housing project developments in the 1950's and 1960's and whose residents continue to suffer from the effects of intergenerational poverty. Most recently these neighborhoods were extended unsustainable, subprime loans at a disproportionate rate and subsequently experienced a disparate number of foreclosures.

The vitality of our region is 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. 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, we believe the necessary linkages between housing, education, jobs, and transportation will emerge.

Study ties black-white wealth gap to stubborn disparities in real estate

A [Brandeis University] report, which researchers called the most detailed look ever at the roots of the racial wealth gap, is drawn from the life experiences of nearly 1,700 working Americans between 1984 and 2009. That quarter-century was an era of significant racial progress in the country. The black middle class expanded, black college graduation rates tripled, and black elected officials moved into a broad range of public offices, including the presidency.

Despite that progress, the wealth gap between whites and blacks nearly tripled among study participants, going from $85,000 per family in 1985 to $236,500 in 2009. Overall, the median net worth of whites in the study was $265,000 in 2009, compared with $28,500 for blacks.

Black families typically bought homes eight years later than whites, giving them less time to build equity. Meanwhile, even when they were able to buy a home, the typical black family did not see that property appreciate as much as did the typical white family. One reason, the authors said, was that blacks frequently moved into predominantly black neighborhoods, where few whites shopped for homes, limiting the sales market and depressing prices.

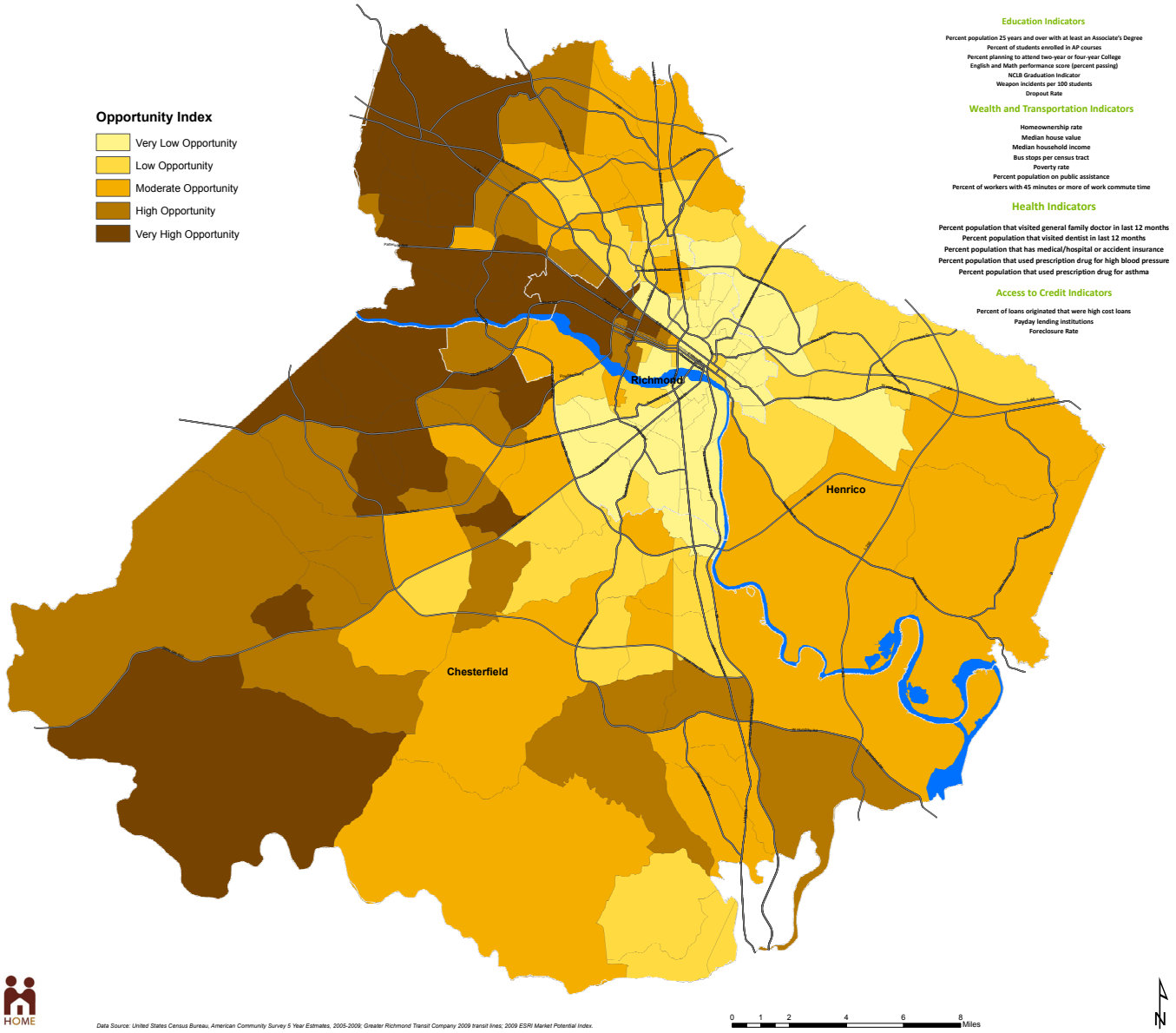
"The racial wealth gap is the civil rights agenda for the 21st century," said Thomas M. Shapiro, the report's lead author and director of the institute at Brandeis. "It is a concrete way of assessing where we are as a society when it comes to racial justice."

The biggest driver of the wealth gap between whites and blacks remains homeownership. "Blacks and whites have always had unequal access to the housing market," said Thomas J. Sugrue, a professor of sociology and history at the University of Pennsylvania.

In the years after slavery, black homeownership was limited by violent racism and discrimination. The expansion of homeownership during the New Deal era all but excluded blacks. Then, redlining limited mortgage financing in many black communities.

Blacks began to make steady progress in the 1990s, and the black homeownership rate peaked at 49 percent in 2004. But blacks were more often steered into subprime and other high-cost financing. The housing crash led

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



to a massive wave of foreclosure that hit blacks disproportionately hard. The crash and subsequent recession eliminated half of the collective wealth of black families. The black homeownership rate is now 44 percent, far below the white rate of 73 percent.

Many experts say housing is still the best way for Americans of all races to build wealth. But it is critical for families to have low-cost financing so they can have predictable housing costs going forward and build wealth over time.

–Excerpts from Washington Post, February 27, 2013

Housing Opportunities Made Equal of Virginia, Inc. (HOME) is Virginia's premier fair housing and housing counseling organization. Founded in 1971, HOME is a 501(c)(3) nonprofit corporation and a HUD-approved housing counseling agency. HOME's mission is to ensure equal access to housing for all people.

Though we have come a long way, HOME addresses still today the glaring individual instances of housing discrimination. Additionally, HOME works to tackle systemically divisive housing practices on a larger scale through fair housing enforcement and research, advocacy and statewide policy work. HOME also takes direct action to aid first-time homebuyers and families with homes under the threat of foreclosure. At a time when unequal access to housing and credit contributes most to the United States' growing wealth gap, HOME's multi-faceted approach is a powerful catalyst toward furthering fair housing.

4-17-15

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