



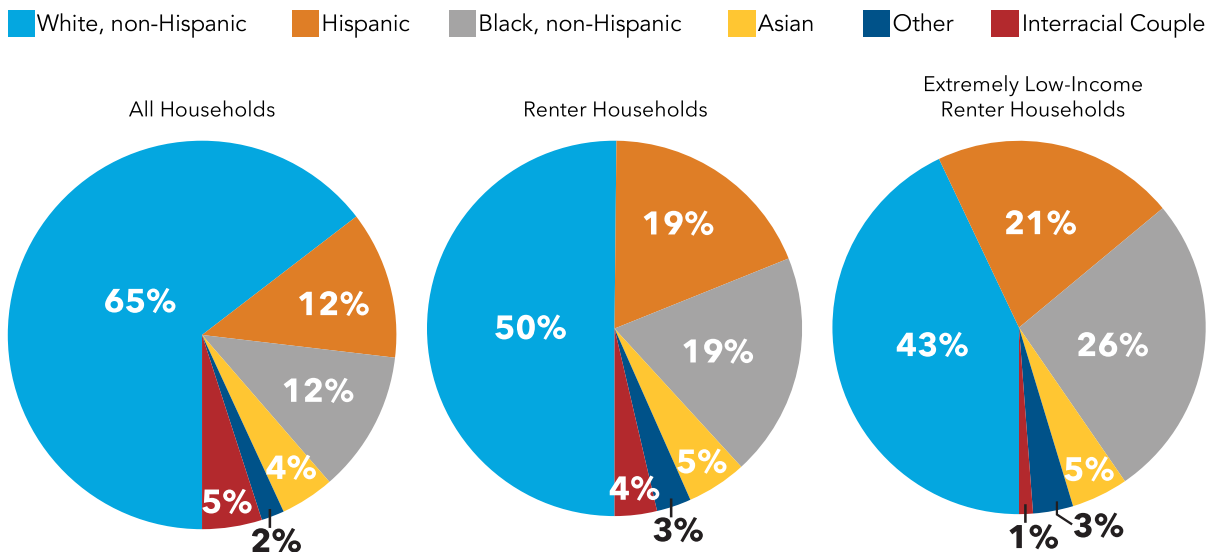
## RACIAL INEQUITIES IN HOUSING

**Decades of structural racism have created tremendous racial disparities in housing, and that legacy continues to shape the present landscape. Racial disparities in housing manifest in several ways:**

### HOUSING AFFORDABILITY

We know that people of color are more likely than white households to be extremely low-income renters and that people of color disproportionately struggle to pay rent compared to white households. In fact, 20% of Black households are extremely low-income renters as compared to just 6% of white households. A large part of this is persistent discrimination in the job market where, even as people of color climb the corporate ladder, they still make less than equally qualified whites. Lower wages, along with historical discrimination that prevented them from owning homes and building wealth, means that people of color are more likely to rent and are also more likely to struggle affording that rent. When people struggle to afford rent, they face greater risks of instability, eviction, and even homelessness, which research links to an array of negative life outcomes such as food insecurity, poor health, lower academic achievement, and lower economic mobility.

FIGURE 11: RACIAL AND ETHNIC COMPOSITION BY HOUSING TYPE



Source: 2018 ACS PUMS.

### HOUSING SEGREGATION

Across the country, opportunity varies significantly neighborhood by neighborhood (i.e., employment rates, school quality, poverty levels, income, crime, infrastructure, services, transit, health care, groceries, banks, etc.). High-opportunity neighborhoods offer children the best chance for upward mobility,

but due to pervasive housing segregation, families of color are disproportionately residing in lower-opportunity areas. According to [research](#) from the Institute for Child, Youth and Family Policy at Brandeis University, most white children live in high-opportunity neighborhoods while most Black and Hispanic children live in low-opportunity neighborhoods. Frequently, high-opportunity neighborhoods are located just a few blocks away from low-opportunity neighborhoods. Housing segregation did not happen by accident, but rather through intentional public policy, such as [redlining](#) in the 1930s where Black and Brown areas were labeled by the government as “hazardous,” “subversive,” “undesirable,” “inharmonious,” and “lower grade” populations. Take, for example, that throughout the New Deal, the Federal Housing Administration [subsidized](#) home builders that were mass-producing subdivisions for white people only. These federally supported homes were explicitly prohibited from being sold to minorities.

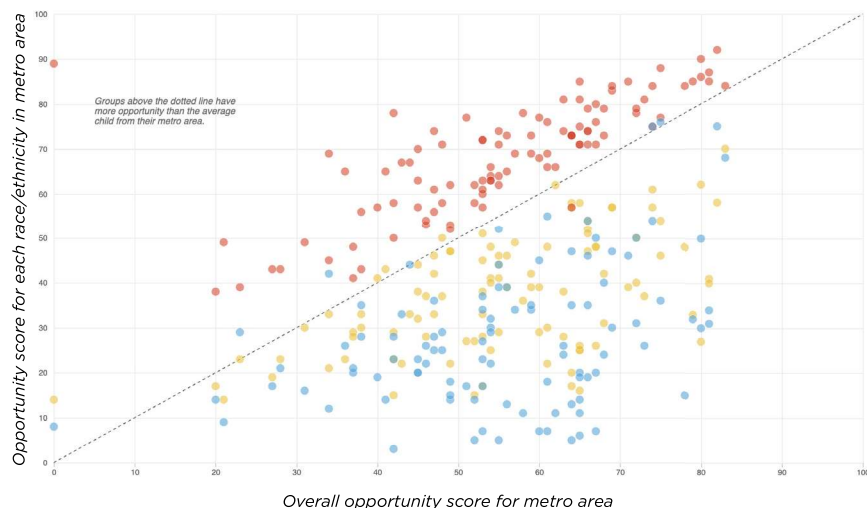
The spatial isolation of people of color enabled policymakers to devalue and disinvest in these communities, denying them equal access to quality housing, adequate school funding, good job opportunities, healthcare access, and nutritious food options. As Pulitzer Prize-winner, Nikole Hannah-Jones, explains: “Segregation in housing is the way you can accomplish segregation in every aspect of life. Housing segregation means that certain jobs are located in certain communities, that certain grocery stores are located in certain communities; it determines where parks are located, if streets are repaired, if toxic dump sites are built nearby. Segregation accomplishes so many other inequalities because you effectively contain a population to a geographic area and suddenly all the other civil rights law don’t matter.”

### Across the U.S., White Children Have More Opportunity Than Their Black And Hispanic Neighbors Do

In 95 of the largest 100 metro areas, black and Hispanic kids have a lower opportunity score than the average for that area. White kids, on the other hand, have a higher opportunity score than average in 99 out of 100 metro areas.

● Overall ● Hispanic ● White (non-Hispanic) ● Black

Source: Child Opportunity Index 2.0, Institute for Child, Youth and Family Policy, Brandeis University.  
Credit: Daniel Wood/NPR.



## HOUSING QUALITY

Good housing is good health. [Research](#) shows that living in a home with inadequate heating and cooling, dirty drinking water, pests, mold, lead, second-hand smoke and other known environmental hazards are highly detrimental for health. Lead exposure currently found in an estimated 24 million homes nationwide during early childhood irreversibly damages a child’s brain. Mold, pests, and second-hand smoke have been shown to exacerbate asthma and other respiratory conditions. Substandard housing quality is more likely to be experienced by [people of color](#), which in turn exacerbates racial health disparities. Again, this is all linked to the legacy of disinvestment in communities of color. [Studies](#) show that formerly redlined neighborhoods see lower life expectancy and a higher prevalence of chronic diseases today. Take also, for example, decades of zoning practices that allowed the placement of toxic industries in close proximity to Black and Brown residential neighborhoods. Today, Black households, regardless of income, are [1.5 times](#) more likely to be exposed to environmental hazards like poor air quality.

## HOMELESSNESS

When you consider the totality of past injustices, it is unfortunately not surprising that people of color are far more likely to experience housing instability and homelessness. In fact, people of color are dramatically [overrepresented](#) among those experiencing homelessness. African Americans represent 13% of the general population but are 40% of people [experiencing homelessness](#) and more than 50% of homeless families with children. Similarly, American Indians/Alaska Natives, Native Hawaiians and Pacific Islanders, and people who identify as two or more races make up a disproportionate share of the homeless population. Hispanics make up a share of the homeless population approximately equal to their share of the general population, while whites and Asians are significantly underrepresented.

## WEALTH BUILDING

Because of the legacy of racist housing policies, people of color have been denied wealth building opportunities that were given to whites. For example, Black veterans were systematically denied the benefits of the [post-World War II GI Bill](#), which provided generous home loans, business loans, and educational and job-training benefits to white veterans and catapulted many on the “magic carpet” to the middle class.

The GI Bill remains one of the largest national programs of support in American history.

According to scholar Ira Katznelson, “at no other time in American history has so much money and so many resources been put at the service

of the generation completing education, entering the work force, and forming families.” But across the country, Veterans Administration counselors discouraged and denied these benefits to Black veterans. In fact, of the 3,229 GI Bill home, business, and farm loans made in Mississippi throughout 1947, only two were offered to Black veterans. Many banks would not even make loans for mortgages to Black veterans, and even if they did, they were primarily for homes located in disinvested areas which meant that the properties would not appreciate in value over time. Owning a home is a primary way to build wealth in America, but a generation of Blacks were denied that opportunity. Modern day homeownership disparities between whites and Blacks are [shaped](#) by this history of discrimination.



## MULTI-SECTOR IMPACTS

These many racial inequities in housing cause and exacerbate racial disparities in other sectors.

Take [education](#), for example. When parents cannot afford rent, that means cutting back on extracurricular activities and learning materials which support child enrichment. Because our neighborhoods are segregated by race and income, and most kids go to school based on their neighborhood, segregated housing means segregated schools, which bodies of research show harm student learning. When kids experience asthma due to dilapidated housing conditions, they take those health problems into the classroom which distracts them from learning. When students experience housing instability and homelessness, they bounce from school to school, which means constantly having different teachers and different content, which means falling academically behind. And because government policies have enabled white families to accumulate more wealth through homeownership, they are thus able to live in wealthier communities with high numbers of other homeowners; and because schools are largely funded through local property taxes, it means that these communities have better funded schools. These threads not only exist between the housing and education sectors. Racial disparities in housing also drive and exacerbate racial disparities in [criminal justice](#) outcomes, [food security](#), [health](#), [upward mobility](#), and more.

## MODERN DAY POLICIES & PRACTICES

Some modern-day housing policies and practices, while not explicitly racist, in effect continue to exacerbate racial inequities. For example, in Minneapolis, Black families earning more than \$167,000 per year are [less likely](#) to be given a home loan than white families earning \$42,000. Evidence shows that real estate agents today sometimes “[steer](#)” prospective home buyers into certain neighborhoods based on their race. According to a landlord [survey](#) in Dallas, only 4% of landlords in majority white zip codes accept a housing voucher, while 46% of landlords in majority Black zip codes accept housing vouchers. Moreover, we know that Hispanic renters [learn](#) about fewer available units than equally qualified whites and are shown fewer units, and the same is true for Asian renters as well.

Moreover, [studies](#) have shown that predatory lending aimed at people of color fueled the mass foreclosure crisis in 2008, which, in turn, widened the racial wealth gap. The Urban Institute [estimated](#) that Hispanic families lost 44% of their wealth between 2007 and 2010, Black families lost 31%, and White families lost 11%. Before the 2008 recession, white families were roughly four times as wealthy as nonwhite families, but by 2010, whites were roughly six times as wealthy.

Even up to present day, Black households are bearing the burden of COVID-related housing instability. In fact, according to May 2020 [public opinion polling](#), over half (54%) of all Americans expressed concern that they will lose their housing during the pandemic if they don’t get additional assistance to help cover the costs – and this concern is more acute among lower-income households and people of color (61% of households making below \$40,000 say this is a concern; and 72% of African Americans and 76% of Latinos say this is a concern, compared to 43% of whites). Also, Black, Latino, and lower-income renters have been more likely to [miss](#) rent payments during the pandemic than white and higher-income renters.

## WHY WE NEED THE CAMPAIGN’S POLICY AGENDA

Our belief is that the campaign’s [Policy Agenda](#), if enacted, would mark a major leap forward in fulfilling the original goals of the Fair Housing Act of 1968 (FHA). The FHA has two main purposes: 1) to prevent discrimination in the sale, rental, and financing of housing; and 2) to obligate the government to proactively promote housing integration. On the first goal, while there has been important progress in preventing discrimination in the housing market, there is still a long way to go. And on the second goal, when it comes to proactively promoting housing integration, few Congresses or White Houses have ever prioritized it and thus the nation has made virtually [no progress](#) at all.

To this day, race predicts one’s likelihood of experiencing rental cost-burdens, homelessness, and living in low opportunity neighborhoods of concentrated poverty. ***Achieving genuine racial equity in housing means that race no longer predicts these outcomes.*** We believe that the campaign’s policy agenda would help advance greater racial equity in housing, which would, in turn, help promote greater racial equity in other sectors. We acknowledge that we do not have all the answers and that the work of racial equity requires persistent, ongoing examination of the policies we push for, as well as a willingness to adjust course if necessary. We also acknowledge that our policy agenda cannot, on its own, achieve racial justice in every domain of American life – that will require large-scale concurrent change in an array of other areas too, from education to health to policing and more.



The graphic features the Opportunity Starts at Home logo at the top left. The main text reads: 'WITHIN REACH: AMBITIOUS FEDERAL SOLUTIONS TO MEET THE HOUSING NEEDS OF THE MOST VULNERABLE PEOPLE'. Below this is a photograph of a white picket fence. At the bottom left of the graphic is the website 'www.opportunityhome.org'. On the right side, there is a dark teal box with white text that says 'NOW AVAILABLE!' and 'WITHIN REACH: AMBITIOUS FEDERAL SOLUTIONS TO MEET THE NEEDS OF THE MOST VULNERABLE PEOPLE'. Below this box is a yellow box with dark teal text that says 'CLICK HERE TO VIEW THE REPORT'. At the bottom right is the Opportunity Starts at Home logo.



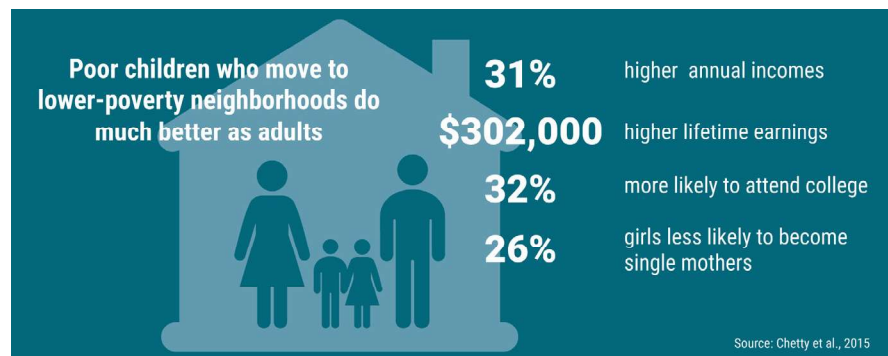
From the outset, the campaign has focused exclusively on helping households with the lowest incomes, for whom the housing crisis is most acute. Where we are pushing for the expansion of existing federal programs, such as [Housing Choice Vouchers](#) and the [National Housing Trust Fund](#), these programs are already required to primarily serve extremely low income households. And where there are new innovations that we urge be created, such as a targeted renter’s tax credit or the [Emergency Assistance Fund](#), we always push for and embrace proposals that are specifically designed for the lowest-income people.

## EXPLICITLY ADVANCING RACIAL EQUITY THROUGH POLICY

Currently, federal housing policy does not prioritize extremely low-income people. In fact, quite the opposite – over the past several years, over half of federal resources for housing have gone to households making over \$100,000 per year while only one-quarter have gone to households making under \$40,000. As discussed earlier, due to a long legacy of racism, people of color are highly overrepresented among extremely low income renter households. Targeting more federal resources at this population could help advance racial equity (if implemented properly) and ensure that people most in need receive the most help.

**But, this is not enough on its own.** It is not necessarily true that reorienting federal housing resources to extremely low income households will automatically help people of color. Therefore, within each of our proposed policy solutions, we urge improvements to more intentionally advance racial equity. For example:

- We are advocating for a major expansion of the Housing Choice Voucher (HCV) program. HCVs, as currently structured, are a proven, evidence-based model for ensuring housing stability, reducing childhood poverty, and eliminating homelessness. But, at the same time that we recommend taking the HCV program to full scale, we also recommend

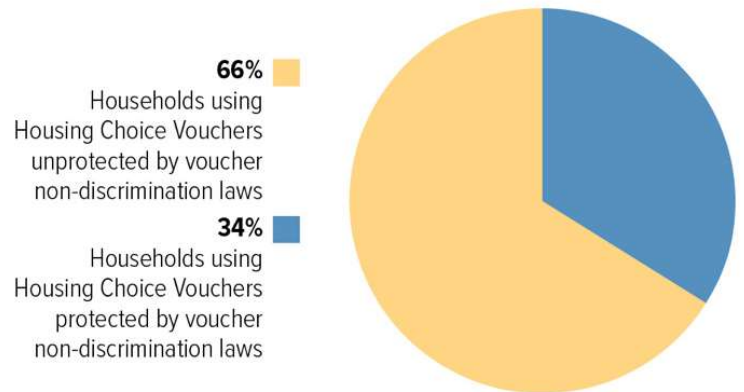


programmatic improvements to the existing model which would further improve effectiveness and help correct long-standing racial disparities. Most notably, as it stands today, [few voucher holders live](#) in low-poverty neighborhoods even though there are available units to them, and most families of color using vouchers live in “minority-concentrated” neighborhoods even though most voucher-affordable units are located elsewhere. Some voucher holders want to stay in their current neighborhoods to be close to family, child care, or current job, but others would like to use the voucher to move elsewhere. For those interested in moving, significant barriers stand in the way. For example, in many parts of the country, landlords routinely [refuse to accept](#) voucher holders, particularly in affluent white neighborhoods, and are often permitted by the law to do so. In [Dallas](#), only 4% of apartment complexes in majority white zip codes accept vouchers, while 46% of complexes in majority Black zip codes accept vouchers – notably, nearly 9 in 10 Dallas voucher holders are Black. The HCV program can be improved to ensure that households are empowered to use their voucher in a neighborhood of their choosing. To that end, the OSAH campaign recently helped craft the **bipartisan Family Stability and Opportunity Vouchers Act** (S.3083), introduced by Senators Todd Young (R-IN) and Chris Van Hollen (D-MD). This bipartisan legislation, which should be enacted immediately, would create an additional 500,000 vouchers specifically designed for low-income families with young children who want to access neighborhoods of opportunity with high-performing schools, strong job prospects, and other resources. However, moving to a new neighborhood is not a solution for all families. Policymakers must also correct

decades of historical wrongs and ensure that comprehensive revitalization plans are in place for all neighborhoods that have endured decades of intentional disinvestment. All neighborhoods should be neighborhoods of opportunity.

- We are also advocating for a major expansion of the National Housing Trust Fund (HTF). As the HTF expands, we must work to ensure that newly built affordable units are located in ways that foster economically and racially inclusive communities. The HTF statute requires states to select a state agency (such as a housing finance agency or a housing department) to receive and administer HTF resources. Each state must prepare an annual Allocation Plan showing how it will distribute HTF resources and select potential recipients. Historically, other federal housing production programs have too often located units in high-poverty and minority communities, further [exacerbating racial and economic segregation](#). This pattern cannot continue with new production programs like the HTF. Each state's HTF [Allocation Plan](#) must prioritize its statutory obligation to "affirmatively further fair housing" (AFFH) and make certain that the lowest income people have fair and affordable housing options in racially and economically integrated neighborhoods. More generally, states and localities should also work together to reduce barriers to housing development, such as [restrictive zoning policies](#) which constrain supply, increase costs, and exacerbate residential segregation.

### Non-Discrimination Laws Cover Only 1 in 3 Households Using Housing Vouchers



Source: CBPP analysis of anti-discrimination laws in Poverty & Race Research Action Council, "Expanding Choice: Practical Strategies for Building a Successful Housing Mobility Program,"

**For more information, please visit [www.opportunityhome.org](http://www.opportunityhome.org)**