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# Digest of Recent Literature

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## Expanding Access to Homeownership as a Means of Fostering Residential Integration and Inclusion

*Christopher Herbert*

*Harvard Joint Center for Housing Studies (2017)*

The author of this article seeks to provide ideas of ways to expand the range of housing choices available to lower-income and minority families and individuals by addressing access to homeownership. The article discusses the current barriers to homeownership, evaluates existing policies, and provides policy recommendations aimed at expanding access that would foster greater socioeconomic and racial/ethnic integration of communities. The author's recommendations are premised on the idea that efforts to make homeownership more attainable have the potential to foster residential integration and inclusion as well.

Current barriers to homeownership include affordability, access to credit, and informational deficits. Policies providing down payment assistance and the mortgage interest deduction are evaluated as each relates to the affordability of owning one's own home. For low-income and minority renters, access to credit may be constrained by weaker credit histories, less stable employment histories, and higher debt levels, all of which make meeting typical underwriting standards difficult. A lack of information and knowledge is also a challenge in the homebuying process for many individuals in these groups.

The author recommends (1) changes to federal income tax policy as it relates to the mortgage interest deduction and savings, (2) increased support for education and counseling relating to homeownership, (3) broadening policy considerations for maintaining and modifying duty-to-serve obligations that affect mortgage lending, and (4) targeting and potentially expanding funding for down payment assistance. These recommendations address financial and informational barriers with the intent to ultimately foster greater socioeconomic and racial/ethnic integration. Homeownership and its benefits still remain an important aspiration of the vast majority of Americans.

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## **Contaminated Childhood: How the United States Fails to Prevent the Chronic Lead Poisoning of Low-Income Children and Communities of Color**

*Emily A. Benfer*

*41 Harvard Environmental Law Review 493–561 (2017)*

Children and adults exposed to lead, a neurotoxin, regularly experience an elevated risk of disability, permanent brain damage, and potentially death. The laws governing prevention of lead poisoning in federally assisted housing and, where applicable, private housing, are erroneously named and wholly inadequate, perpetuate racial disparities and socioeconomic inequality, and contribute to the social determinants of poor health. The author of this article presents a historical overview of lead poisoning in the United States, examines the legislative history of lead poisoning prevention policies, describes how the federal government has yet to fulfill the promises of major civil rights laws as they relate to health justice, and suggests future policies that truly would prevent lead poisoning among low income children and communities of color. This article proposes reform measures that would end the lead poisoning epidemic affecting our country.

Poverty, discrimination, and environmental racism significantly influence individual health outcomes and increase a child's likelihood of being poisoned by lead. Those exposed to environmental hazards, such as lead, are commonly found in low-income communities, and the burden of poverty and related adverse health effects disproportionately affect communities of color. Federally sanctioned discriminatory practices are largely responsible for the high concentration of poverty and the risk of lead poisoning in communities of color.

This article provides a detailed analysis of civil rights laws, relevant case law, executive orders, rules, and policies applicable to the lead poisoning epidemic. Proposed reforms include addressing the prevention practices to identify lead hazards before children are poisoned and increasing enforcement, oversight, and reporting requirements. To protect future generations of children from lead poisoning, a commitment to permanently remove toxic metal from every home and community is necessary.

## **Association of Changes in Neighborhood-Level Racial Residential Segregation with Changes in Blood Pressure Among Black Adults**

*Kiarri N. Kershaw, Ph.D., Whitney R. Robinson, Ph.D., and Penny Gordon-Larsen, Ph.D.*

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Exposure to neighborhood-level racial segregation has been found to have a negative effect on blood pressure. In this study of 2,280 black adults, a correlation was found between increased systolic blood pressure, the pressure in your blood vessels when your heart beats, and increased exposure to neighborhood-level racial residential segregation. Conversely, researchers found a correlation between decreased exposure to neighborhood-level

racial residential segregation and reduced systolic blood pressure of more than 1-mm Hg.

The purpose of the study, known as the Coronary Artery Risk Development in Young Adults (CARDIA) study, was to examine the association of changes in neighborhood-level racial residential segregation with changes in systolic and diastolic blood pressure over a 25-year period. The participants in this study were both male and female adults living in high-segregation, medium-segregation, and low-segregation neighborhoods. The segregation scores that were determined also accounted for age, sex, and field center. The data clearly showed a difference in systolic blood pressure when comparing members of high-segregation and low-segregation neighborhoods. As such, the results reveal a correlation between a decrease in exposure to racial residential segregation and lowered systolic blood pressure. The authors display data that shows that policies to reduce segregation may truly have significant health benefits.

### **What Would It Take for Housing Subsidies to Overcome Affordability Barriers to Inclusion in All Neighborhoods?**

*Margery Austin Turner*

*Harvard Joint Center for Housing Studies (April 4, 2018)*

This article examines the various reasons why housing subsidies should enable lower-income families to live in the neighborhoods of their choice and why policymakers, when addressing affordable housing in their communities, should target portfolio strategies that focus on diversity of investments and neighborhoods. The author explains that within the same city, life expectancies can differ by as much as twenty years between individuals living in rich versus poor neighborhoods. The Moving to Opportunity experiment showed that children whose parents left high-poverty neighborhoods and moved to lower-poverty neighborhoods were able to achieve better outcomes as young adults than their peers who stayed in high-poverty neighborhoods. Historically, both rental housing developed for low-income families managed by private entities and public housing managed by public housing agencies have been concentrated in central cities, often in low-income neighborhoods. More recently, the Low Income Housing Tax Credit (LIHTC) has been used to develop affordable housing in suburban locations, giving low- and moderate-income renters the possibility of moving to high-opportunity neighborhoods. Creating ways for lower-income families to move into higher-opportunity neighborhoods also provides access to good schools and a safe and healthy environment. Not all cities or communities are alike, so a portfolio strategy combining investments in both affordable rental housing and accessible homeownership will help address the needs of households with income ranging from extremely low to moderate levels. The article makes a number of recommendations. It argues that investments in severely distressed and stable low-income neighborhoods

should focus on providing safety, improving schools, and facilitating access to jobs while also renovating and preserving the affordable housing stock. In emergent neighborhoods, the article explains that investments should focus on protecting the existing subsidized housing stock while also adding to it by providing subsidies to individual households, property owners, and community partnerships that will help to keep the housing stock affordable. Finally, in opportunity-rich neighborhoods, the author contends that strategies should focus on using housing subsidies to expand affordable housing options, using LIHTC to increase the supply of affordable rentals, working with public agencies to acquire existing properties and make them available for rental at below-market rents, and enabling low- and moderate-income homebuyers to purchase homes in these communities.

### **Has the Mortgage Pendulum Swung Too Far? Revising Access to Mortgage Credit**

*Patricia A. McCoy*

*37(2) Boston College Journal of Law and Social Justice 213–34 (2017)*

Since the financial crisis, lenders are more risk averse and households with FICO scores below 700 have a harder time getting a mortgage loan. While mortgage originations have increased since the first quarter of 2014, there has been a pullback in credit to creditworthy minority and lower-income borrowers. Mortgage lending to lower income and minority borrowers has been disproportionately affected as these households tend to have lower credit scores, wealth, and incomes. This article examines both demand and supply side factors affecting mortgage lending. Demand-side factors, which explain the reduced demand for homeownership, include increased foreclosures and decreased demand in young adults who have student debt and are marrying and bearing children later. Supply-side factors include lenders' additional credit overlays and restrictions beyond Fannie Mae, Freddie Mac, and FHA standards and overall conservative business practices that restrict loans to the safest borrowers in order to avoid the high cost of servicing distressed loans. Structural changes to the industry are needed, and proposals on how to remedy and reinvigorate mortgage lending, especially to minority and lower income borrowers, include reforms in the role of federal government in mortgage lending; flexible lending standards, such as shared appreciation mortgages designed to replace down payment requirements and 15-year fixed rate mortgages; and affordable monthly payment programs. This article focuses on the Massachusetts ONE Mortgage program, which employs lower monthly payment obligations of borrowers (monthly payments are up to 25 percent cheaper than FHA mortgages) and no mortgage insurance requirements to expand the number of eligible borrowers and reduce the risk of default, as well as the Community Advantage Program (CAP), which emphasizes low down payments at near-prime interest

rates to low and moderate income borrowers. These programs aim to offset the risk of default by using low down payments and monthly payments. Both the CAP and ONE Mortgage program use high touch education and counseling, such as pre- and post-purchase counseling, and encourage participants to improve their credit profiles. In sum, the author suggests making safe and affordable credit a policy goal, rooting out and balancing market and regulatory practices that exacerbate swings in the housing finance cycle, and using counter-cyclical tools to moderate the mortgage lending cycle.

### **A Shared Future: Expanding the Toolbox: Promising Approaches for Increasing Geographic Choice**

*Stephen Norman and Sarah Oppenheimer  
Harvard Joint Center for Housing Studies (April 2017)*

Evidence has shown that access to high-quality neighborhoods has a positive impact on the educational and economic success of children. This paper examines how federal subsidies can be used to provide families with broader geographic choice through tenant-based mobility strategies and site-based affordability strategies. Tenant-based mobility strategies aim to expand demand for and access to opportunity areas, while site-based affordability strategies aims to increase deeply subsidized housing options available in opportunity areas. An assessment of local conditions and characteristics is necessary to determine which strategies are most likely to improve access to high-quality neighborhoods given the region and market. This paper considers the multiple approaches of King County Housing Authority (KCHA), a Moving to Work (MTW) public housing authority with a jurisdiction spanning thirty-eight suburban cities and towns in the Seattle area, to increase neighborhood options for its program participants. As a result of these efforts, approximately thirty-one percent of KCHA's federally subsidized households with children live in low-poverty areas.

In terms of tenant mobility strategies, KCHA has focused on two approaches to increasing the interest in and access to high-quality neighborhoods for Housing Choice Voucher (HCV) families that work hand-in-hand: the implementation of small-area payment standards and intensive mobility counseling. KCHA's participation in the MTW program has given it increased flexibility to use small-area payment standards for HCVs, in which the subsidy levels more closely match market prices, allowing HCV households to access high-opportunity markets with higher costs and KCHA to issue more vouchers. KCHA also funded a local community-based organization to offer intensive mobility counseling to families with elementary school aged children interested in moving to higher-opportunity schools and utilized this Community Choice Program to provide participants with services such as housing counseling, financial assistance for pre- and post-move needs, housing search assistance, and post-move counseling and services.

The site-based affordability strategies employed by KCHA include: (1) acquiring and preserving a portfolio of workforce housing to preserve long-term affordability in workforce housing for markets with rising housing costs, providing mixed-income communities through project based subsidies, and offering access to opportunity markets for households with tenant-based vouchers; (2) purchasing smaller apartment complexes for conversion to public housing using financial resources saved from demolishing obsolete public housing in high-poverty neighborhoods while renovating other projects through conversion to project-based HCVs and LIHTC financing; (3) matching project-based HCV subsidies with non-profit sponsored affordable housing in opportunity neighborhoods, thereby layering rental subsidies to serve extremely low income households; and (4) layering project-based HCVs on affordable housing units being developed under inclusionary and incentive zoning and tax exemption programs to make units available to households with lower incomes than those targeted by such programs.