

Homeownership Disparity Study

City of Tacoma | Community Economic Development
City Council Study Session
2/15/2022

●●● BACKGROUND



- Affordable Housing Action Strategy:
 - Action 1.7 Increase participation in existing 1st time homebuyer programs
 - Action 3.3 Work with partners to increase community organizing efforts
 - Action 4.3 Integrate culturally competent and trauma informed practices into new and existing programs



PROBLEM STATEMENT



Homeownership rates among communities of color continue to lag behind white communities and the causes are systemic and complex.

- Historic redlining
- Race based restrictive covenants
- Predatory lending

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- Anti Racist Transformation Resolution 40622
 - Resolution 40697

PROJECT SCOPE



- The Community and Economic Development Department's, Housing Division engaged a consulting firm to conduct a disparity study on homeownership as an outcome for BIPOC households in Tacoma, specifically Black households.



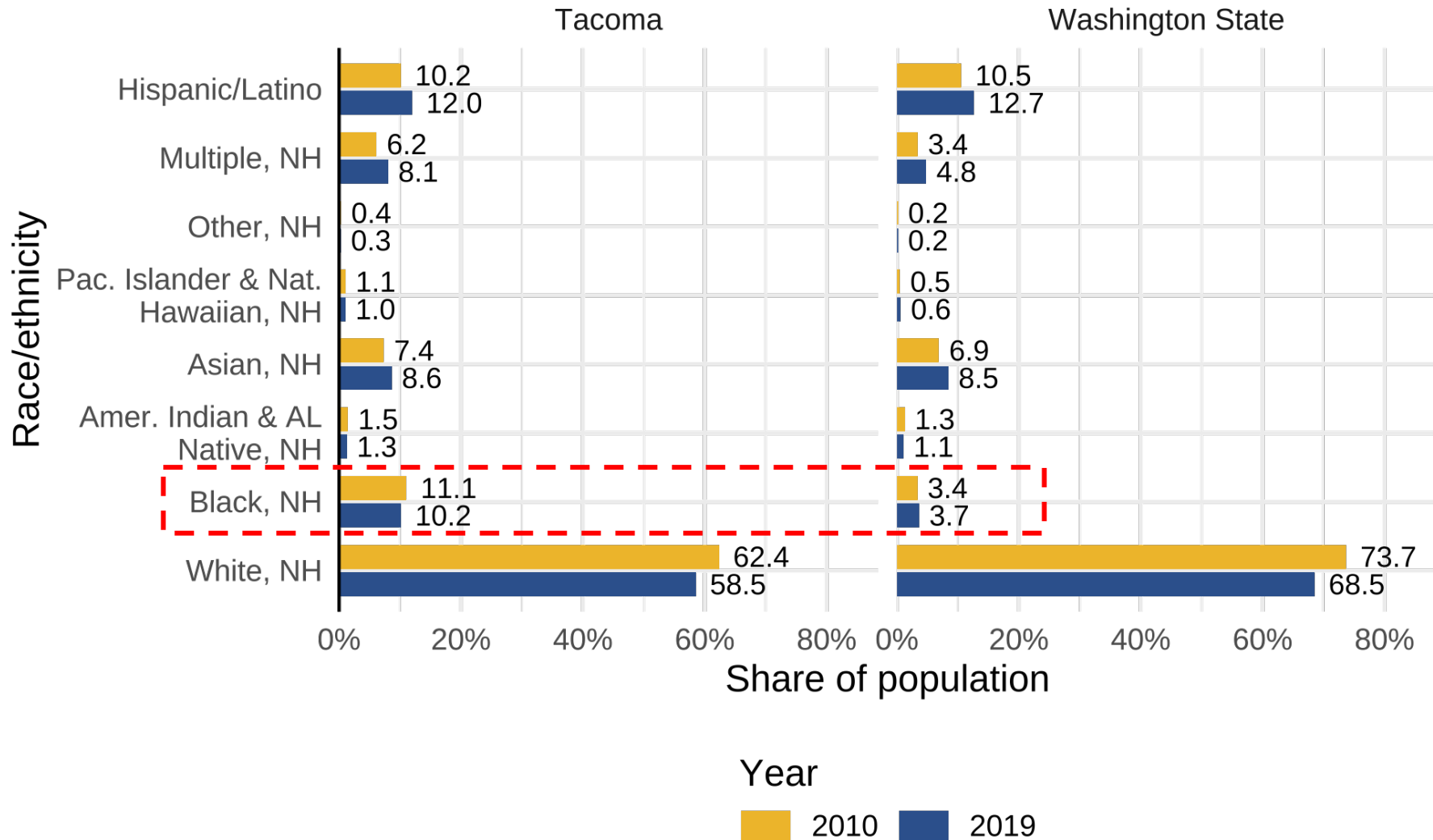


INTENDED OUTCOMES



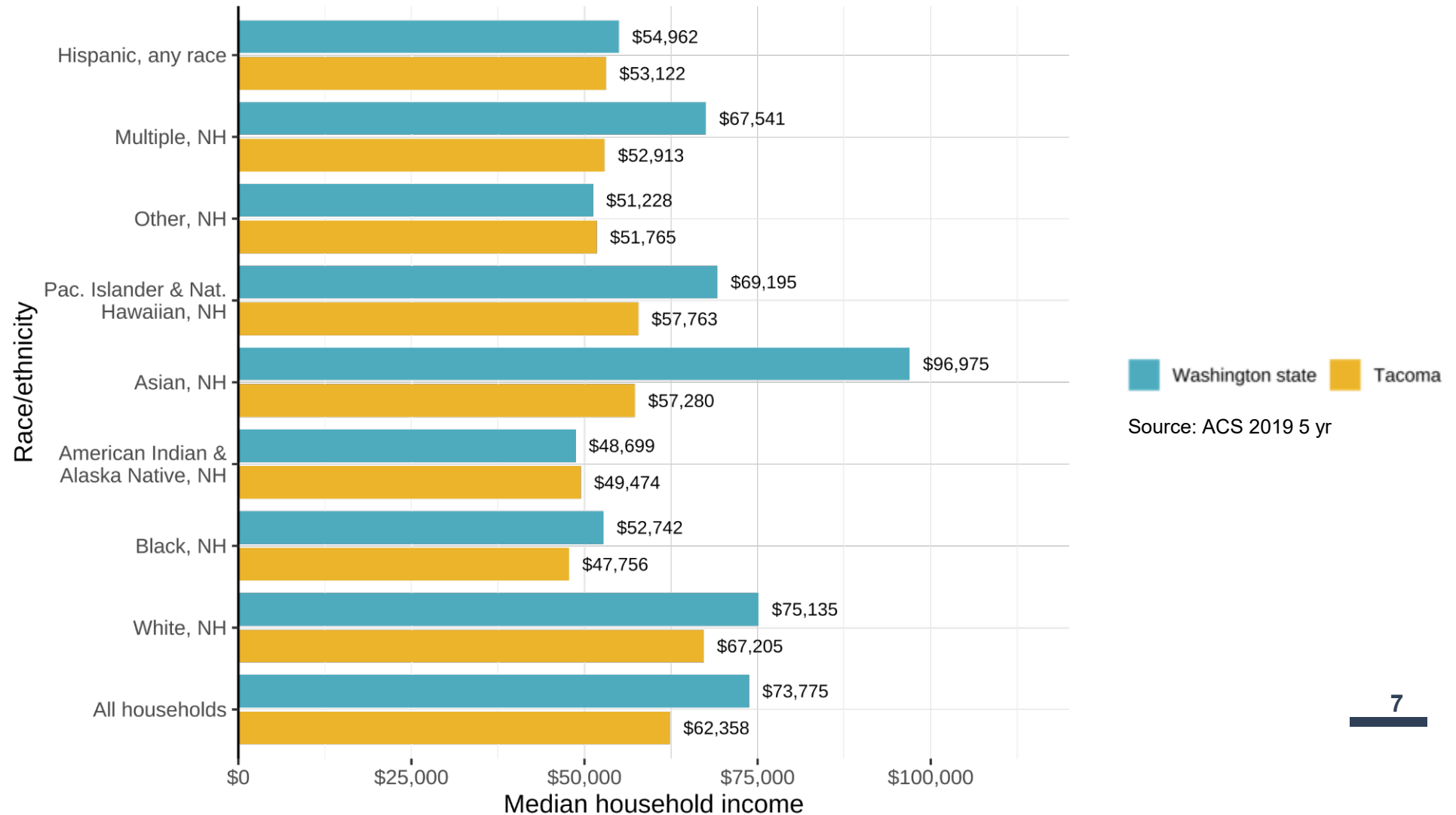
- Identify Disparities
- Provide recommendations that address any disparities that are Identified
- Incorporate recommendations into new and existing programs

DEMOGRAPHICS

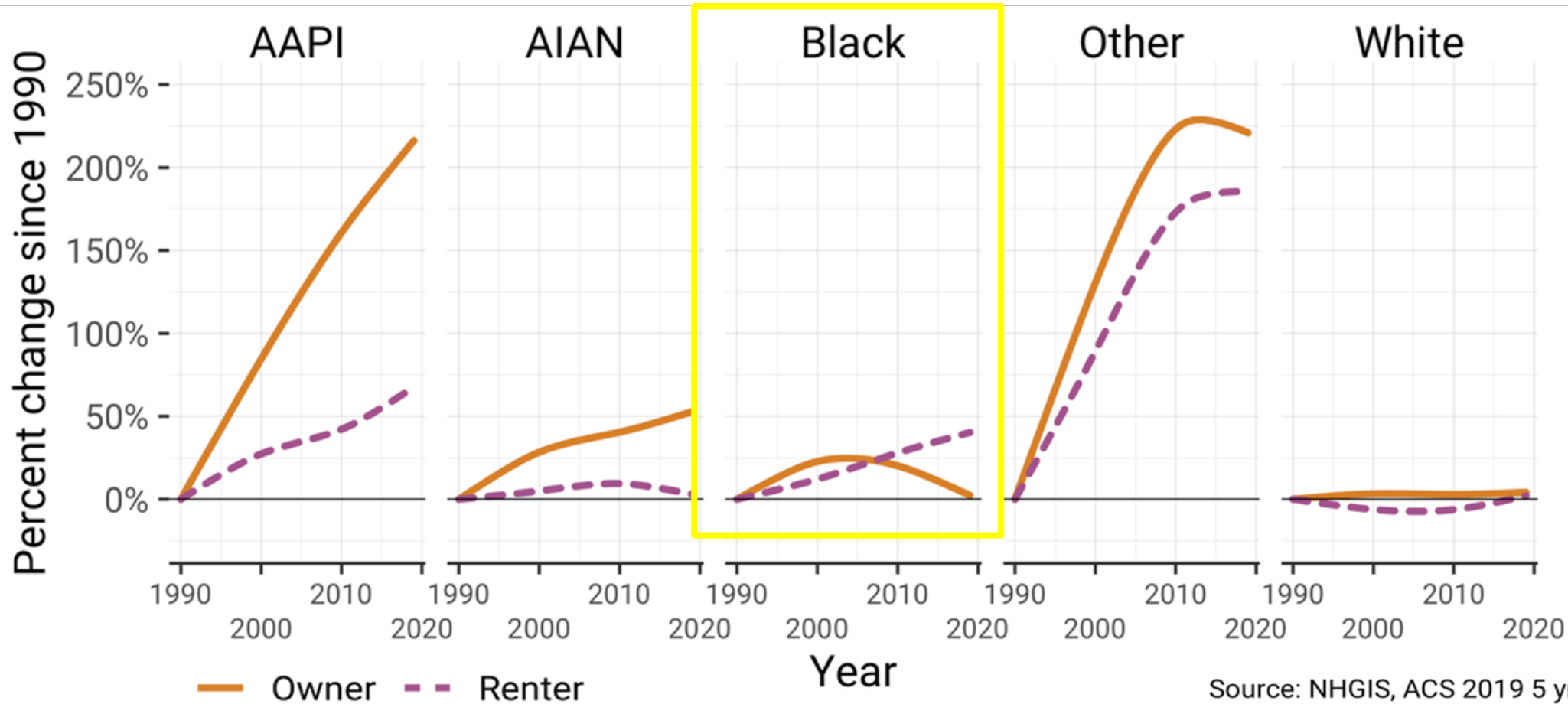




DEMOGRAPHICS CONT.



TRENDS

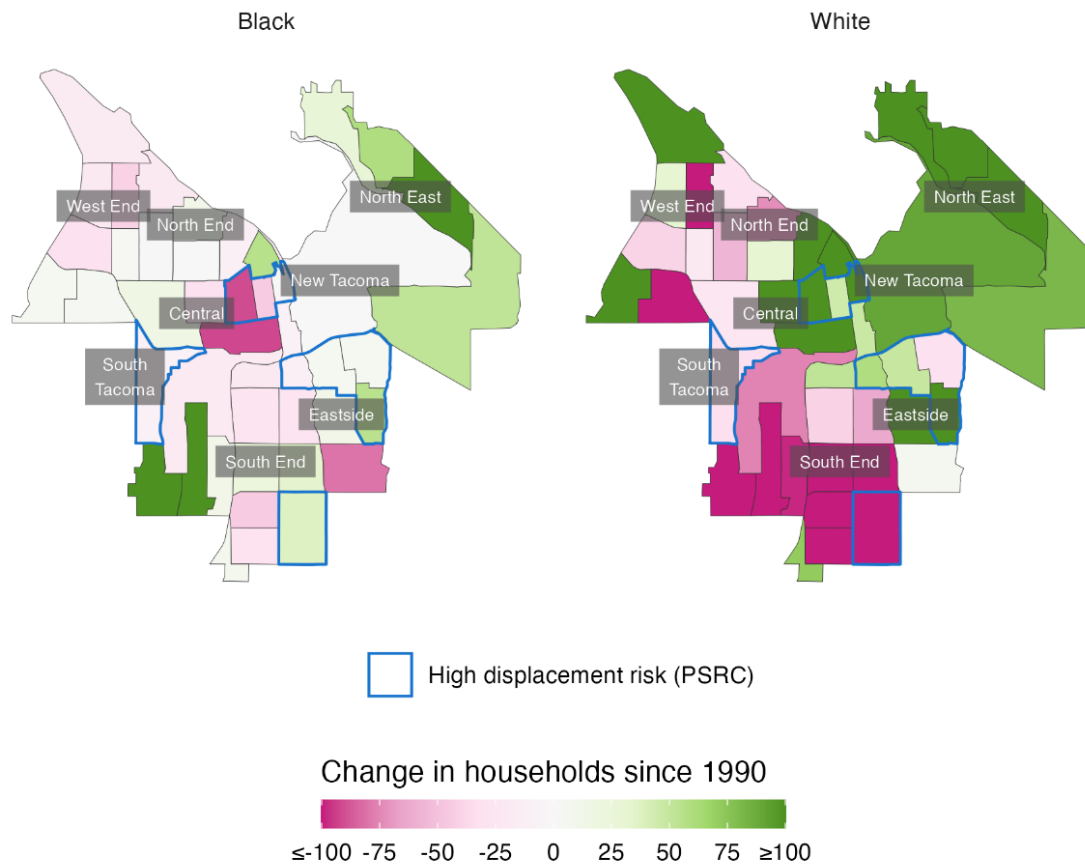


Source: NHGIS, ACS 2019 5 yr

TRENDS CONT.



Change in Owners



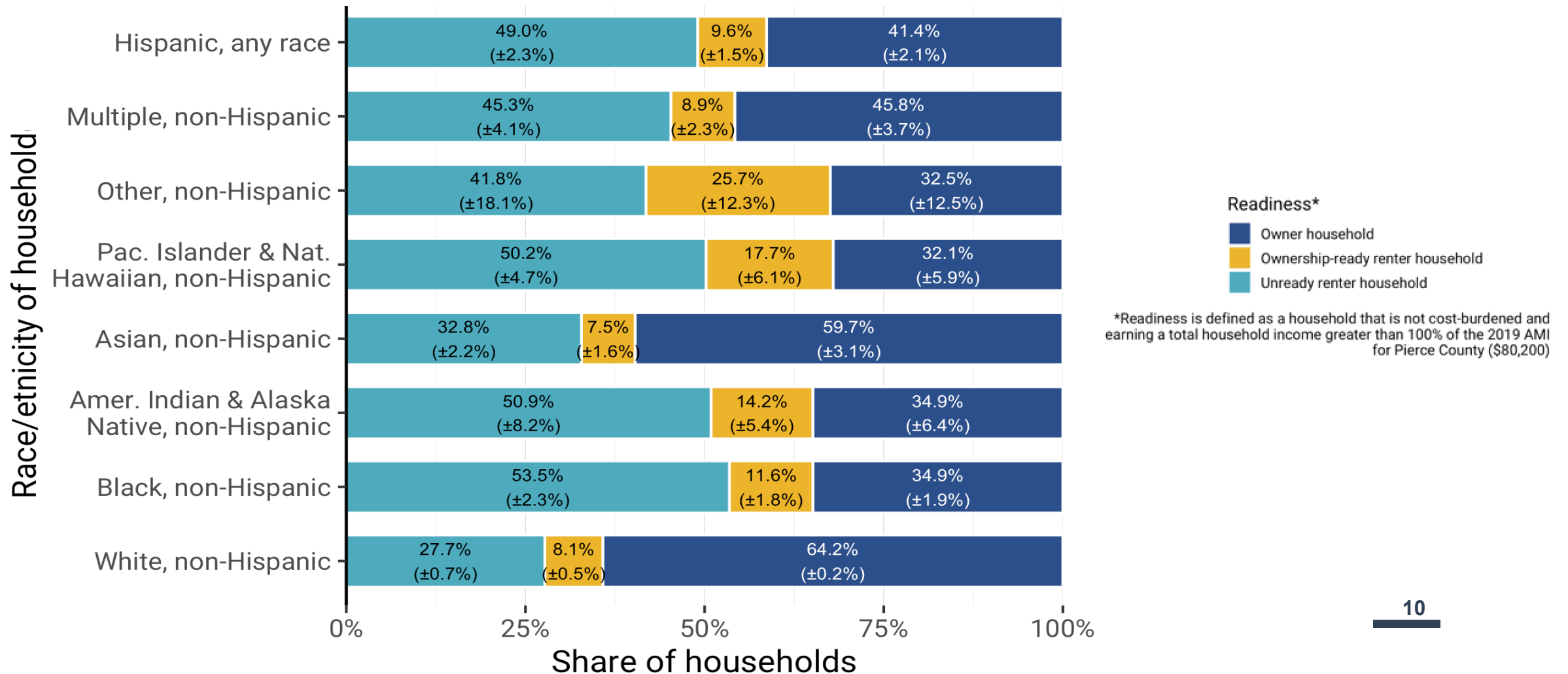
Source: NHGIS, ACS 2019 5 yr, PSRC



Source: NHGIS, ACS 2019 5 yr, PSRC



HOMEOWNERSHIP STATISTICS



HOMEOWNERSHIP STATISTICS



- Mortgage Applications:

	Number of Applicants	Share of total	Originated	Denied
Race				
2 or more minority races	103	0%	66%	13%
American Indian or Alaska Native	243	1%	59%	17%
Asian	2,006	7%	56%	15%
Black or African American	1,734	6%	51%	16%
Native Hawaiian or Other Pacific Islander	202	1%	56%	14%
White	16,142	57%	65%	10%
Ethnicity				
Hispanic or Latino	1,422	5%	54%	15%
Not Hispanic or Latino	19,668	70%	63%	11%
Grand Total	28,283		59%	10%

Source: FFIEC Home Mortgage Disclosure Act Dataset, 2020

- **Credit Application Incomplete** — Credit application incomplete
- **Credit History** — Insufficient or Unacceptable type of credit references provided; Limited or Poor credit; Delinquent past or present credit obligations; foreclosure, repossession, collection action, etc
- **Debt to Income Ratio** — Income insufficient for amount of credit requested, & Excessive obligations in relation to income



KEY FINDINGS



- Low Housing Stock
- Lack of Diversity in Housing Supply
- Lack of Alternative Homeownership Options
- Need for Educational Support and Empowerment
- Difficulties in Qualifying for a Mortgage



RECOMMENDATIONS



- Expand the supply of for sale housing
- Activate additional programs and policies that prioritize keeping people in their homes
 - Owner-occupied Home Repair
 - Foreclosure prevention
- Promote and expand homeownership programs
- Provide support to help more diverse households become homeowner ready and navigate the mortgage application process.
- Support alternative homeownership program options.
- Establish equity homeownership targets



Next steps



- Homeownership network mapping
- Provider engagement and capacity building
- Prioritization
- Resource Identification



Questions and/or Comments