Inclusion through Homeownership

COLVIN GRANNUM
Bedford Stuyvesant Restoration Corporation

In Bedford Stuyvesant and surrounding communities, we are witnessing the displacement of African American households, especially those who are working- and middle-class renters. This paper assigns households that earn between $40,000 and $100,000 to these broad income bands. Working- and middle-class households are in many ways the lifeblood of New York City, working jobs in the public sector, in nonprofit organizations, and in the lower middle ranks of the private sector. This paper argues for promoting homeownership for working- and middle-class New Yorkers, particularly African Americans, through preserving and stabilizing existing homeowners and increasing the number of new homeowners. Homeownership affords such households an opportunity to acquire an asset that is likely to appreciate as a neighborhood improves. Homeownership is a tangible means of fostering inclusion, especially in communities where home values are rising.

BACKGROUND: CURRENT CONDITIONS

Homeownership in New York City

Historically, homeownership rates in New York City have been well below the national average because most of the City's housing stock consists of rental units. Today, New York City's homeownership rate is essentially half the rate for the United States overall (31 percent versus 63 percent).[1]

New York City's current homeownership rate is essentially the same as in 2000, but less than at the peak in 2006. In 2014, the homeownership rate varied widely across racial and ethnic groups: white, 42 percent; Asian, 39 percent; black, 26 percent; and Hispanic, 15 percent. Today more than half of New York City homes are unaffordable to the majority of households. Low- and moderate-income households comprised 51 percent of New York City households in 2014 (35 percent and 16 percent respectively), yet only 9 percent of home sales in the City were affordable to these households (3 percent were affordable to low-income households and an additional 6 percent were affordable to moderate-income households).[2] In contrast, in previous decades a significant portion of the homes in New York were affordable to

Acknowledgements: Preparation of this paper was greatly assisted by the contributions of: Kevin Chavers, Chairperson, Bedford Stuyvesant Restoration Corporation; Yolande I. Nicholson, President, New York State Foreclosure Defense Bar; and Christie Peale, Executive director, Center for NYC Neighborhoods.

working- and middle-class homebuyers. In Brooklyn, homes such as those for workers at the Brooklyn Navy Yard were specifically developed for the working- and middle-class market.[3] In addition, as one racial or ethnic group migrated from a neighborhood, they were oftentimes replaced by homebuyers of comparable or lesser means: for example, white flight from Central Brooklyn enabled working- and middle-class African Americans to purchase homes.[4]

Racial Wealth Disparities

Historically, white households have controlled significantly more wealth than African American and Hispanic households.[5] The wealth gap has increased since the Great Recession and resulting foreclosure crisis. In 2007, white households had median wealth 10 times that of African American households and eight times that of Hispanic households.[6] After the Great Recession, the wealth gap increased. White households had median wealth 13 times that of African American households and 10 times that of Hispanic households.[7]

Real estate trends underway in New York City are exacerbating the racial wealth gap. Neighborhoods across the City, including Bedford Stuyvesant, are attracting affluent residents. Prior generations of African Americans and working- and middle-class households were able to gain a foothold through the purchase of homes in these so-called "less desirable" yet affordable neighborhoods. However, the number of affordable neighborhoods in New York City is rapidly declining. As a consequence, the opportunities for African American and working and middle-income families to purchase homes, and thereby participate in the increasing value of the real estate market, are greatly reduced. This, in turn, leads to growing wealth disparities along racial lines. The City is on the trajectory of having only a small percentage of working- and middle-class households, and an even smaller percentage of African American and Hispanic households, as homeowners. In the absence of homeownership, the vast majority of African American New Yorkers are not likely to own any assets of significant value, especially given the fact that home equity accounts for 92 percent of the personal wealth of African American homeowners.[8]

Bedford Stuyvesant and Neighboring Communities

While homeownership rates in New York City and Bedford Stuyvesant were largely unchanged between 2000 and 2014, there is every reason to believe that the homeownership rates for working- and middle-class households, particularly African Americans, are declining. Homeownership in Bedford Stuyvesant and neighboring Central Brooklyn communities is increasingly burdensome to existing working- and middle-class homeowners, and inaccessible to prospective working-class and moderate-income homebuyers. Some of the pressures impacting the local markets are presented below.

Home prices are rising as a result of increased competition for housing in Central Brooklyn. Overall, the City's population is growing.[9] Young professionals, technology and knowledge workers from across the globe are flocking to neighborhoods all over the City but especially to centrally located communities that are affordable relative to Manhattan or Downtown Brooklyn. Working- and middle-class families are not able to compete with the new arrivals either for rental housing or homeownership opportunities. Bedford Stuyvesant households with children under 18 years old declined from 45 percent to 28 percent between 2000 and 2014.[10] Between 2000 and 2012, the African American population in Bedford Stuyvesant, also known as Brooklyn Community Board No. 3, declined from 75 to 53 percent, and the white population increased from 2 to 21 percent.[11] During this same period, in Brooklyn Community Board No. 2, a neighboring community including Downtown Brooklyn, Fort Greene, and Clinton Hill, the African American population declined from 42 to 27 percent, and the white population increased from 31 to 45 percent.[12]

The current strength of New York's real estate market and economy is recognized internationally. Global investment is flooding the City, including Central Brooklyn neighborhoods like Bedford Stuyvesant.[13] Investors, domestic and foreign, are buying existing homes as well as developing homes for resale at increasingly higher prices.[14] Between the third quarter of 2014 and the second quarter of 2016, sale prices in Bedford Stuyvesant increased 33 percent.[15] During the same period, the sales volume in Bedford Stuyvesant was at least twice that of communities such as Boerum Hill, Brooklyn Heights, and Downtown Brooklyn, to name just a few.[16] These high levels stand in stark contrast to just a decade ago.

Underutilization of land is also placing pressure on the real estate market. Large contextual down-zonings of Bedford Stuyvesant in 2007 and 2009 reduced the densities and height limits on residential streets while targeting up-zoning to several transit-oriented commercial corridors. However, the increased floor area ratio authorized by the up-zoning is only recently showing signs of utilization through new construction. Utilization has been slowed by the high sales prices being sought by property owners. Within a quarter mile of Restoration Plaza, nearly 300 of the 1500 properties are underbuilt by 50 percent or more. Many of the properties in question are occupied, one-story retail buildings which could be developed into eight- to ten-story mixed-use properties. Both the contextual down-zonings and failure to leverage the up-zonings have contributed to rising real estate prices that hinder the development of affordable housing.

Another potential pressure on the Bedford Stuyvesant real estate market is that units are being removed from the residential rental market. These units previously had been available for rental by working- and middle-class households. For example, many affluent owners of two-, three-, and four-family homes are designating larger portions of properties for their own personal use. In addition, some three- and four-family properties are being reduced to one- and two-family properties.[17] Similarly, many property owners are designating residential units for Airbnb and other comparable types of short-term rentals.[18] Proponents of Airbnb argue that the short-term rental option assists many working- and middle-class homeowners in paying for the costs of owning a home in New York City.

Many factors are driving up the cost of owning a home in Bedford Stuyvesant and thereby pushing existing working- and middle-class homeowners to the limit. Escalating real estate taxes and water and sewer charges are driving up ownership costs.[19] Decisions to impose historic district designation on portions of Bedford Stuyvesant and other historically working- and middle-class communities also increase the cost of maintenance and repair given that only approved materials and contractors may be used to undertake work on certain portions of properties designated as historic.[20] Finally, African American homeowners continue to be the targets of predatory practices such as deed theft and sham foreclosure prevention scams.[21]

Displacement

As noted above, between 2000 and 2014, the African American population of Bedford Stuyvesant declined from 75 to 53 percent, the Hispanic population remained flat, and the white population increased from 2 to 21 percent.[22] Households earning less than $20,000 declined from 36 to 29 percent, and the percentage of households earning $40,000 to $100,000 remained flat.[23] Further along the income spectrum, the percentage of households earning between $100,000 and $250,000 increased from 11 to 16 percent. Households earning above $250,000 remained flat at 1 percent.

In Bedford Stuyvesant, working- and middle-class households arguably are as vulnerable to displacement as low-income residents because Bedford Stuyvesant has fewer rent-regulated residential units than many other neighborhoods in Brooklyn.[24] Moreover, 32 percent of Bedford Stuyvesant households, including working- and middle-class households, are severely rent-burdened in that they pay more than 50 percent of their income on rent.

SOLUTIONS

Preserving existing homeownership and creating new homeownership opportunities for working- and middle-class households, particularly African Americans, will foster inclusion rather than displacement in Bedford Stuyvesant and comparable communities experiencing gentrification. Homeownership for working- and middle-class households, particularly African Americans, in gentrifying neighborhoods has the potential to create racially integrated, mixed-income communities that generate inclusion through broad access to economic opportunity.

Preserve Homeownership

African American working- and middle-class homeowners have been under siege for more than a decade. As the targets of predatory lending practices, and having suffered the brunt of the effects of the Great Recession, they have experienced foreclosures at an alarming rate.[25] Concerted action is required by all levels of government and industry to protect existing African American and working- and middle-class homeowners.

Prevent Foreclosures

Foreclosure rates have been so high among African American working-class and middle-class households that some policymakers argue that African American households, in particular, should not aspire to homeownership. First-time African American homeowners saw their wealth decrease nearly 50 percent between 2005 and 2007, a time of strong appreciation for most homeowners.[26] However, giving up on African American homeownership is not the right answer. Instead, the public and private sectors should affirmatively implement a range of initiatives to preserve and protect working- and middle-class homeownership, especially for African Americans, to redress the well-established history of discriminatory policies and practices in housing against African Americans.

1. Rigorous Prosecution of Predatory Practices. Federal and state prosecutors should rigorously prosecute persons involved in fraudulent and predatory mortgage lending and title practices, especially those who target African Americans and other minorities. During the foreclosure crisis of 2008, ample proof surfaced that African Americans in particular were targeted for risky and high-cost mortgages.[27] African Americans in New York City lost in excess of $3 billion of equity as a result.[28] While the activities of some lenders, brokers, and other actors in the real estate market were clearly illegal and often criminal, such actors conducted their activities without fear of prosecution, and indeed, few were prosecuted. The public sector must create an atmosphere intolerant of practices that victimize homeowners. Fraud crimes of this sort create severe and far-reaching repercussions. Households saddled with predatory mortgages and under threat of foreclosure live in great stress and ultimately lose not only their homes but often also the only assets they own. Frequently, the homes lost to foreclosure have been owned by families for two or more generations yet are only now appreciating in value at rates comparable to those in integrated or predominantly white communities. The mortgage litigation settlements won against banks, like those obtained by the New York State Attorney General against HSBC, are a positive step forward. What is truly needed is an environment that discourages fraud and predatory behavior and punishes violators with the most severe sanctions allowed.

2. Establish Mission-Based Nonprofit Funds to Purchase Non-Performing HUD, Fannie Mae, and Freddie Mac Mortgages. Sales of non-performing federally insured and Government Sponsored Entity (GSE) mortgage notes are stripping African American homeowners of their homes and accelerating gentrification and displacement. Until recently, the non-performing notes were sold almost exclusively to private investors. In 2015, HUD modified the non-performing note sale program to make it easier for nonprofits to purchase notes. The note sales to private investors appear to promote real estate speculation rather than prioritize preservation of homeownership. This, in turn, undermines racial and economic inclusion and accelerates the displacement of working- and middle-class homeowners and tenants, most of whom are African American.

According to estimates projected by the New York State Foreclosure Defense Bar (NYSFDB), there are no less than 12,000 active residential foreclosures in Brooklyn. The foreclosure rate in Brooklyn is estimated at 8 percent, which exceeds the national average of 4 percent and the New York City average of 6 percent. Foreclosures in Brooklyn have been concentrated in African American communities. In high-foreclosure Brooklyn neighborhoods, the percentage of residential mortgage loans in foreclosure was as high as 21 percent as of December 2011.[29] A large percentage of the mortgages in the foreclosure process are insured by FHA and the GSEs, and a disproportionately large share of those mortgages are against homes owned by African Americans in gentrifying neighborhoods. The NYSFDB estimates that foreclosures will cause the loss of between $3 billion and $10 billion in family wealth in Brooklyn communities of color between 2016 and 2021.

Preservation of homeownership is a statutorily imposed element of the missions of HUD and the GSEs. NYSFDB argues that evidence exists that the full menu of HUD-approved loss mitigation measures are not offered to African American homeowners even when the homeowners qualify for them. This unfortunately tracks historical discriminatory practices such as "redlining" and the more recent practices of subprime lenders who steered African Americans and other minority homebuyers into subprime loans even when they qualified for conventional mortgages. NYSFDB has also uncovered evidence that African American homeowners are improperly being denied Home Affordable Modification Program (HAMP)-style loan modifications such as lower interest rates, extended terms, and principal reductions.

In sales to private investors, HUD and the GSEs frequently discount the defaulted mortgages by 40 to 60 percent. The apparent justification for such discounts is to afford investors the flexibility to offer loss mitigation options to the distressed homeowners. Instead, in practice, investors increase the obligations of the homeowners by adding fees to the full unpaid balance, not the discounted balance.

Several nonprofits are raising funds for the purpose of purchasing discounted mortgage notes from HUD and the GSEs. The nonprofits intend to prioritize homeownership preservation and loss mitigation above earning a speculative return on sale of the foreclosed home. The benefit of the discounted notes would be shared with the distressed homeowners for the purpose of keeping them in their homes and preserving their equity. To create meaningful impact, HUD would need to enlarge the pool of non-performing notes allocated for purchase by nonprofits, and the GSEs should also create a pool for purchase by nonprofits.

Properly constructed and administered, mission-oriented nonprofit funds that purchase federally insured notes could attract a range of public and private sector investors, including government, socially responsible individual and corporate investors, pension funds, and philanthropies. Government agencies such as FHA and Treasury would do well to capitalize nonprofit funds of this sort given the importance to the economy of stabilizing homeownership. The proceeds of settlements with financial institutions for mortgage lending impropriety are also an appropriate source of capital, given the offenses against homeowners upon which the settlements are based.

At least two models for mission-based funds are currently in operation in the New York Metro area. New Jersey Community Capital (NJCC) has purchased HUD loans and is committed to keeping homeowners in their homes. NJCC offers loss mitigation options such as loan modifications including principal reduction; leases; leases with the option to purchase; and transfer of deed in lieu of foreclosure. NJCC has also sold properties to tenants in cases where the homeowner opts not to participate and cannot be located. NJCC has had success in raising funds from corporations such as MetLife and Prudential who are seeking a double bottom line. The second fund involves the Center for NYC Neighborhoods, the City of New York, Restored Homes, MHANY Management, Inc., and the National Community Stabilization Trust. This fund has purchased approximately 24 mortgages — a relatively small number — which are being restructured for the purpose of keeping homeowners in place.

3. Re-Examine All City Policies. All city policies should be examined to determine their effect on minority, working-, and middle-class homeownership, and policies should be implemented that will protect and preserve such homeownership. Some municipal policies disproportionately burden minority, working-, and middle-class homeownership. One example is New York City's annual tax lien sale. The tax lien sale law was enacted in 1996 to eliminate the City's roles in collecting real estate taxes on, taking title to, and maintaining properties that fell behind on paying real estate taxes. A study undertaken by the Coalition for Affordable Homes found that the tax lien sale disproportionately impacts communities of color.[30] The City is six times more likely to sell a lien in a majority-African American neighborhood as in a majority-white neighborhood, and twice as likely to sell a lien in a majority-Hispanic neighborhood. The lien sale process contributes to the displacement of long-time homeowners and their renters in communities that are already facing extensive market pressure and speculation. Nearly half of the one-to-three-family homes in the 2011 tax lien sale (42 percent) were sold within five years of the lien sale, compared to 13 percent of all one-to-three-family properties in Brooklyn.[31]

In January 2017, the City's tax lien sale law was renewed with minor revisions. Homeownership advocates, such as the Coalition for Affordable Homes, continue to press for legislative and administrative measures to preserve homeownership by avoiding tax lien sale foreclosures. Among other measures, advocates have proposed a "Preservation Trust" which could buy tax liens and service them with the intention of preserving affordability. Alternatively, the City itself, through HPD, the city's housing preservation and development agency, could create and administer such a program. Homeownership advocates also argue that HPD should exercise its discretion to proactively pull properties from the lien sale for the purpose of keeping current homeowners in place or transferring the properties to a community land trust designed to preserve long-term affordable homeownership.

Similarly, New York's processes for increasing real estate taxes and creating historic districts should be examined from the perspective of their impact on working- and middle-class homeownership. In New York City, tax increases in historically African American neighborhoods appear to be disproportionately larger than tax increases in mature predominantly white neighborhoods. Such tax increases likely track the increasing values driven by speculation and gentrification; however, when combined with stagnant wages, such increases place significant burdens on longstanding African American working- and middle-class homeowners in a community like Bedford Stuyvesant. Similarly, designating neighborhoods as architecturally significant historic districts raises the cost of home maintenance and repair to a level many working- and middle-class households cannot afford. The City must be mindful of the many cost variables impacting working- and middle-class homeownership and must craft policies that preserve rather than jeopardize homeownership for African Americans and other minorities.

Promote New Homeownership for African Americans

In addition to preserving homeownership for existing working- and middle-class homeowners in gentrifying communities, new homeownership opportunities should be created for prospective working- and middle-class homebuyers, especially African Americans. As noted above, recent housing market data reports that as of the second quarter of 2016, the average home price in Bedford Stuyvesant was just over $1 million, up from $756,000 in the third quarter of 2014.[32] Many homes sell for well in excess of $1.5 million, and those that sell for significantly less than $1 million are the subject of intense competition and typically require hundreds of thousands of dollars of rehabilitation.[33] In short, the homeownership market in Bedford Stuyvesant is increasingly inaccessible to working- and middle-class households. Without a public sector intervention, the community will become less economically and racially diverse. It is foreseeable that the percentage of working- and middle-class households in Bedford Stuyvesant will decline even more than the percentage of low-income households. This is because low-income households may seek refuge in public and other subsidized low-income housing, while working- and middle-class households cannot. This plausible scenario could make Bedford Stuyvesant not only less economically integrated but also more economically polarized. The presence of working- and middle-class residents has benefited Bedford Stuyvesant. Such residents often serve as the glue of the community through their involvement in the public school system and civic activities. The loss of working- and middle-class families diminishes the prospects for economic and social integration.

New government subsidized homeownership opportunities could be created based on a shared equity model that ensures permanent affordability of the subsidized units while providing for accumulation of equity by the homeowners. African American homeownership can also be boosted by widespread adoption of Individual Development Accounts to assist working- and middle-class households in gathering sufficient resources for the down payments needed to purchase homes.

1. Shared Equity Homeownership. Under shared equity homeownership, home price appreciation is shared between a homebuyer and a nonprofit program sponsor to achieve a balance between the individual's interest in building wealth and the societal interest in ensuring long-term affordability.[34] Shared equity homeownership allows working- and middle-class families to purchase homes at a below-market price. When the home is sold, the seller and program sponsor divide contractually agreed-upon shares of the profits. Under one shared equity model, the program sponsor's share of the profit is retained in the home as a subsidy for the next working- or middle-class buyer.[35]

Shared equity has proven to be less risky for the homeowner than traditional homeownership. It affords the buyer the same housing stability as traditional homeownership as well as the opportunity to accumulate equity while also mitigating some of the risks of traditional homeownership.[36] Specifically, the below-market price acts as a buffer against equity loss in the event home values decline, reducing the chance of foreclosure. Under the shared equity model, the program sponsor monitors the well-being of the homebuyer to avoid foreclosure and mortgage delinquency and assists the homebuyer through challenging circumstances. For example, the program sponsor would actively counsel the homeowner to guard against predatory lenders or to pay real estate taxes.

A significant public investment in shared equity homeownership could create a stock of permanently affordable homes and keep the dream of working- and middle-class homeownership alive, in Bedford Stuyvesant and elsewhere. City-subsidized homeownership programs that predated gentrification justifiably did not anticipate the massive and rapid escalation in home prices. The programs successfully revitalized many neighborhoods and rewarded fortunate purchasers of subsidized homes with increased equity because the subsidy was a forgivable loan. However, the programs did not contribute to long-term affordability.

The housing stock in Bedford Stuyvesant and neighboring communities is amenable to shared equity homeownership because the multi-level brownstones may be configured into three or four individual condominiums. Shared equity homeownership units may also be constructed in sections of the community zoned for mandatory or voluntary inclusionary housing, and they may be mixed in with market-rate condominiums.

2. Down Payment Assistance: Many African American, working-, and middle-class households have limited success in saving for a down payment on a house. Compared to white households, African Americans and Hispanics have fewer resources available to them for down payments. In fact, white households are three times more likely to rely on family assistance for down payments than African American households, and nine out of every ten African American homeowners cover the entire down payment with their own savings. Family assistance also allows white homebuyers to make larger down payments, which tends to lower interest rates and lending costs.[37]

Individual Development Accounts (IDAs) are an initiative that could spur homeownership especially when connected to shared equity. IDAs incentivize saving by matching the designated savings of individuals with modest means who wish to save towards the purchase of a lifelong asset, such as a home. Such savings are matched primarily by external sources, such as foundations, corporations, religious institutions, and government. IDA savings can be used for education and training, homeownership, and development of home-based and micro-enterprise businesses. IDA programs are offered as partnerships between sponsoring organizations (often nonprofits or state/local government agencies) and financial institutions. Although they are a relatively recent policy innovation, IDAs have a track record of success.

Sustainable funding is a major concern for IDA program sponsors. Both operating and matching funds are often difficult to secure. Federal state and local agencies and the private sector should fund IDAs at levels sufficient to incentivize tens of thousands of working-class and moderate-income households to become homeowners.

CONCLUSION

Homeownership for working- and middle-income households is a tangible means of reducing displacement and fostering inclusion in high-cost cities. Historically, however, homeownership has underperformed as an asset creation strategy for African Americans, primarily due to policies and practices that promote racial segregation in housing. In high-cost cities experiencing gentrification, current African American homeowners are facing mounting challenges such as real estate speculation, fraud, and increasing maintenance costs. In addition, an inadequate number of new homeownership opportunities are being created for working- and middle-income households. In high-cost cities, these trends may be reversed through public and private sector intervention in support of working- and middle-class homeownership.

Bibliography

Bayer, Patrick, Fernando Ferreira, and Stephen Ross. 2016. "What Drives Racial and Ethnic Differences in High Cost Mortgages? The Role of High Risk Lenders." Working Paper 22004. Cambridge, MA: National Bureau of Economic Research.

Center for New York City Neighborhoods. 2016. "The Impact of Property Flipping on Homeowners and Renters in Small Buildings." http://cnycn.org/wp-content/uploads/2016/04/CNYCN-NYC-Flipping-Analysis.pdf.

Clarke, Katherine. 2015. "Bubbling Up: Prices Have Gone Up So Much in Bed-Stuy that Investors Are Calling It a Day." *New York Daily News*, March 5.

Coalition for Affordable Homes. 2016. "Compounding Debt: Race, Affordability and NYC's Tax Lien Sale." http://cnycn.org/wp-content/uploads/2014/02/CAH-tax-lien-sale-report-final.pdf.

Davis, John Emmeus. 2006. "Shared Equity Homeownership: The Changing Landscape of Resale-Restricted, Owner-Occupied Housing." Montclair, NJ: National Housing Institute.

Durkin, Erin. 2017. "Most Airbnb Hosts in Black Neighborhoods Are White, Study Shows." *New York Daily News*, March 1.

Feng, Emily, and Alexandra Stevenson. 2016. "Small Investors Join China's Tycoons in Sending Money Abroad." *New York Times*, December 11.

Furman Center for Real Estate and Urban Policy. 2015. "State of New York City's Housing and Neighborhoods in 2015." New York University. http://www.nyc.gov/html/mancb3/downloads/resources/NYUFurmanCenter_SOCin2015_9JUNE2016.pdf.

———. 2016. "State of New York City's Housing and Neighborhoods in 2016." New York University. http://furmancenter.org/files/sotc/SOC_2016_Full.pdf.

Houghten, Tim. 2016. "New York Real Estate and Tax Trends in 2016." Property Tax Adjusters blob, January 28. Property Tax Adjusters, Ltd. http://www.ptaxny.com/new-york-real-estate-and-tax-trends-in-2016/.

Hymowitz, Kay. 2017. *The New Brooklyn: What It Take to Bring a City Back.* Lanham, MD: Rowman & Littlefield.

Kochhar, Rakesh, and Richard Fry. 2014. "Wealth Inequality Has Widened along Racial, Ethnic Lines since End of Great Recession." *Fact Tank: News in the Numbers*, December 12. Pew Research Center. http://www.pewresearch.org/fact-tank/2014/12/12/racial-wealth-gaps-great-recession/.

Kusisto, Laura. 2013. "City's Boom Spurs a Need for Housing." *Wall Street Journal*, June 10.

———. 2016. "Rising U.S. Rents Squeeze the Middle Class." *Wall Street Journal*, May 8.

Lubell, Jeffrey. 2013. "Filling the Void Between Homeownership and Rental Housing: A Case for Expanding the Use of Shared Equity Homeownership." Cambridge, MA: Joint Center for Housing Studies, Harvard University. http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/hbtl-03.pdf.

Newman, Sandra, and C. Scott Holupka. 2015. "Is Timing Everything? Race, Homeownership and Net Worth in the Tumultuous 2000s." *Real Estate Economics* 44, no. 2: 307–54.

Powell, Michael, and Janet Roberts. 2009. "Minorities Affected Most as New York Foreclosures Rise." *New York Times*, May 9.

REBNY (Real Estate Board of New York). 2016. "Bedford Stuyvesant Housing Market Survey 2016."

Rosenblum, Constance. 2014. "Argument Over a Brownstone Neighborhood: The Case For and Against a Bed-Stuy Historic District." *New York Times,* February 21.

Saul, Stephanie. 2015. "Real Estate Shell Companies Scheme to Defraud Owners out of Their Homes." *New York Times,* November 7.

Shapiro, Thomas, Tatjana Meschede, and Sam Osoro. 2014. "The Widening Racial Wealth Gap: Why Wealth Is Not Color Blind." In *The Assets Perspective: The Rise of Asset Building and its Impact on Social Policy*, edited by Reid Cramer and Trina R. Williams Shanks, 99–122. New York: Palgrave Macmillan.

Theodos, Brett, Kenneth Temkin, Rob Pitingolo, and Dina Emam. 2015. "Homeownership for a New Era: Baseline Report on the Cornerstone Homeownership Innovation Program." Washington, DC: Urban Institute. http://www.urban.org/sites/default/files/publication/49841/2000207-Homeownership-for-a-New-Era.pdf.

Tippett, Rebecca, Avis Jones-DeWeever, Maya Rockeymoore, Darrick Hamilton, and William Darity, Jr. 2014. "Beyond Broke: Why Closing the Racial Wealth Gap Is a Priority for National Economic Security." Washington, DC: Center for Global Policy Solutions.

Willis, Mark, Maxwell Austensen, Shannon Moriarty, Stephanie Rosoff, and Traci Sanders. 2016. "NYU Furman Center/Citi Report on Homeownership & Opportunity in

New York City." Furman Center for Real Estate and Urban Policy. http://furmancenter.org/files/NYUFurmanCenterCiti_HomeownershipOpportunityNYC_AUG_2016.pdf

Wolff, Edward. 2004. "Changes in Household Wealth in the 1980s and 1990s in the U.S." The Levy Economics Institute and New York University. Working Paper No. 409.

Endnotes

1 Willis et al. (2016).

2 Ibid.

3 Hymowitz (2017).

4 Ibid.

5 Wolff (2004).

6 Kochhar and Fry (2014).

7 Ibid.

8 Tippett et al. (2014).

9 Kusisto (2013).

10 Furman Center for Real Estate and Urban Policy (2015).

11 Ibid.

12 Ibid.

13 Feng and Stevenson (2016).

14 Ibid.

15 REBNY (2016).

16 Ibid.

17 Center for New York City Neighborhoods (2016)

18 Durkin (2017).

19 Houghten (2016).

20 Rosenblum (2014).

21 Saul (2015).

22 Furman Center for Real Estate and Urban Policy (2016).

23 Ibid.

24 Kusisto (2016).

25 Powell and Roberts (2009).

26 Newman and Holupka (2015).

27 Ibid.

28 Bayer, Ferriera, and Ross (2006).

29 Federal Reserve Bank of New York, *Regional Mortgage Briefs*, www.newyorkfed.org/ regionalmortgagebriefs/index.

30 Coalition for Affordable Homes (2016).

31 Ibid.

32 Bedford Stuyvesant Housing Market Survey, REBNY.

33 Clarke (2015).

34 Lubell (2013).

35 Theodos et al. (2015).

36 Davis (2006).

37 Shapiro, Meschede, and Osoro (2014).