

Closing the Racial Wealth Gap in Boston: Are Deed Restrictions an Answer?

Discussion with Jamaica Plain NDC
August 23, 2022

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Thoughts about Deed Restrictions...

Long-term deed restrictions and shared-equity initiatives (CLTs / Demonstration Disposition Program) have been utilized as a key tool in maintaining and protecting housing affordability for long-term residents and households with lower incomes.

In some community conversations it has been suggested, however, that long-term deed restrictions may be (...are) an obstacle to closing the racial wealth gap in Boston.

In my opinion...weakening long-term deed restrictions, or de-prioritizing shared equity homeownership, can result in:

-- ***reducing the possibility of increasing and sustaining Black and Latinx homeownership*** due to continuing structural and racial inequalities

-- ***increasing the racial wealth gap*** between groups / communities (versus individuals)

-- ***increasing the possibility of gentrification***, again, within a context of continuing structural and racialized inequalities

Five Observations...

1) White wealth based on homeownership was not generated in a vacuum, that is, simply owning a home. White homeownership was part of a context of systemic racism in which masses of Black and Brown workers were treated unequally and inequitably due to the color of their skin, ***and to confine their movement.***

- Black and Brown people were denied loans for mortgages over generations;
- Black and Brown people denied equity loans simply to improve the homes that they did own;
- Local and state government supported broad de-jure or de-facto segregation;
- Violence was systematically used at local levels to prevent Black and Brown families from buying homes in predominantly, or all-White areas

(!): these actions represented a sort of subsidy for White homeownership in urban areas.

2) Accumulation of wealth is based on many factors, including homeownership. Also important:

- increasing levels of income
- access to good jobs / employment strategies and policies
- protecting social security and pension benefits
- protecting affordable homes for owners and renters

See: Thompson and Sabelhaus presentation to Federal Reserve Bank of Boston, at <https://www.bostonfed.org/news-and-events/events/economic-research-conference-series/racial-disparities-in-todays-economy.aspx#wealth>

See: “BIPOC residents need a fair share of Boston’s quality jobs ...” by Action4Equity: “There are over 240,000 jobs in Boston paying over \$70,000 a year, but just 5% go to Black people, 5% go to Latinx people, and about 80% go to white people, many from outside the city.” <https://www.action4equity.org/>

3) There is not a contradiction between strengthening and expanding housing affordability for low-income and working-class residents *and* the increasing Black homeownership as an approach for closing the racial wealth gap

-- A study by the Lincoln Institute on Land Policy and Grounded Solutions Network, findings:

“...not only confirm that shared equity models provide affordable homeownership to lower income families generation after generation, but also establish that the sector provides financial security and mitigates risks for homeowners facing housing market turmoil.”

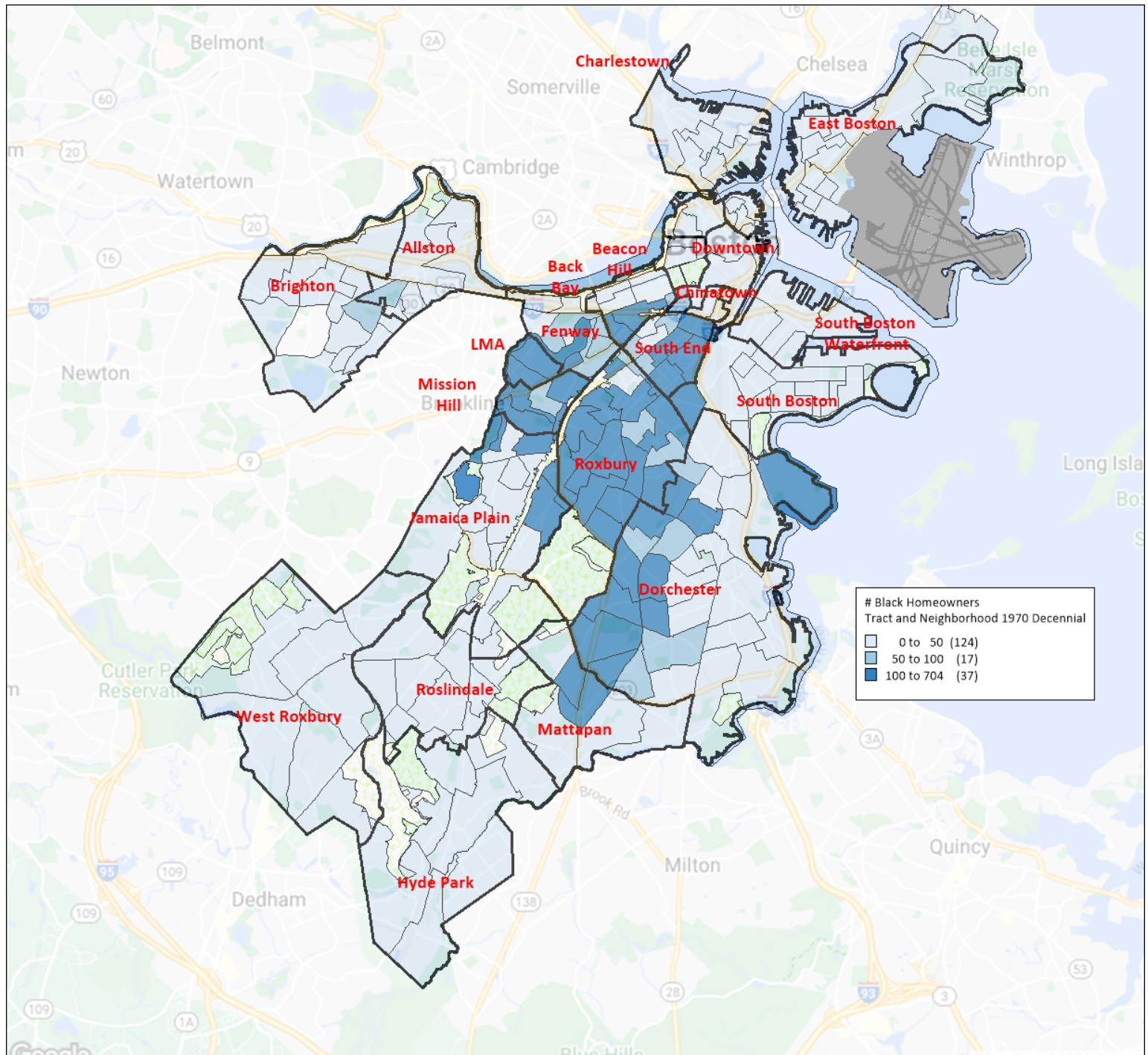
“Shared equity homeownership is a tool to preserve housing affordability, which can be part of the solution to closing the racial wealth gap. Shared equity homeownership programs make homes affordable to lower income families by investing public resources to reduce the initial prices, and then they keep the prices affordable to all future homebuyers through resale restrictions.

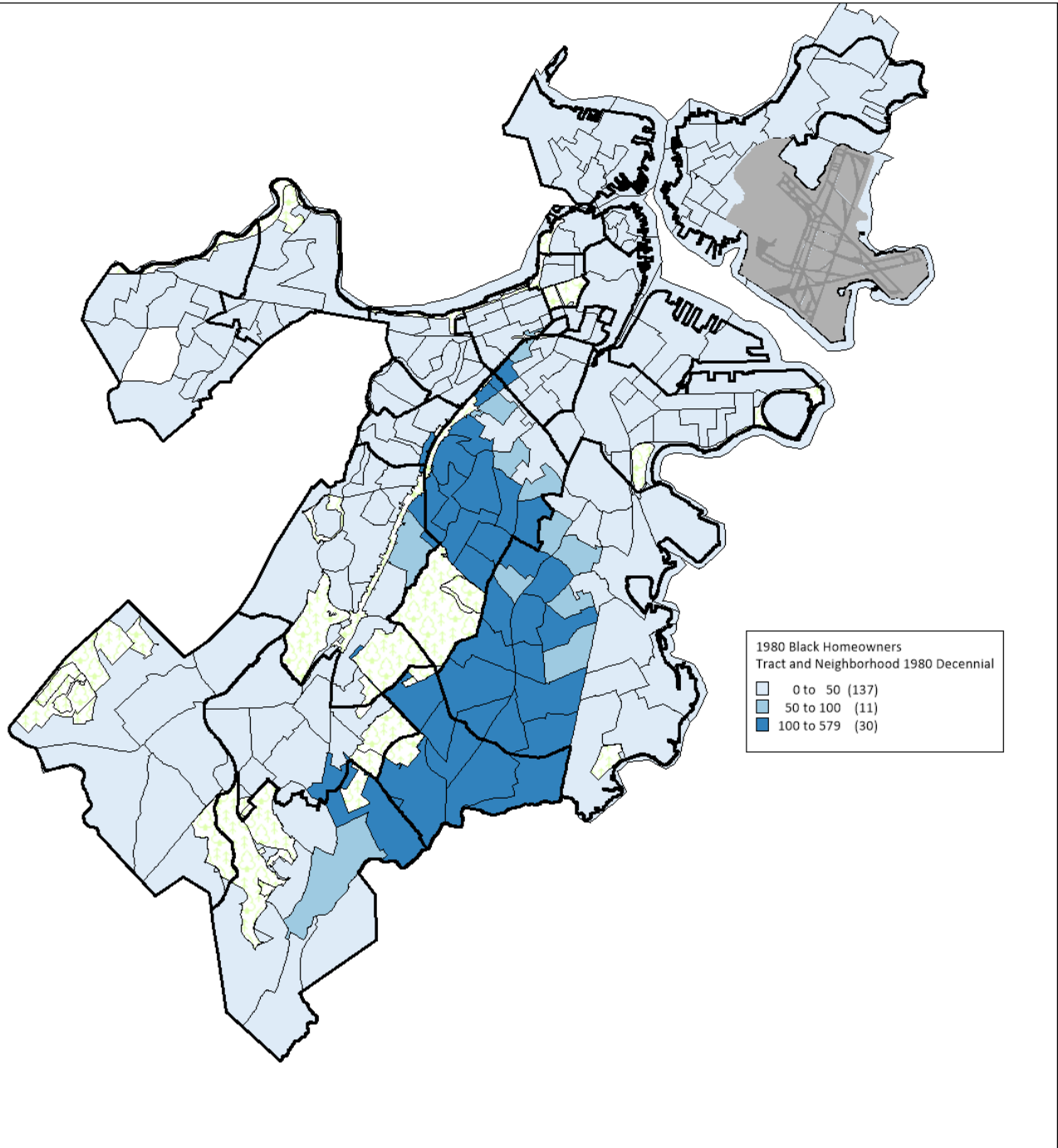
<https://lexingtonclt.org/wp-content/uploads/2020/07/2019-Shared-Equity-Housing-Report.pdf>

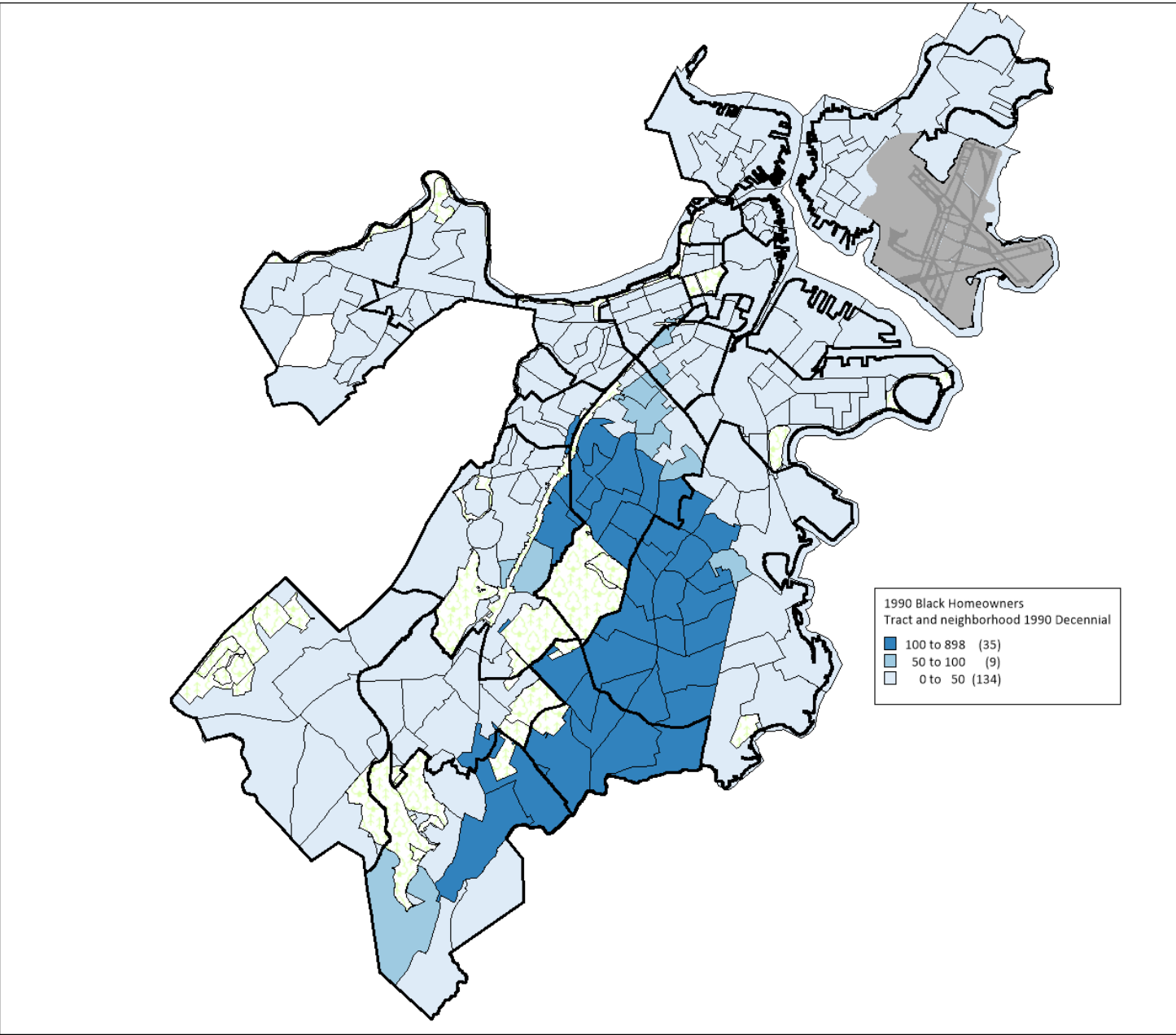
4) Positing that long-term deed restrictions inhibit Black homeownership in Boston represents an historical non-sequitur when we review real estate patterns and race over decades.

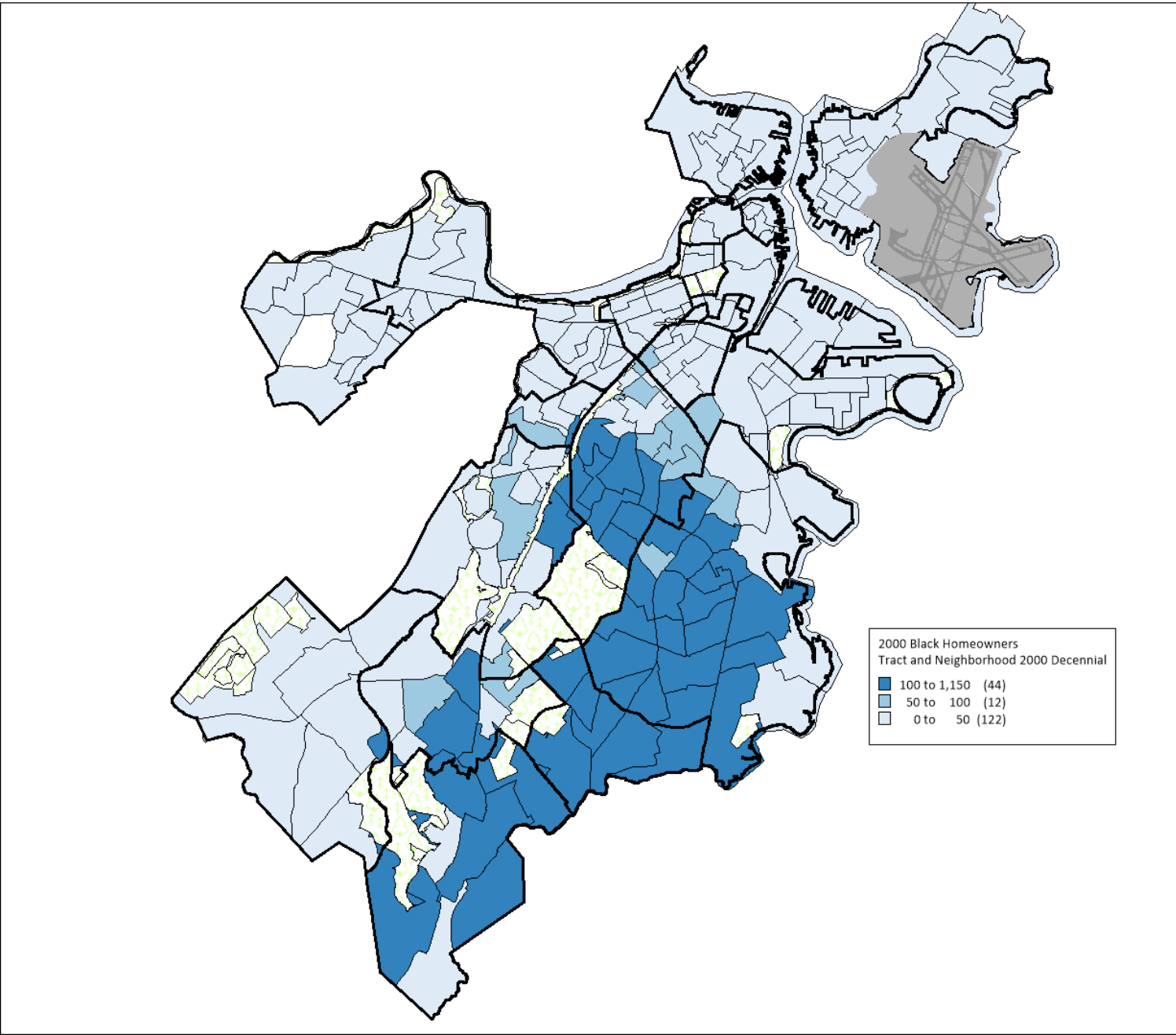
The existence, or increase of deed restrictions do not explain the Black homeownership patterns in Boston, over decades.

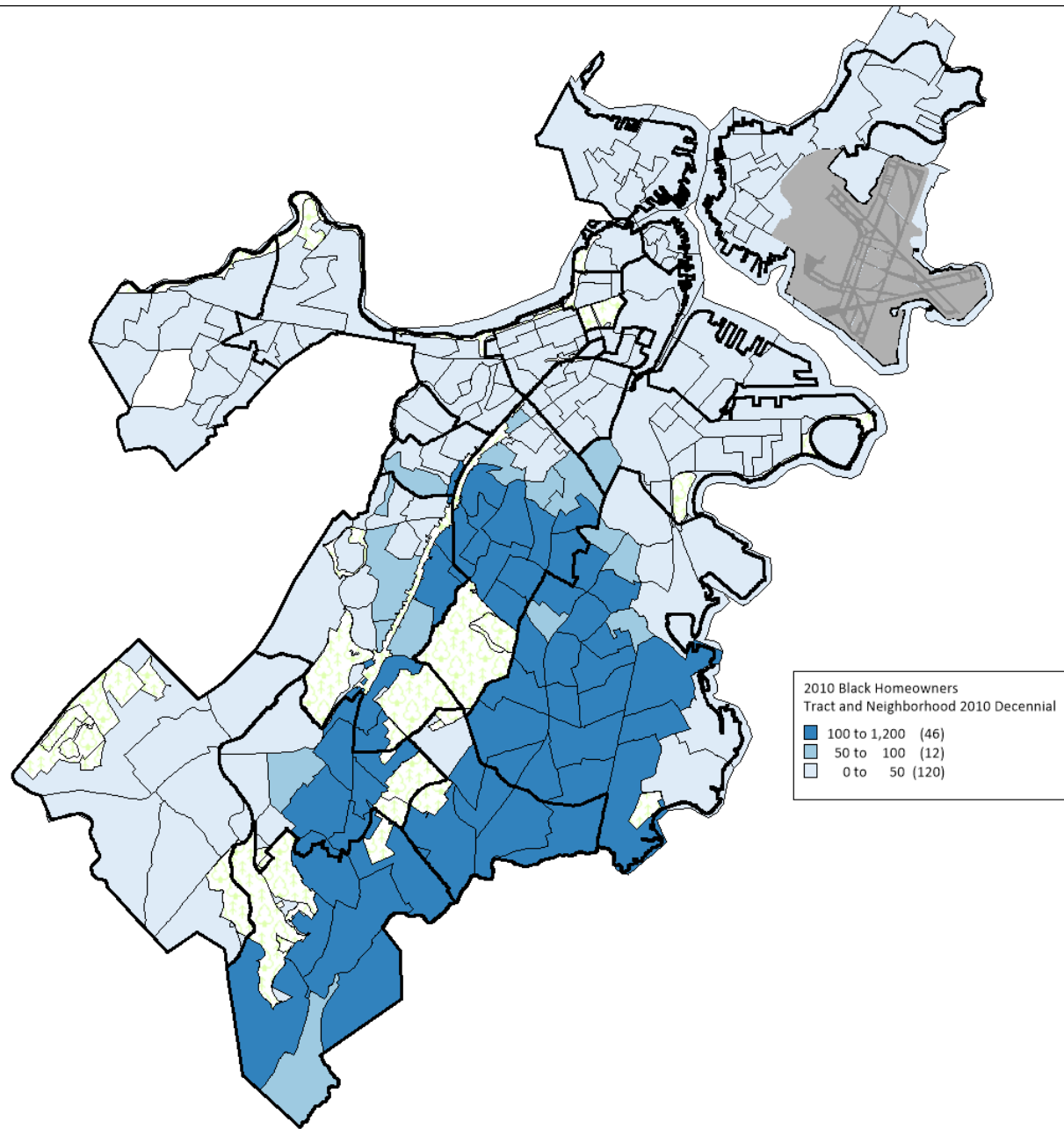
Note the next 6 maps showing the #s and concentrations of Black homeowners in Boston, 1970s; 1980s; 1990s; 2000; 2010; and 2016-2020 (ACS)

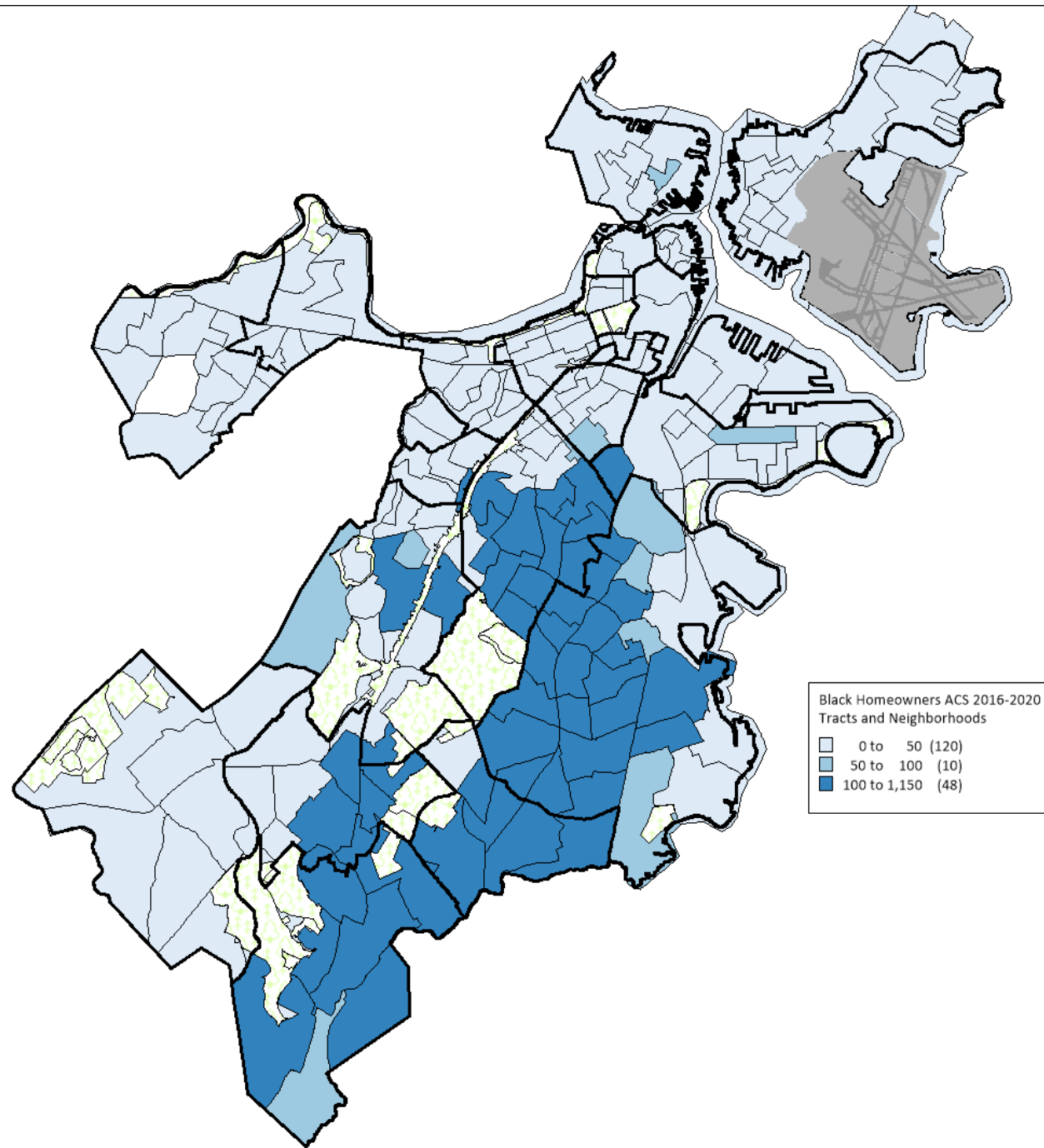












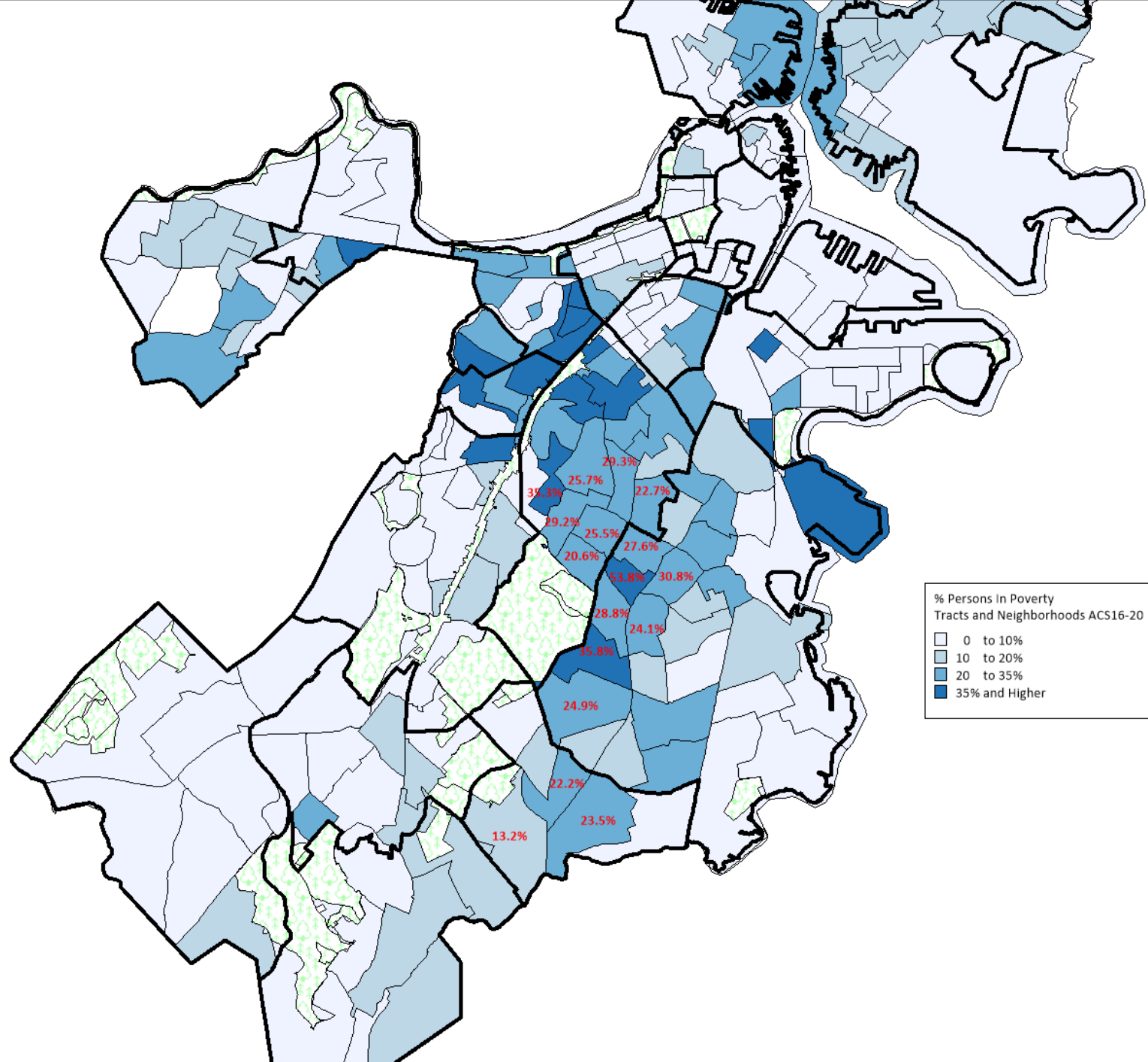
What explains these Black homeownership patterns over several decades, and more recently also Latino-a households?

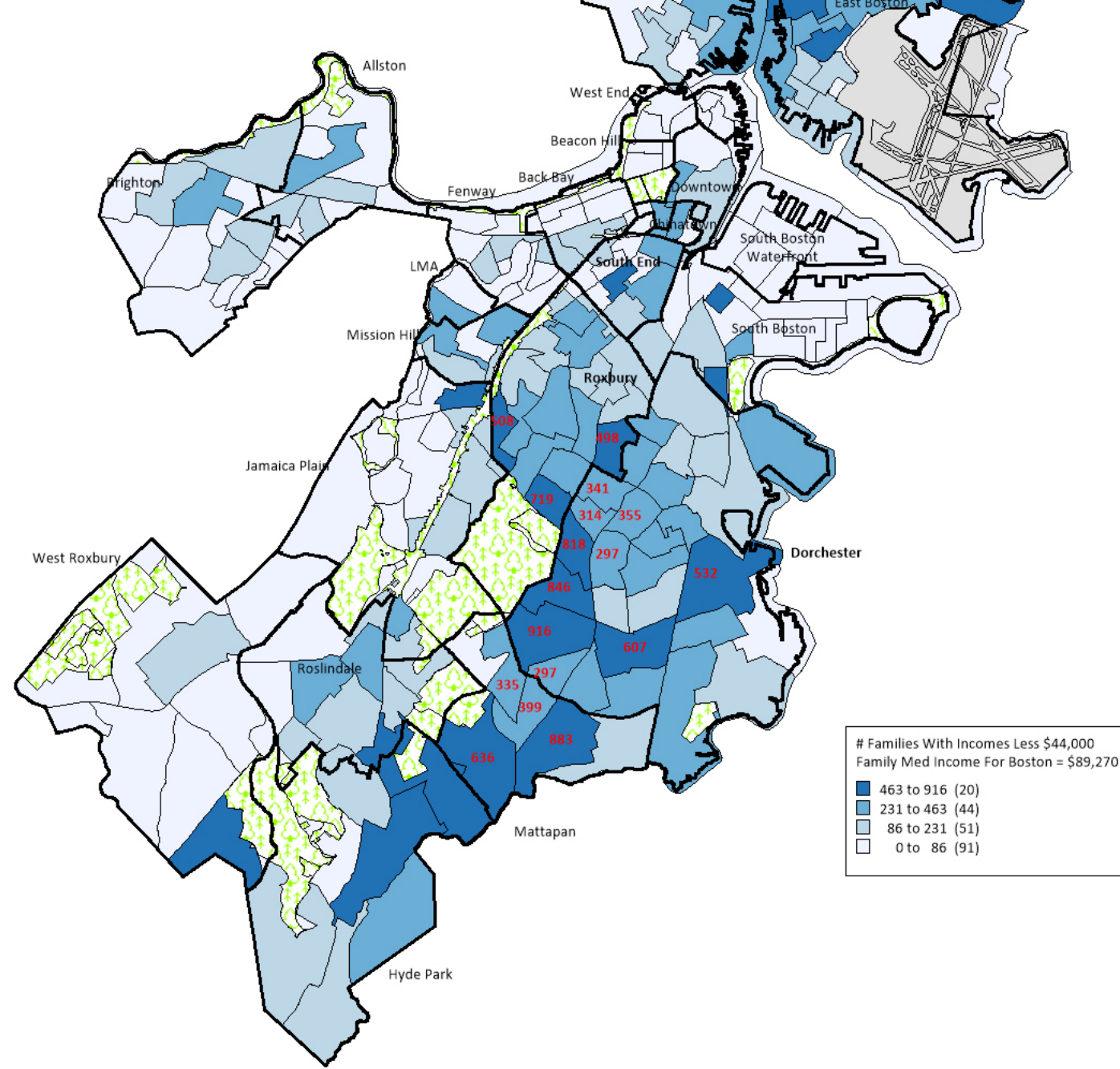
*The answers, in addition to sustainable strategies for increasing Black and Brown homeownership, must be part of any **comprehensive and strategic responses** for closing the racial wealth gap.*

5) A glaring missing link / query in the proposal that a free-er, free market with weakened long-term deed restrictions will increase Black wealth is how such might take place specifically, in *a context of continuing and entrenched racial inequalities*. **Ignoring this query will contribute to gentrification.**

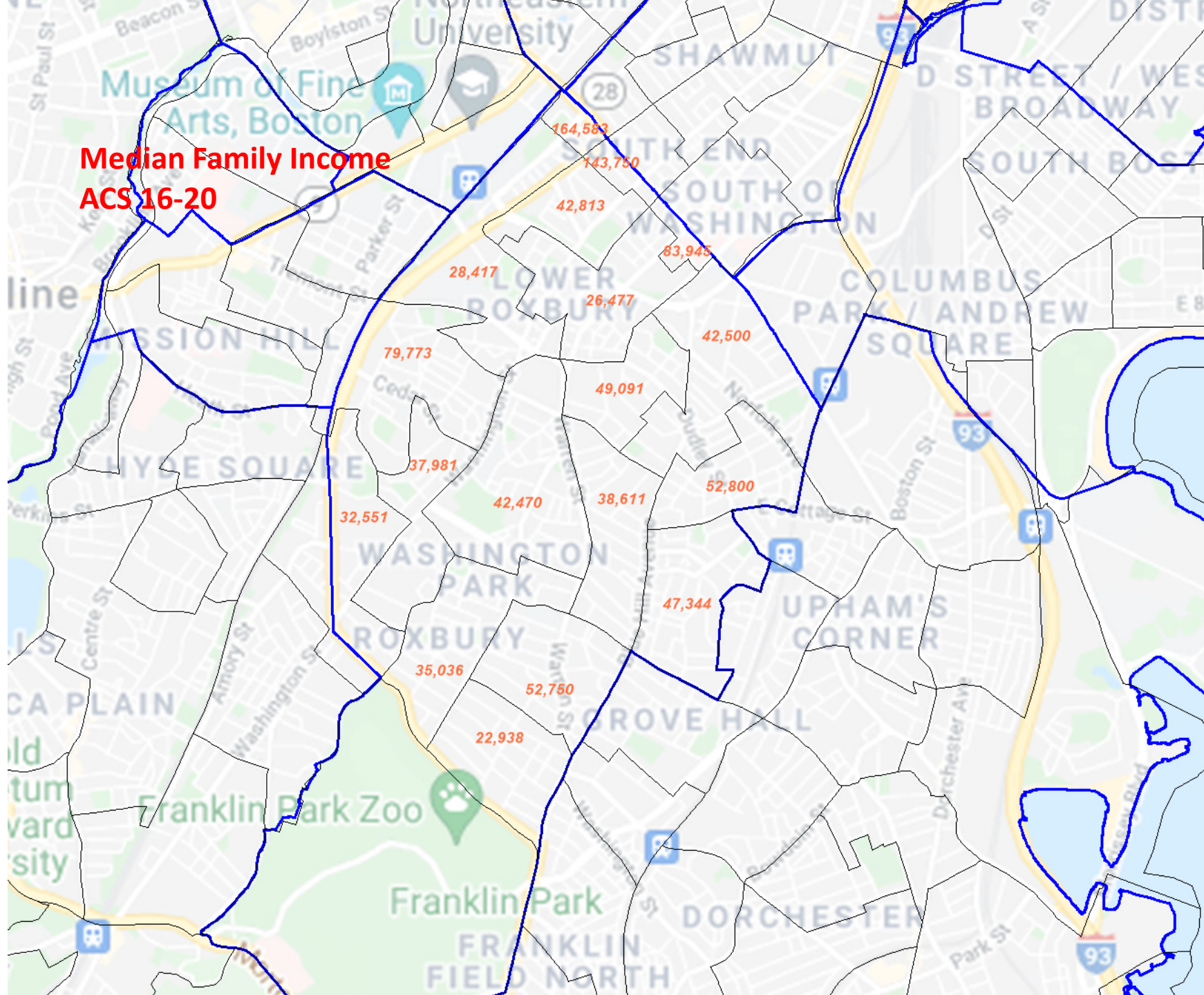
-- Blacks and Latinx persons/households have higher rates of *poverty, unemployment, homelessness, severe housing cost burdens, and health ailments*. There are clear racial and ethnic patterns in the face of historical and current inequalities in Boston.

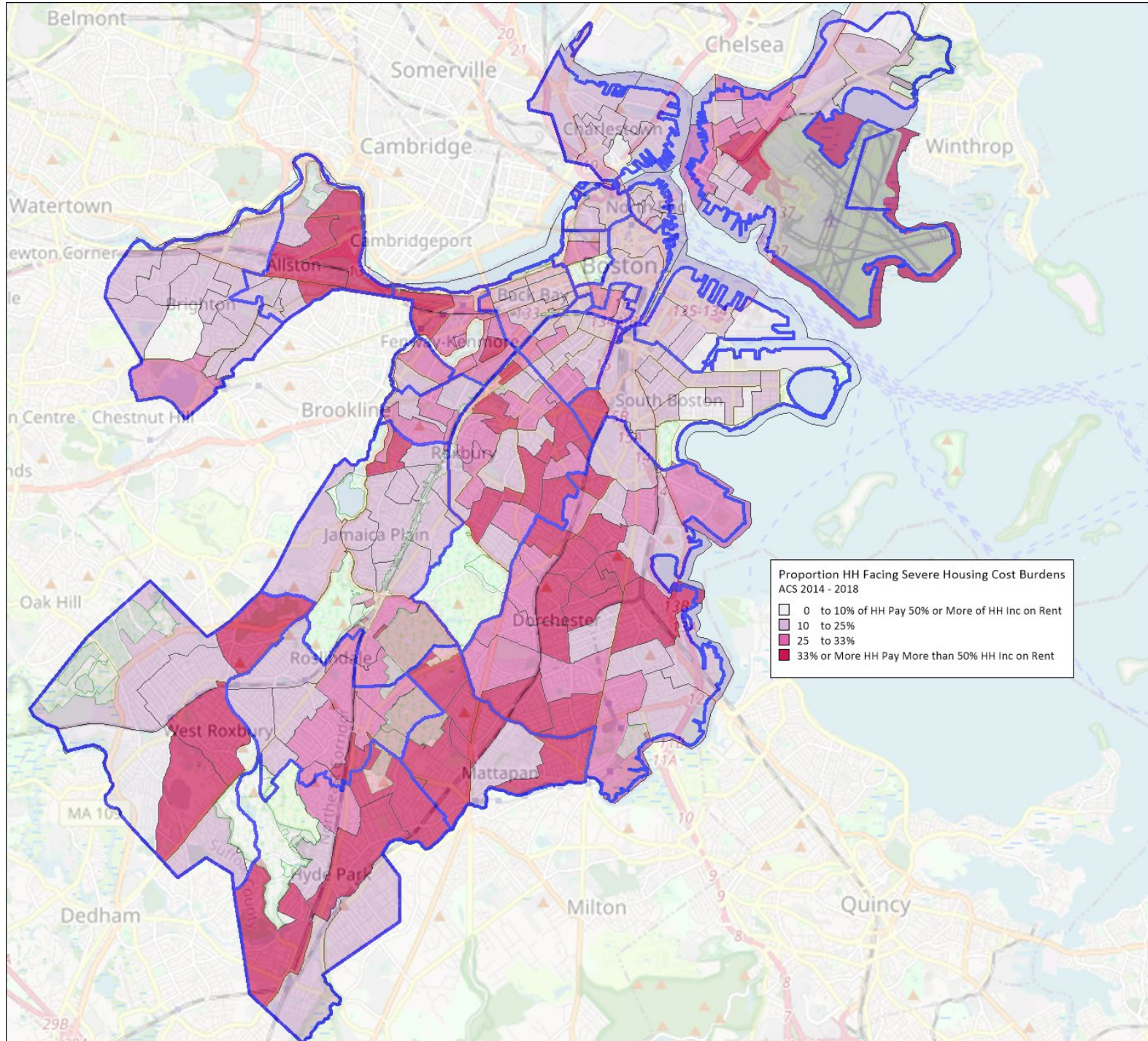
In this context, which demographic/economic groups, actually, would be able to buy or invest in property that once affordable, becomes unprotected by virtue of shortened deed restriction time requirements or other weakened supports for substantive affordable housing?





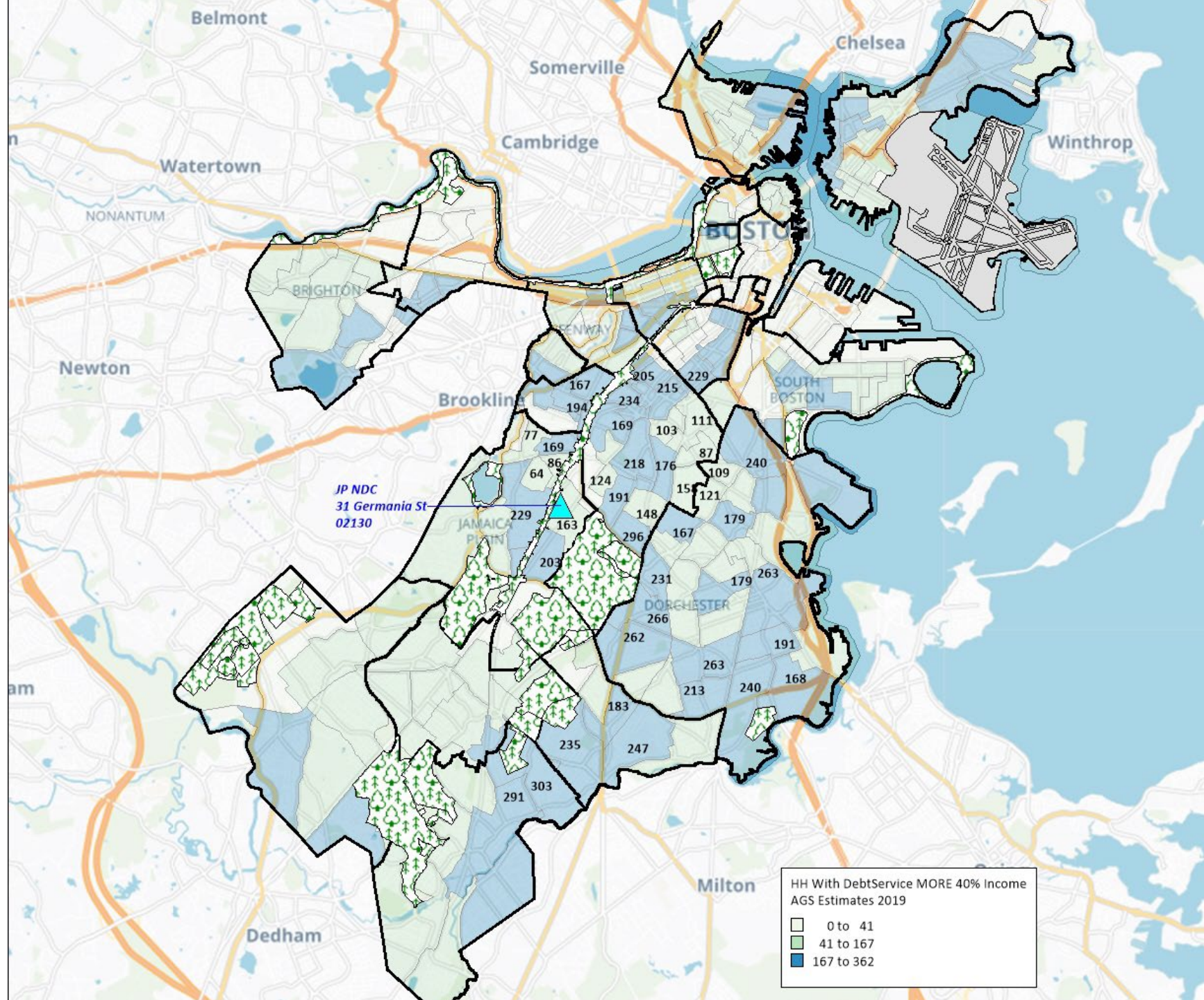
**Median Family Income
ACS 16-20**



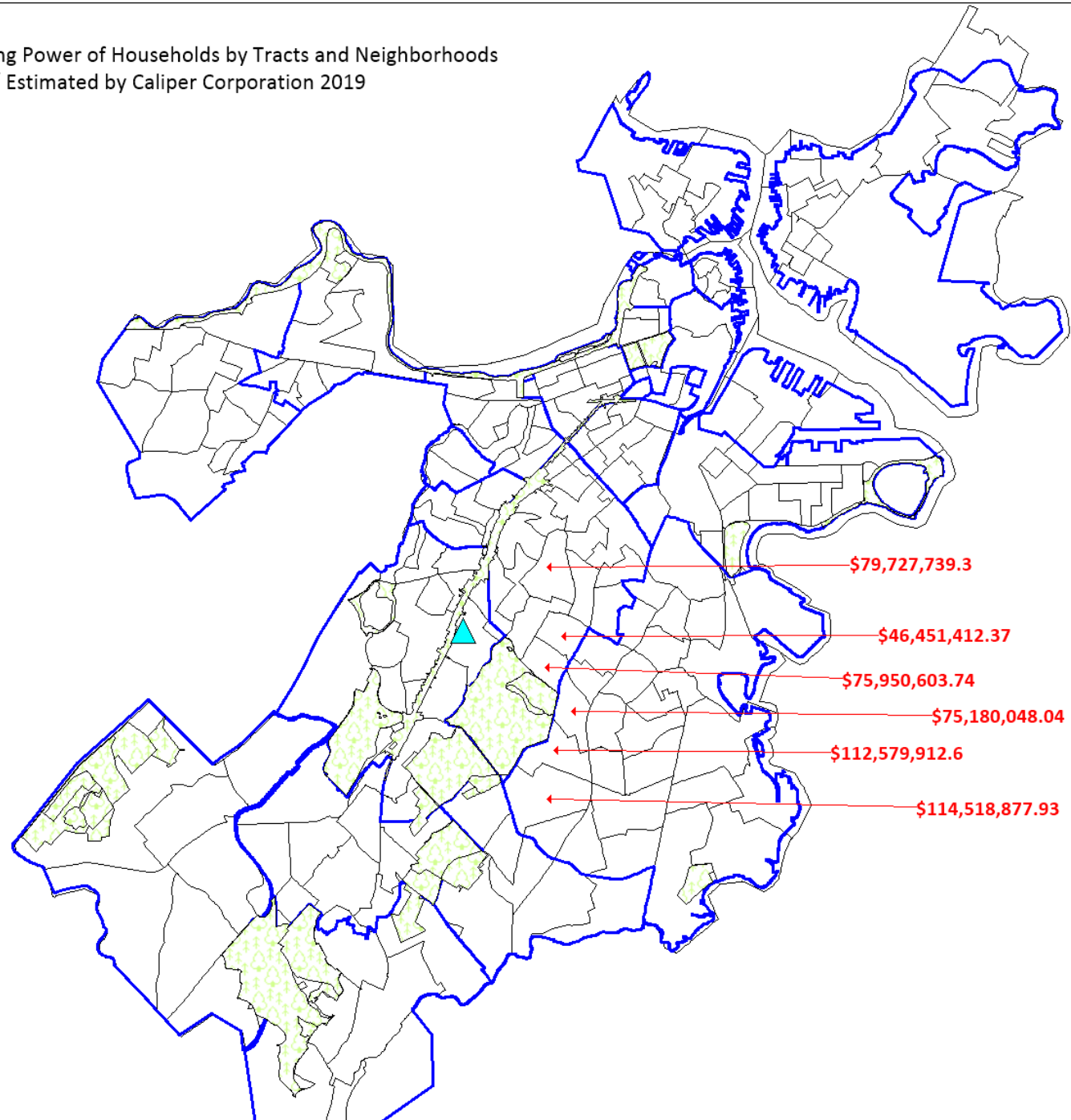


Conclusion: What are some strategic and policy responses for closing the racial wealth gap?

- Protections against predatory lending
- Protections and expansion of housing affordability for low-income and working-class groups
- Protecting the *relatively small* (**but significant...**) financial assets held in Black and Brown communities
- Reducing family and household debt, worsened in the recent pandemic especially for Black, Latinx, and many Asian families
- Enhancing community targeting of spending power to increase its local multiplier effects / small businesses
- Expanding collective control over land and its uses, and targeted beneficiaries

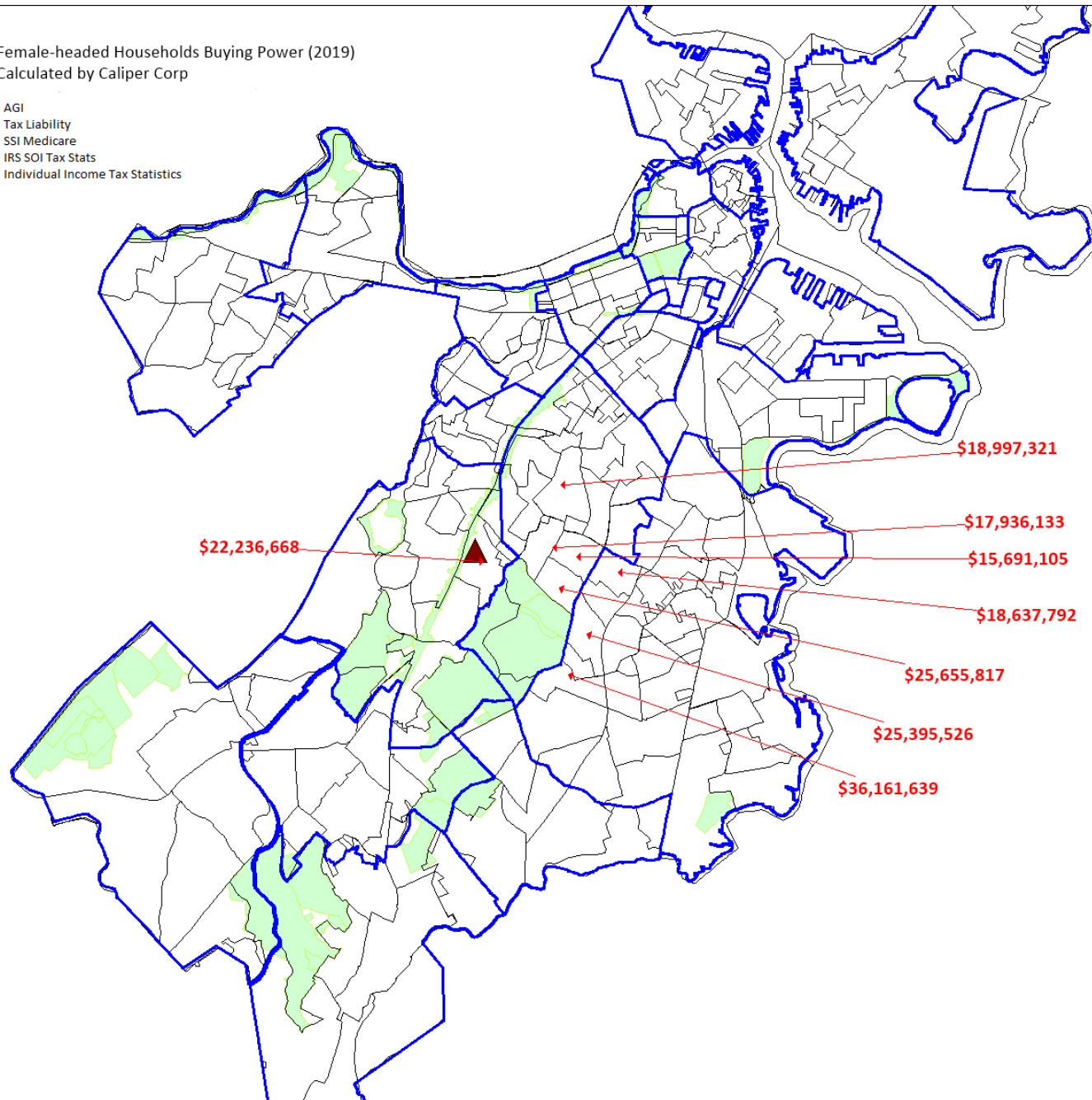


Buying Power of Households by Tracts and Neighborhoods
BLS / Estimated by Caliper Corporation 2019



Female-headed Households Buying Power (2019)
Calculated by Caliper Corp

AGI
Tax Liability
SSI Medicare
IRS SOI Tax Stats
Individual Income Tax Statistics



Zip Code 02119 (Roxbury)

2018 **(2020)**

451 Establishments **(438)**

224 reported 1 to 4 Employees **(210)**

72 reported 5 to 9 **(85)**

63 reported 10 – 19 Employees **(54)**

Source: US County Business Patterns

