

Diversity, Equity and Inclusion in Housing

Central Indiana Realtors Association

Agenda

- Possibility
- Challenges
- Advocacy

Fair housing appraisal complaint

2 minutes left



HAPPENING NOW

FAIR HOUSING APPRAISAL COMPLAINT



6:02
57°

RIGHT NOW

ANDERSON
CLOUDY

60°

BLOOMINGTON
RAIN

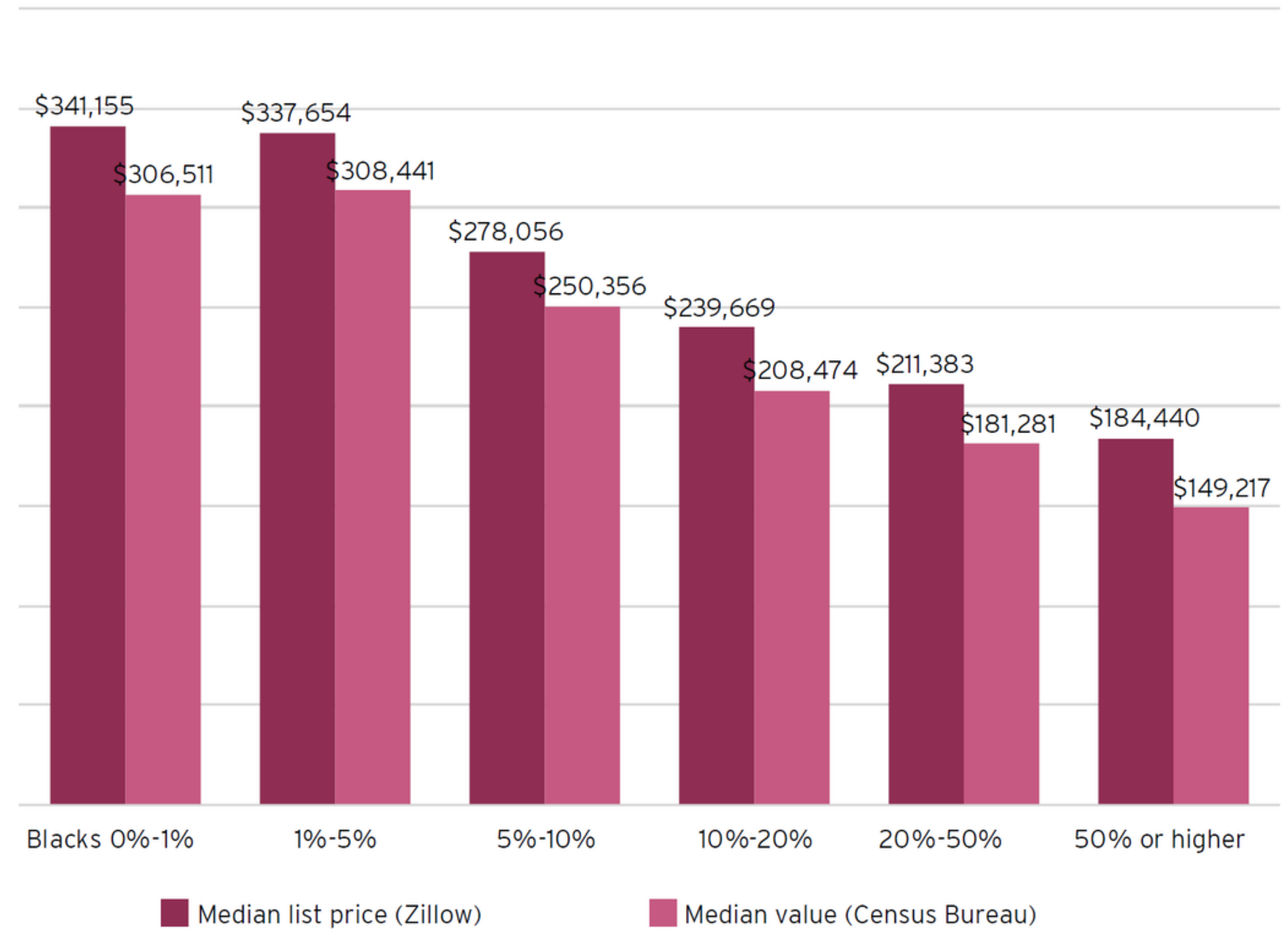
57°

Homes in black neighborhoods are worth less, on average, than homes in <1% black neighborhoods

FIGURE 1

Neighborhood median home value by black population share

U.S. metropolitan areas, 2012-2016



Source: Authors' analysis of Zillow and 2016 American Community Survey 5-year estimates

Neighborhood Composition

TABLE 4

Neighborhood characteristics by black population share

U.S. metropolitan areas, 2012-2016

Black population share	School test scores (Standardized)	EPA Walkability Index	Number of restaurants	Number of gas stations	Percent who use public transportation	Average commute time (minutes)
0%-1%	0.29	-0.31	53.2	6.9	3.6	26.7
1%-5%	0.28	-0.03	69.3	8.1	5.1	26.5
5%-10%	0.17	-0.01	69.7	9.2	4.7	26.6
10%-20%	-0.01	-0.01	67.5	10.0	5.4	26.5
20%-50%	-0.27	0.01	61.9	10.6	7.7	27.1
50% or higher	-0.85	0.23	50.0	10.8	15.0	29.2

Source: Authors' analysis data from 2016 American Community Survey 5-year estimates, Department of Education, Environmental Protection Agency, and County Business Patterns

Devaluation

-\$48,000

↓ 23%

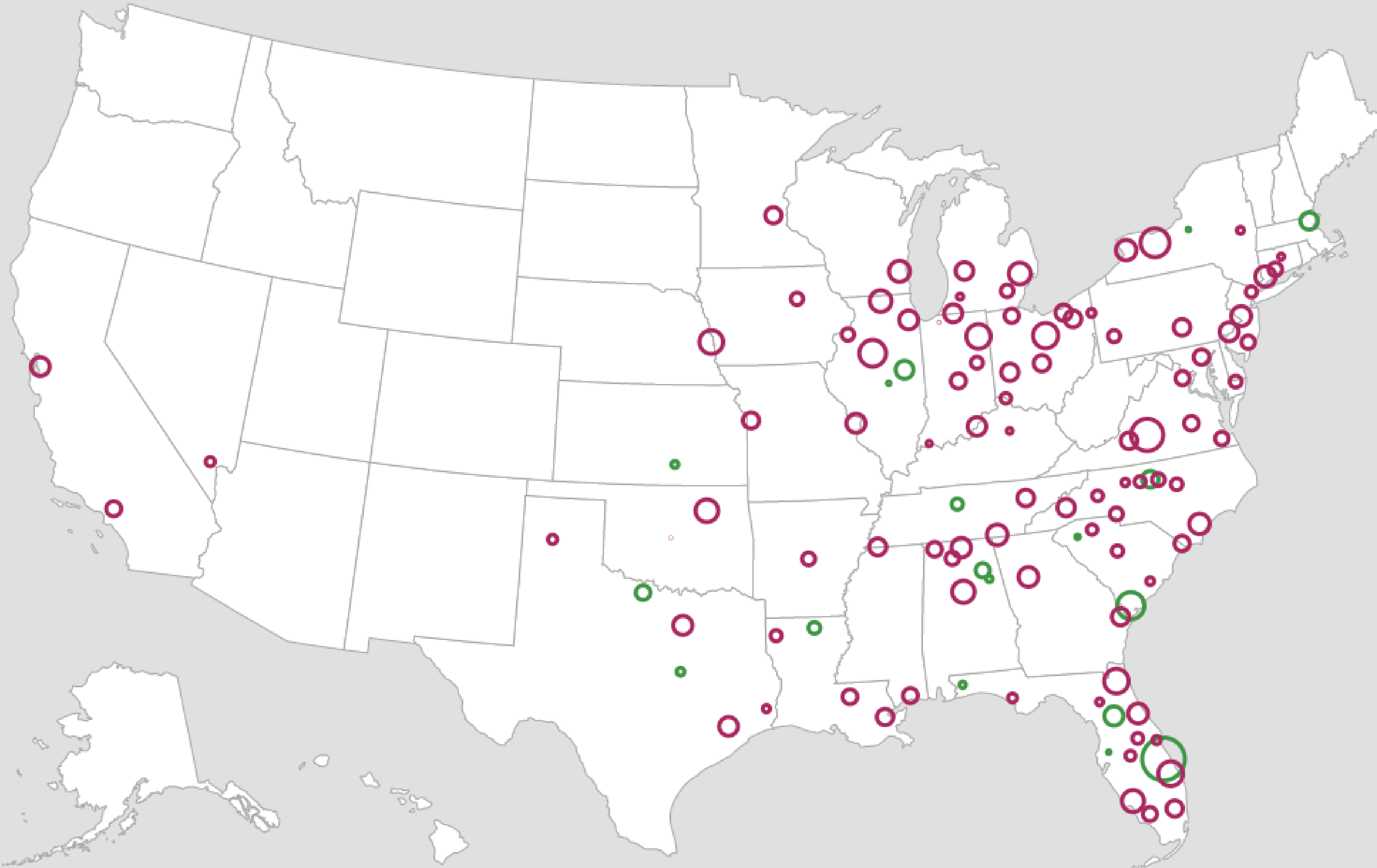
on average

Devaluation

\$156 billion

Devaluation varies by metro

113 metropolitan areas with at least one majority black neighborhood



Comparing home values in majority black neighborhoods with those where less than 1% of residents are black

Devaluation: Comparable homes in majority black neighborhoods are worth less ↘



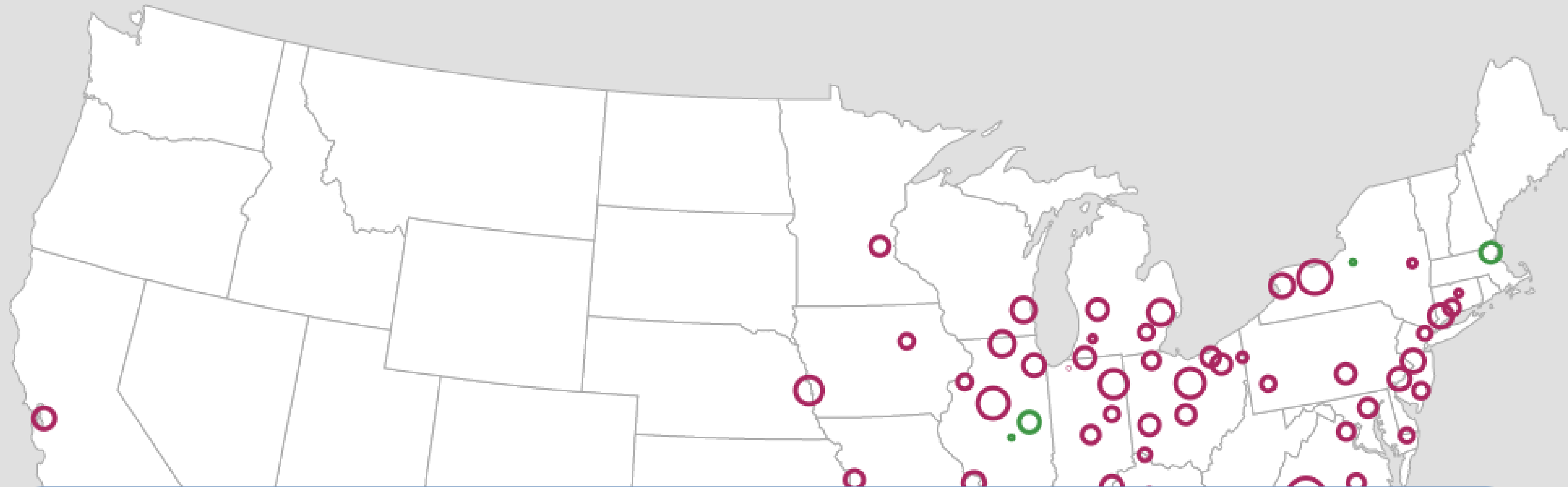
Appreciation: Comparable homes in majority black neighborhoods are worth more ↗



Devaluation and appreciation are represented by percent difference between comparable homes. Hover over metro areas for detail on the magnitude of devaluation.

Devaluation varies by metro

113 metropolitan areas with at least one majority black neighborhood



Indianapolis, Carmel, Anderson - IN

Percent difference -17.6%

Absolute price difference, -\$18,199

Comparing home values in majority black neighborhoods with those where less than 1% of residents are black

Devaluation: Comparable homes in majority black neighborhoods are worth less ↘



Appreciation: Comparable homes in majority black neighborhoods are worth more ↗



Devaluation and appreciation are represented by percent difference between comparable homes. Hover over metro areas for detail on the magnitude of devaluation.

Homes in Black neighborhoods are significantly devalued in many metro areas

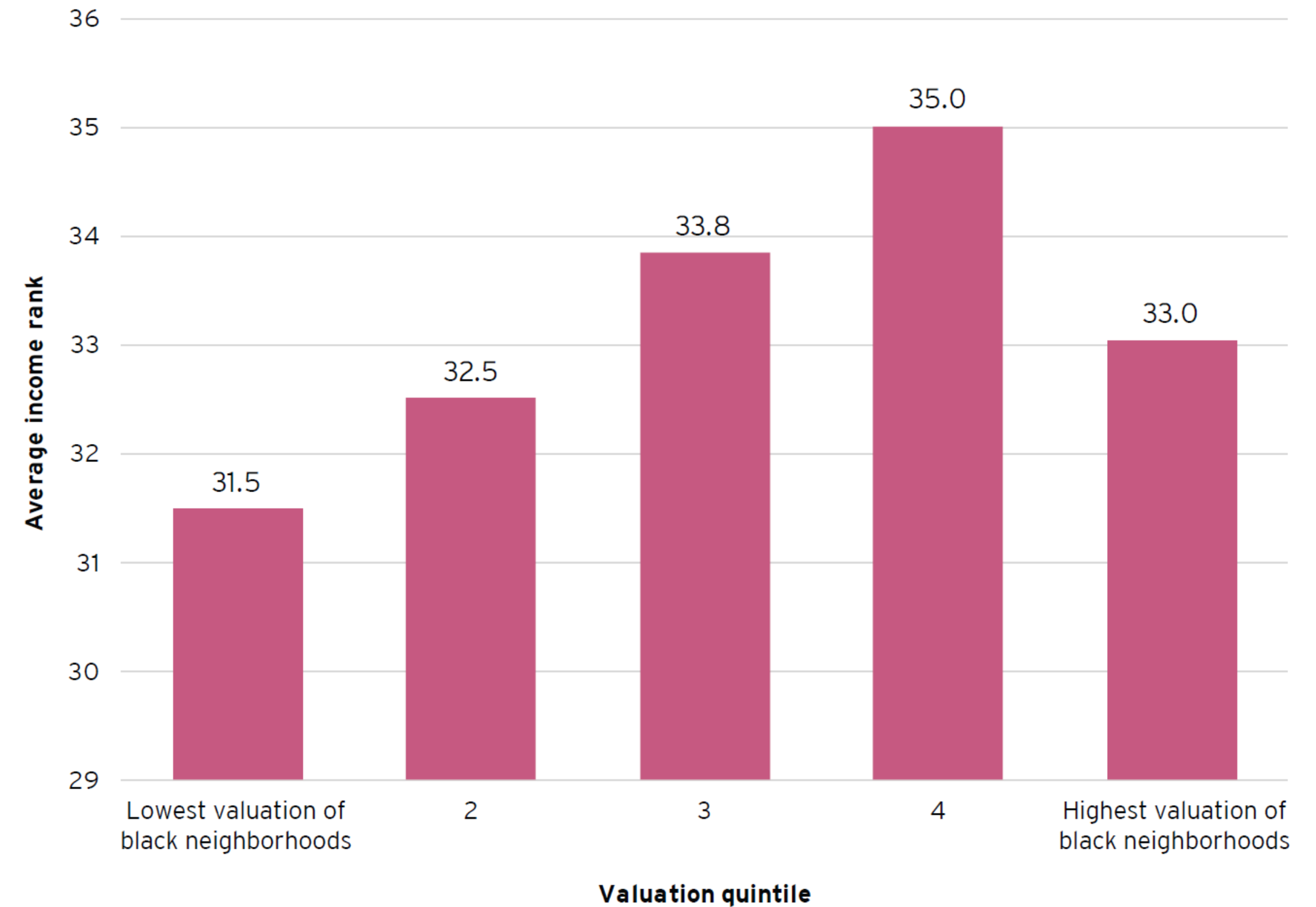
Metro Area	Valuation of homes in black neighborhoods
Example areas with <u>negative</u> valuation of homes in black neighborhoods	
Lynchburg, VA	-81%
Rochester, NY	-65%
Jacksonville, FL	-47%
Detroit-Warren-Dearborn, MI	-37%
Dallas-Fort Worth-Arlington, TX	-28.4%
Example areas with <u>positive</u> valuation of homes in black neighborhoods	
Nashville-Davidson-Murfreesboro-Franklin, TN	+10%
Wichita Falls, TX	+16%
Boston, MA	+23%
Champaign-Urbana, IL	+25%
Hilton Head Island-Bluffton-Beaufort, SC	+58%

Effect of Housing Valuation on Upward Income Mobility of Black Children

FIGURE 2

Effect of housing valuation on upward income mobility of black children

Majority-black neighborhoods in U.S. metro areas, 2012-2016



Note: Income rank calculated for black children born to parents at 25th percentile of national income. Devaluation measure is based on median list price per square foot after adjusting for home and neighborhood quality. Analysis is of 113 metropolitan areas with at least one majority black census tract and one tract with black population shares under 1 percent. Means are weighted by the number of black residents in metro area.

Source: Authors' analysis of data from Zillow, the 5-year 2016 American Community Survey and Equality of Opportunity Project. Devaluation measure is based on median list price per square foot after adjusting for home and neighborhood quality. Analysis is of 113 metropolitan areas with at least one majority black census tract and one tract with black population shares under 1 percent. Means are weighted by the number of black residents in metro area

Devaluation

\$156 billion

What is \$156 billion?

What is \$156 billion?



4.4 million

Source: Stanford Institute for Economic Policy Research

What is \$156 billion?



4.4 million black-owned businesses

Source: Stanford Institute for Economic Policy Research



8.1 million four-year degrees

Source: National Center for Education Statistics

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Replace pipes in Flint, MI nearly 3,000 times

Source: American Water Works Association

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97% of the damage of Hurricane Katrina

Source: National Oceanic and Atmospheric Administration

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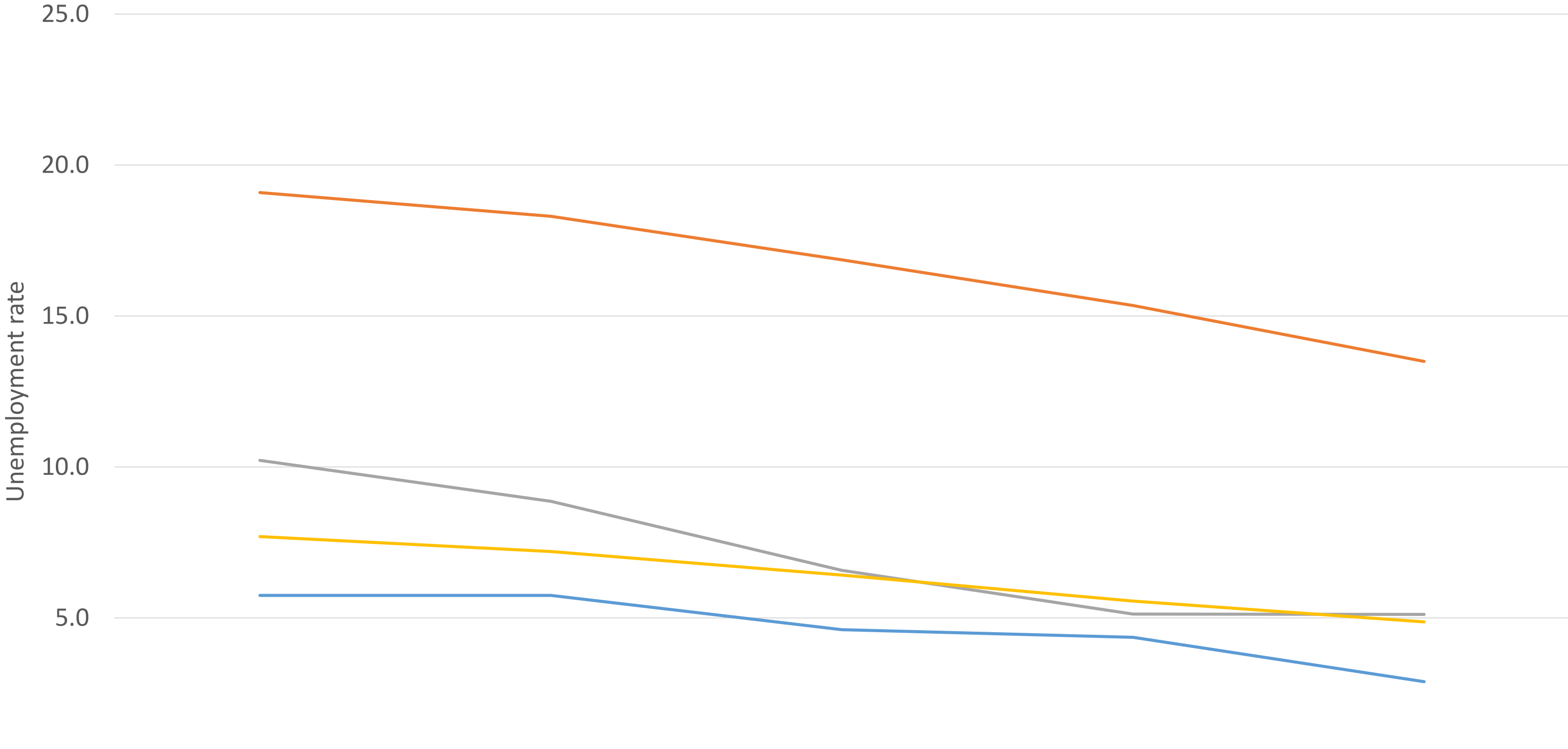
Double the annual economic burden of the opioid crisis

Source: Centers for Disease Control and Prevention (2013)

**There is nothing wrong with Black people
that ending racism can't solve.**

Black unemployment rate

Marion County Unemployment by Race, (2013-2017)



	2013	2014	2015	2016	2017
Asian	5.7	5.7	4.6	4.4	2.9
Black	19.1	18.3	16.9	15.3	13.5
Latin X	10.2	8.9	6.6	5.1	5.1
White	7.7	7.2	6.4	5.6	4.9

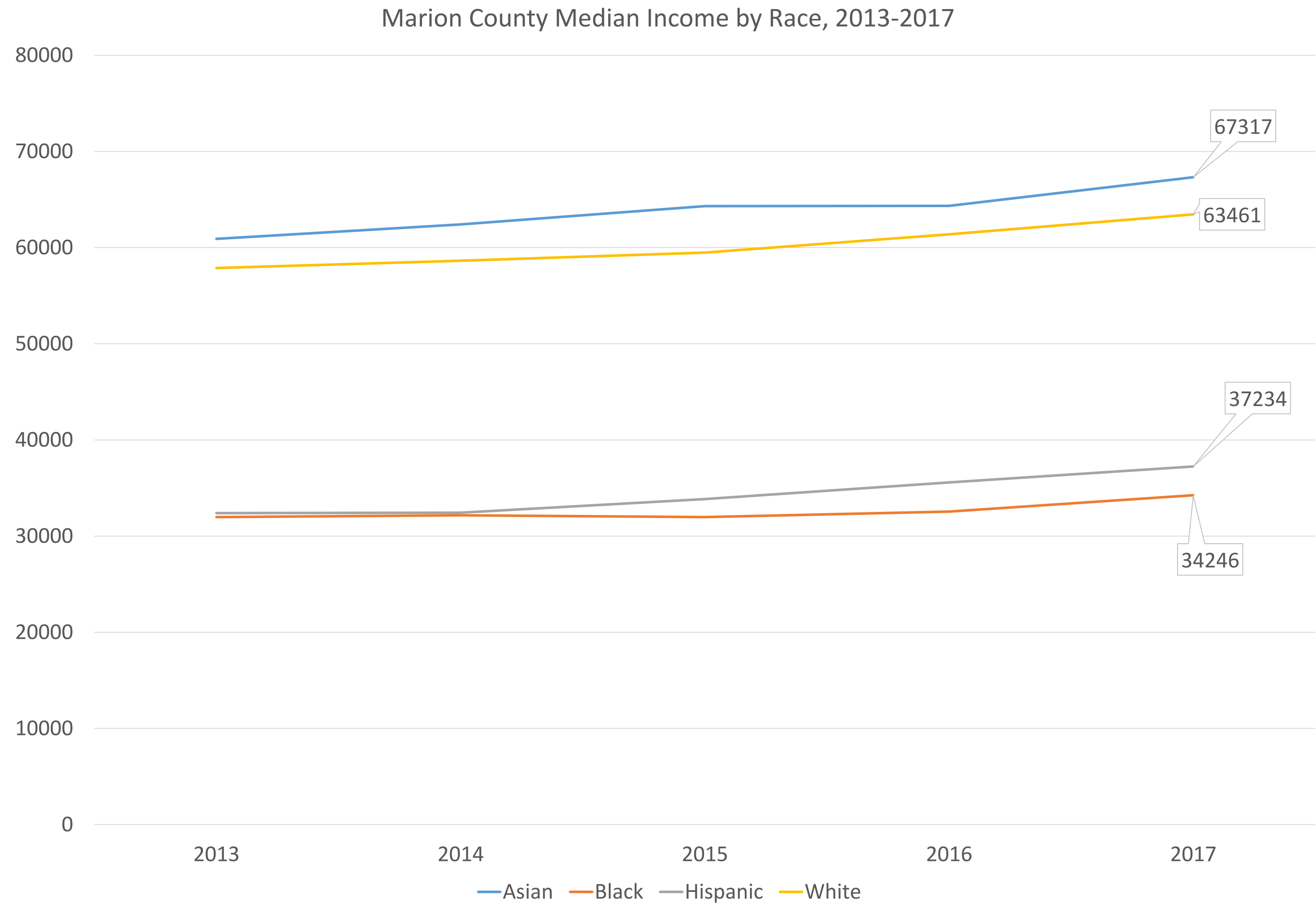
Year and Race

Asian Black Latin X White

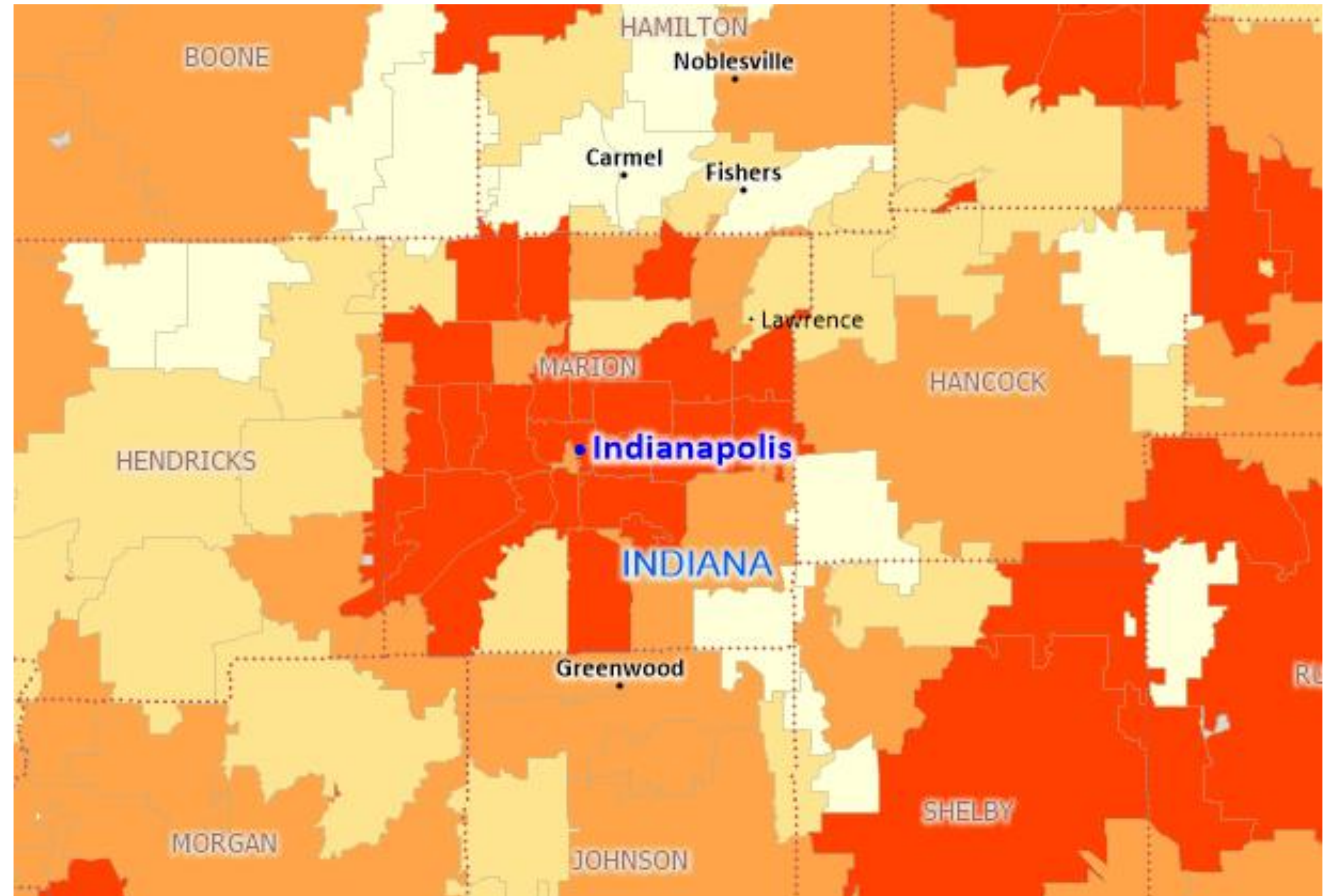
Source: SAVI.org

Median Income by Race (2013-2017)

Source: SAVI.org

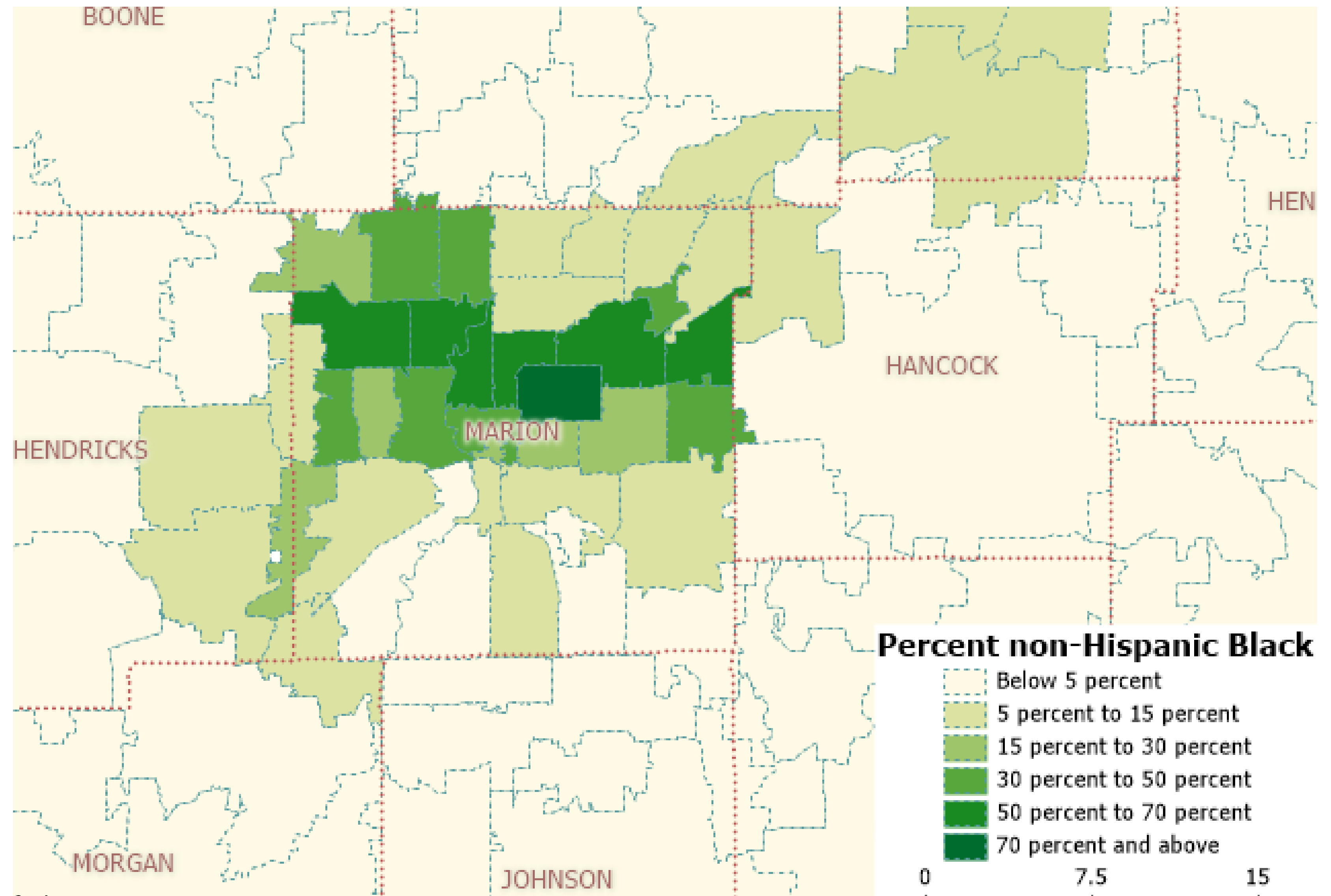


Credit scores and race have a strong geographic relationship in the Indianapolis area



Source: Federal Reserve of Chicago

Credit scores and race have a strong geographic relationship in the Indianapolis area



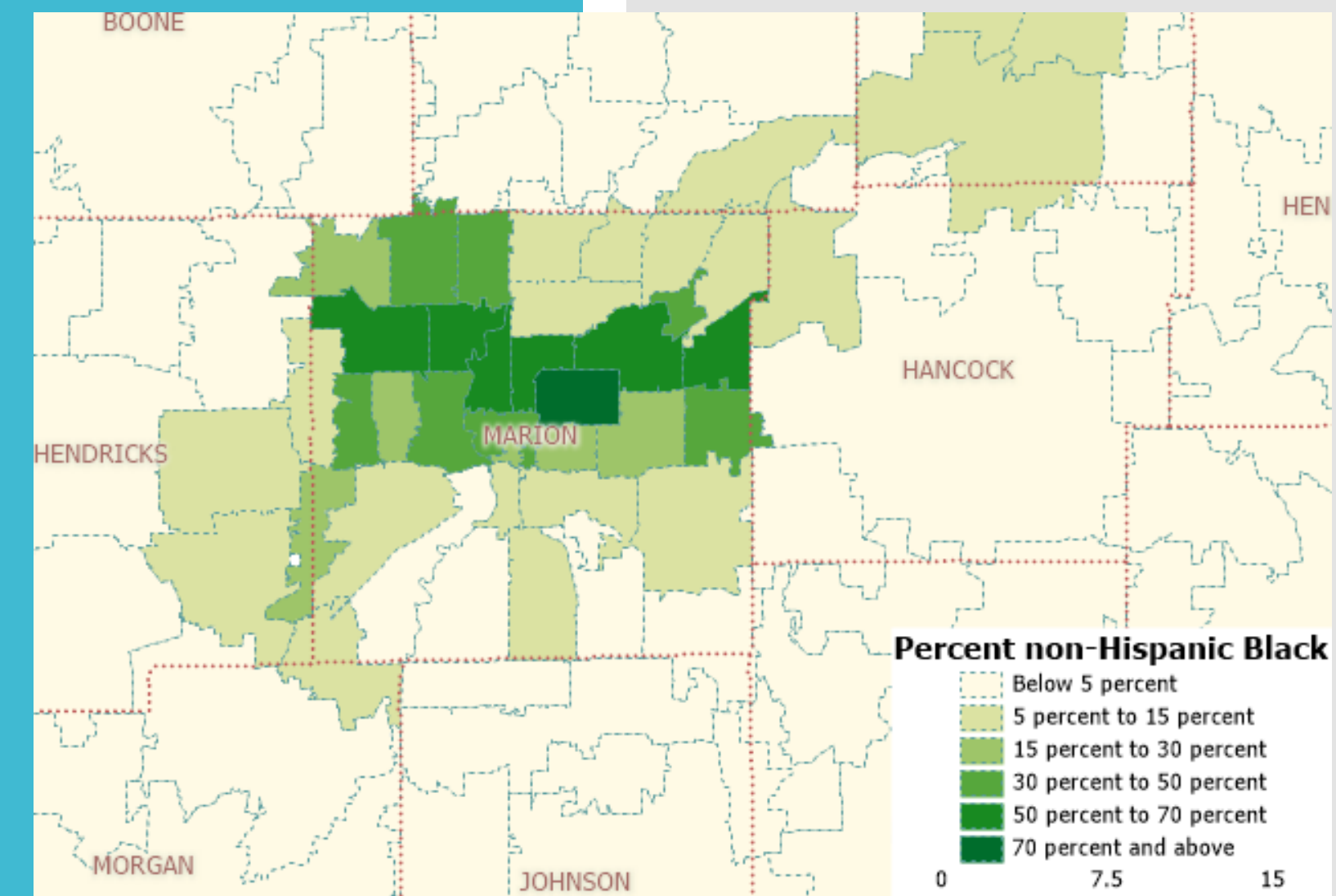
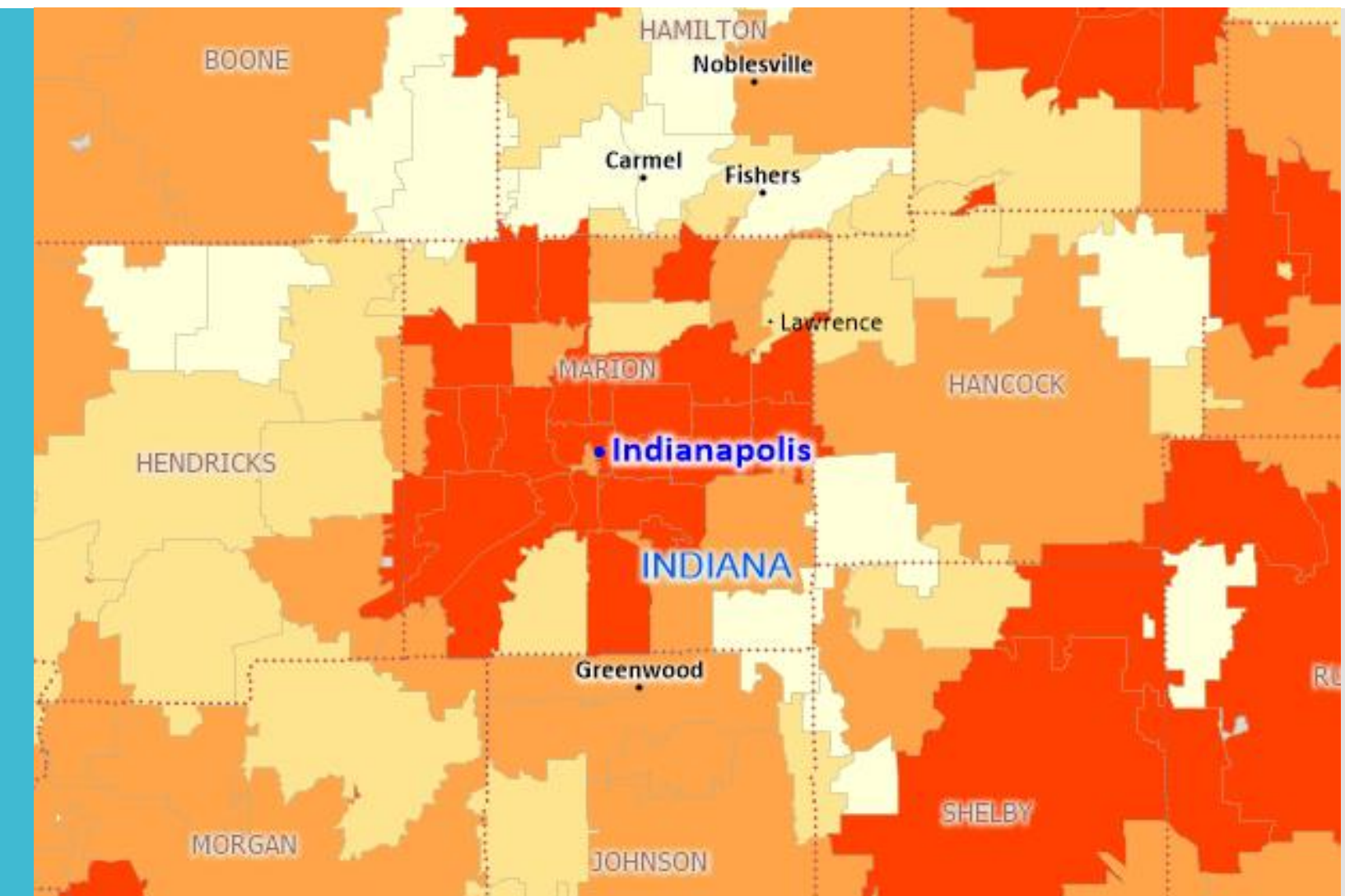
Source: Federal Reserve of Chicago

Credit scores and race have a strong geographic relationship in the Indianapolis area

Suburban areas surrounding Marion County have very low Black populations, and relatively few subprime households, while the central parts of the county have the highest shares of Black households and are in the top quartile of zip codes by percent subprime.

There are also subprime zip codes in rural outlying areas and on the south side of Indianapolis that have very low Black populations.

The credit score data is from the Federal Reserve Bank of New York Consumer Credit Panel / Equifax. The demographic data is from the American Community Survey, 2013-2017 5-year averages.



Source: Federal Reserve of Chicago

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Millennials only hold 3% of total US wealth, and that's a shockingly small sliver of what baby boomers had at their age

Hillary Hoffower Dec 5, 2019, 10:15 AM



When baby boomers were millennials' age, they held seven times the wealth millennials do. Mauricio Santana/Getty Images

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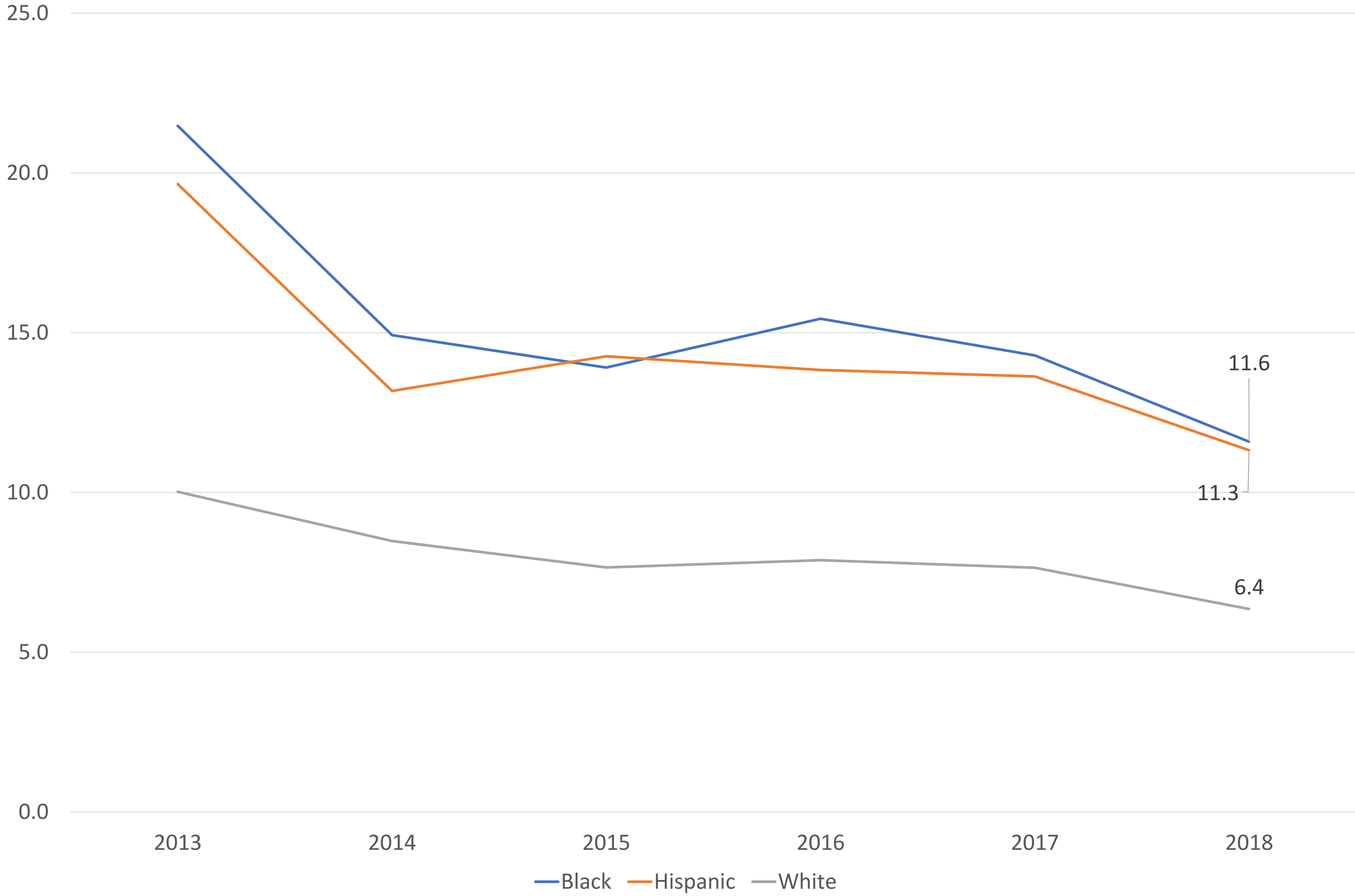
Black millennial households earn about 60% of what their white counterparts make, and it highlights just how much worse the generational wealth gap is along racial lines

Hillary Hoffower Jul 23, 2020, 12:19 PM



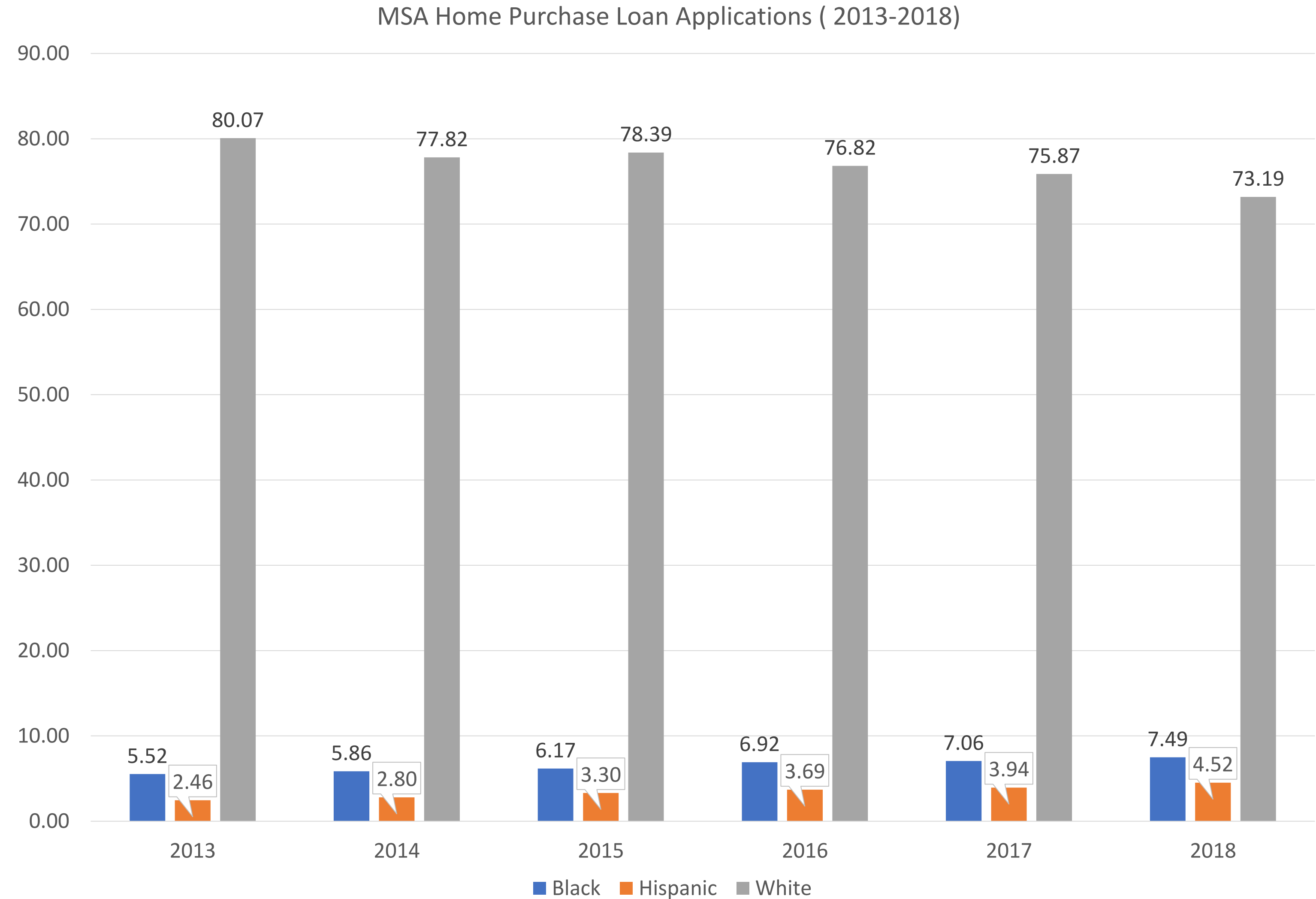
Mortgage Denials Rates

MSA Mortgage Denial Rates (2013 - 2018)



Source: SAVI.org

Home Purchase Loan Applications (2013 – 2018)



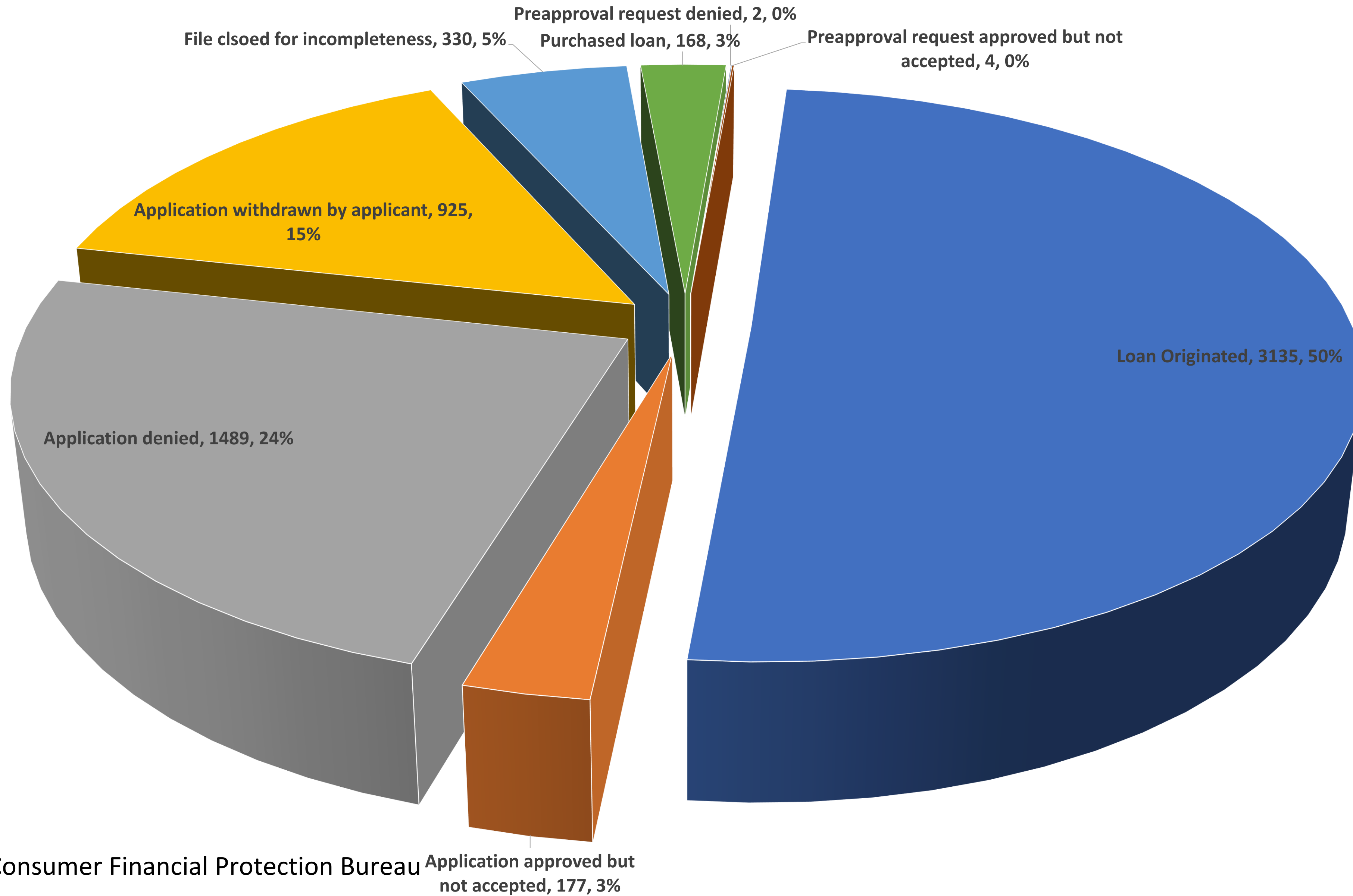
Source: Consumer Financial Protection Bureau

HMDA Data – All Financial Institutions Marion County 2019

Selected Variables (All)	# of Records	\$ Amount	Black				White		
			Black # of Records	Black \$ Amount	Black % of all	Black % of \$ Amount	# of Records	\$ Amount	White % of all
1 - Loan Originated	27,101	4,985,165,000	3,135	437,265,000	12%	9%	18,780	3,047,500,000	69%
2 - Application approved but not accepted	1,321	189,505,000	177	21,615,000	13%	11%	854	123,550,000	65%
3 - Application denied	7,131	805,195,000	1,489	151,835,000	21%	19%	4,070	440,410,000	57%
4 - Application withdrawn by applicant	6,115	1,077,165,000	925	131,825,000	15%	12%	3,770	593,590,000	62%
5 - File closed for incompleteness	1,857	265,165,000	330	43,560,000	18%	16%	1,068	154,140,000	58%
6 - Purchased loan	6,626	1,101,070,000	168	28,760,000	3%	3%	1,260	250,490,000	19%
7 - Preapproval request denied	12	2,120,000	2	220,000	17%	10%	9	1,845,000	75%
8 - Preapproval request approved but not accepted	8	1,180,000	4	510,000	50%	43%	3	535,000	38%

Source: Consumer Financial Protection Bureau

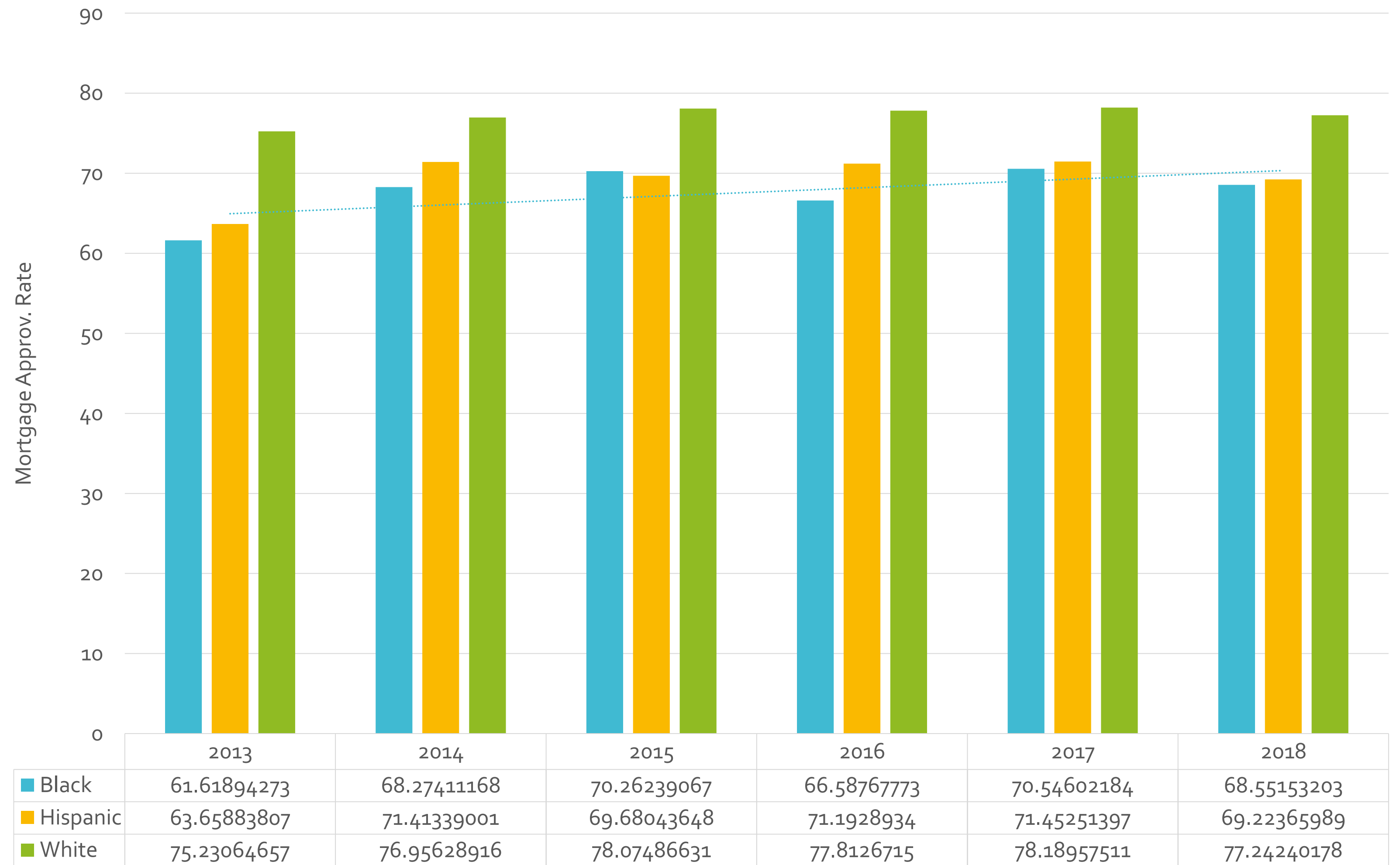
HMDA Data – All Financial Institutions , Black Marion County Residents in 2019



Source: Consumer Financial Protection Bureau

Housing

MSA Mortgage Approval Rates by Race



Year

Black Hispanic White Linear (Black)

Source: Consumer Financial Protection Bureau

African American Coalition of Indianapolis

- We want to support CDBG decision committees with DMD where appropriate.
- ✓ The City should work with central Indiana legislators to develop legislation that would give the City greater authority to regulate, fine and secure the property of corporate and absentee landlords. Holding apartment and home rental to high standards of quality for rental units; timely and complete repairs, maintenance of health and safety standards and adherence to fair rental rates should be the goal of proposed legislation.
- ✓ There should be greater diversity in the leadership of community and housing development organizations receiving pass through funds from the city for each source of funding.
- We want to see the city's affordable housing strategy to address high crime areas and receive semi-annual updates regarding outcomes of housing construction/renovation, elimination of abandoned/deteriorated housing, and availability of units for Black low/moderate income people.
- We will develop a talent pipeline for Black community development talent.
- We want to collaborate with the city and the Fair Housing Center of Central Indiana on a housing forum where we address discrimination in rentals, tenant's rights and to provide information on how residents can file complaints with Health and Hospital, Code Enforcement, the Office Business and Neighborhood Services and others.
- We will work with appropriate partners to leverage a rental strategy that positions us for homeownership.