

Offered by Councilors Kenzie Bok and Liz Breadon, Louijeune, Flaherty, Arroyo, Baker, Worrell, Lara, Murphy and Mejia



## CITY OF BOSTON IN CITY COUNCIL

### ORDER FOR A HEARING REGARDING HOMEOWNERSHIP ASSISTANCE INCLUDING FOR FIRST-GENERATION HOMEBUYERS

*WHEREAS:* The racial wealth gap between white and Black residents in the Greater Boston Area is extremely large, with the Federal Reserve Bank of Boston finding in 2015 that the median net worth for white households was \$247,500 and only \$8 for Black households; *and*

*WHEREAS:* Net worth is closely tied to assets, most notably homeownership, and in the same report the Federal Reserve Bank of Boston determined that in Boston 79.1% of white households own a home, compared to 33.8% of U.S. Black households, 48.7% of Caribbean Black households, 29.4% of Cape Verdean households, 21.2% of Puerto Rican households, 17.3% of Dominican households, and 34% of other Hispanic households; *and*

*WHEREAS:* According to the Urban Institute, the homeownership gap, in addition to its impact on wealth, has negative repercussions for retirement, access to educational opportunities, and health outcomes; *and*

*WHEREAS:* In Boston, the homeownership gap has both been driven by and has perpetuated the harmful legacy of residential segregation, a dynamic which organizations like the Massachusetts Affordable Housing Alliance (MAHA) have worked to tackle over decades by successfully winning creation and implementation of the state's ONE Mortgage program for affordable homeownership through the Massachusetts Housing Partnership (MHP) and by pushing local banks to participate in order to serve more first-time homebuyers of color; *and*

*WHEREAS:* In 2015 and 2016, a coalition including MAHA, the Greater Boston Interfaith Organization (GBIO), and others began organizing to pass the Community Preservation Act (CPA) as a first step towards funding major new affordable homeownership programs in Boston, an effort which culminated in 2020 in the use of \$8 million in CPA and city budget funds to launch the ONE+ Boston program; *and*

*WHEREAS:* This ONE+ Boston program, funded by the City Council's 2020 budget vote, is already enabling many first-time Boston homebuyers to access down-payment assistance and better interest rates than any other available peer program; *and*

*WHEREAS:* According to reporting by Tim Logan of the Boston Globe on February 8, 2021, Mayor Walsh earmarked \$325,000 — \$250,000 reallocated from the Boston Police FY21 overtime budget — for a matching grant to provide additional assistance to first-generation homebuyers in Boston, representing an important shift from police funds to direct investment in our communities; *and*

*WHEREAS:* The first-in-the-nation matched savings program for first-generation homebuyers, called STASH and administered by MAHA, provides those first-generation homebuyers who qualify and contribute \$2,500 with \$5,000; *and*

*WHEREAS:* Because of racial disparities in intergenerational wealth transfers, expanding homeownership assistance and supports for first-generation homebuyers specifically is one of the most effective ways to directly target the racial wealth gap in Boston; *and*

*WHEREAS:* In 2021, the City finalized a new revolving loan fund to help people with less family wealth or savings to access share-loans to buy into cooperative housing, a move aimed at diversifying access to the housing stability and more modest opportunities to accrue equity that cooperatives can provide; *and*

*WHEREAS:* Many city councilors have expressed support for \$100 million in federal relief funds to be dedicated to affordable homeownership, an opportunity to really expand the City's first-generation homeownership assistance as a mechanism for closing the racial wealth gap, along with the ONE+ Boston mortgage program, supports for cooperative housing share-loans, other first-time homebuyer programs, and potentially the creation of new affordable homeownership units;  
*NOW THEREFORE BE IT*

*ORDERED:* That the appropriate committee of the Boston City Council hold a hearing to review the city's homeownership assistance programs, including the city's supports for first-generation homebuyers, the ONE+ Boston mortgage program, supports for financing and its new support for first-generation homebuyers, and that representatives from the Department of Neighborhood Development, MAHA, GBIO, MHP, and the public be invited to testify.

Filed on: January 24, 2022