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**REPORT: PUBLIC HOUSING AUTHORITIES CAN PLAY A ROLE IN
REDUCING THE RACIAL HOMEOWNERSHIP GAP**

*It's National Homeownership Month and Research Demonstrates Untapped
Opportunities to Scale up Public Housing Authority Homeownership Programs*

CHICAGO— A report released today draws attention to an under-utilized program that, if scaled up, could meet tremendous demand for greater homeownership opportunities and begin to repair the damage of racist policies that have created housing inequity for decades. The report, authored by the Chicago Area Fair Housing Alliance (CAFHA), draws on interviews, surveys, and administrative records focused on the relatively unknown public housing authority homeownership program that is embedded within the better-known housing choice voucher (formerly known as Section 8) program.

The U.S. Department of Housing and Urban Development (HUD) allows PHAs to develop and implement homeownership programs, shifting the typical tenant-based voucher that pays a portion of one's rent to a voucher that pays either a down payment or a portion of one's mortgage each month. Both the Chicago Housing Authority (CHA), and the Housing Authority of Cook County (HACC) operate such programs, yet these programs, as well as those among housing authorities across the country, make up only a tiny fraction of the housing authorities' overall programming.

The report, *Public Housing Authority Homeownership Programs: Scaling Up a Powerful, Yet Underutilized Tool to Restore Wealth Building Opportunities*, demonstrates that scaling up homeownership programs would not only meet the desires of those in need of affordable housing and open up new opportunities for long-term stable housing and wealth building, but would make good sense from a cost-savings perspective. Most importantly, in Cook County, a significant investment in PHA homeownership programs could serve as redress for the legacy of racially exclusive housing and lending policy which has worked to constrain opportunities for Black families most acutely. With roughly 85% of the area's Housing Choice Voucher participants identifying as Black, the opportunity to begin to reverse course on this troubling history is evident. CAFHA Co-Executive Director, Gianna Baker, states, *"While white families have historically been provided subsidized homeownership opportunities, Black families have been steered toward subsidized rental options. Housing authorities have the power to reverse this*

dichotomy by growing homeownership voucher programs.”

The report uses survey responses from over 400 voucher holders, interviews with experts in housing and lending, program outcome data, analysis of existing regulations, and more to construct a picture of the incredibly underutilized potential of this program. While stable renting may be the path many families prefer, homeownership offers an opportunity to build intergenerational wealth. CAFHA Co-Executive Director, Patricia Fron states, *“Subsidizing private landlords cannot be the only path to providing housing opportunities. Why not invest in the housing and financial security of families in need of affordable housing too?”*

The report authors identify a set of recommendations which, if carried forth, would result in the significant expansion of this critical tool for homeownership, including:

- **The U. S. Department of Housing and Urban Development should pursue efforts toward homeownership expansion and oversight**, including working with Congress to grow the homeownership program and coordinate with the FHA to create specialized loan products.
- **Federal and state legislators must open the gates to reform**, including allocating increased funding to HUD for program expansion and pursuing equitable property tax reform at the state level.
- **Public housing authority program fidelity and administration must be improved**, including strengthening program outreach and recruitment and mitigating any infractions with federal regulations.
- **Public housing authority partnerships should be created and expanded**, including partnering with community land trusts and land banks to expand opportunities, engaging philanthropy to fund a homeowner peer mentorship program, and promoting the program more rigorously to lenders as a way to meet Community Reinvestment Act goals.
- **Lenders and real estate professionals should expand access as a way to remedy past harms**, including using alternative credit assessment methods in lending to voucher participants, the creation of low-to-no interest maintenance loans, and the building of a real estate restitution fund for Black homeowners.

Susan Reed, fair housing expert and former PHA Homeownership Program participant, sums it up best: *“Access and awareness about PHA Homeownership Program will provide the opportunity for voucher holders to purchase a house and make it a home, which creates lifelong stability.”*

A full copy of the report is available [HERE](#) or at <https://www.cafha.net/research-reports>

The Chicago Area Fair Housing Alliance (CAFHA) is a 501 (c) (3) non-profit working to combat housing discrimination and promote equitable place-based opportunity through education, advocacy, and collaborative action.

