

Making Affordable Homeownership Work in Albany, NY

Real solutions to address the legacies of redlining and other historic injustices

Executive Summary January 2022

The City of Albany is facing an affordable housing crisis and, specifically, a lack of quality, affordable homeownership opportunities. The legacy of bank redlining, housing discrimination, inequitable lending policies and the economic fallout from the 2008 foreclosure crisis shut many Black families out from homeownership altogether, with Albany suffering from significant racial homeownership disparities. The homeownership gap between Black and white households in Albany, NY is among the highest in the country, with a nearly 70% homeownership rate among white households and just a 20% homeownership rate among Black households.

Residents of Albany's historically redlined neighborhoods have endured generations of challenges, including predatory lending and underwater mortgages; blight and abandoned properties; aging housing stock and homes with lead, asbestos and mold; high rates of unemployment and population loss. This disproportionate impact is well-documented in numerous studies, including in the 2021 "A City Divided" project by *The Times Union*.

We do not have enough safe, quality, affordable homes for people to buy. A complicating reality is that in Albany's historically redlined neighborhoods, there is a significant development gap between what it costs to rehabilitate or build a home and what that home will appraise for once completed. This gap means that entire neighborhoods continue to be excluded from stability and revitalization.

Without targeted investment, the immediate and lasting impacts from the Covid-19 pandemic will worsen our city's disparities. According to a recent study from Harvard University's Joint Center for Housing Studies, home prices have been sharply rising, further excluding less affluent buyers from homeownership while millions of households that lost income during the shutdowns are behind on their housing payments and on the brink of eviction or foreclosure. A disproportionately large share of these at-risk households are renters with low incomes and people of color.

The good news is that Albany has the resources, experience and expertise to meet this challenge. Albany has strong neighborhood associations, two active neighborhood improvement corporations, a top performing Habitat for Humanity, a well-established Land

Trust; a proactive and engaged Land Bank, a community-based CDFI, a high performing housing counseling agency, a community development law clinic; a tenants' rights organization and a well-organized housing advocacy group, among many other key partners. These partners already collaborate, share information and coordinate programming together effectively. When it comes to housing issues, Albany nonprofits are connected and ready to create lasting change.

The City of Albany has already identified the expansion of affordable, equitable homeownership as a policy priority. Together, our coalition proposes a policy platform to increase affordable, equitable homeownership in the City of Albany. Our common goals include:

- Address the history of redlining and housing discrimination through targeted investment; increase the supply of affordable homeownership opportunities in disinvested neighborhoods by addressing the development gap.
- Implement a block-by-block approach in community and housing development.
- Provide community members with tangible, effective financial and education resources to assist them to purchase a home in their community.
- Coordinate services and strategies to create and maintain whole and healthy neighborhoods that address public safety and quality of life concerns.

The platform outlines key barriers to affordable, equitable homeownership within the City of Albany and our proposals for overcoming these obstacles. Although this document is not a specific request for funding, it will inform our community response to future funding opportunities within the City of Albany. The recommendations align with those proposed by the City of Albany's Covid-19 Recovery Task Force, the Albany County Blight to Betterment Task Force, Report Governor Hochul's Comprehensive 5-Year Housing Plan, and the federal Build Back Better proposal.

Proposal #1: Establish a local affordable homeownership fund

Proposal #2: Implement a blight action plan

Proposal #3: Streamline development approval and permits

Proposal #4: Expand homebuyer education and post-purchase support

Proposal #5: Expand credit counseling and alternative credit solutions

Proposal #6: Expand financial resources to address rent delinquency

Proposal #7: Preserve existing homeownership opportunities

Signed by:

Affordable Housing Partnership, Albany County Land Bank, Albany Community Land Trust, Arbor Hill Development Corporation, Capital Area Council of Churches, Center for Law and Justice, Council of Albany Neighborhood Associations, Habitat for Humanity Capital District, The Justice Center at Albany Law School Community Economic Development Clinic, New York State Council of Churches, South End Community Collaborative, South End Improvement Corporation, Trinity Alliance, United Tenants of Albany (as of 5-13-22)

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