



Ending Housing Segregation Step 5: Support investments in struggling communities.

The Challenge: State-funded homeownership programs typically limit the sale of rehabilitated properties to households earning under 120% of Area Median Income, even in the state’s highest poverty, lowest opportunity areas. As a result, some community development organizations rehabilitating homes in high-poverty areas are forced to reject eager homeownership applicants because they exceed income limits. This presents a dilemma, because while there is a need to foster homeownership opportunities for lower income households, it also prevents the generation of increased income diversity in struggling communities.

The Solution: Open Communities Alliance proposes the removal of income limits on homeownership programs to allow the sale of rehabilitated properties within our most challenged, very low opportunity areas when the property includes a rental unit that is deed restricted to be affordable to lower-income families. Such “very low opportunity” areas represent only 2% of the land area of the state.

At the Department of Housing’s discretion, when a potential homeowner’s employer has a program to assist employees become homeowners, this exception may be used to complement such programs.

The Benefit: This proposal leverages government resources to promote mixed-income neighborhoods while ensuring deed-restricted affordable units. A growing body of evidence suggests that mixed-income neighborhoods promote greater access to opportunity for lower income families in the form of positive educational outcomes for low-income students, safer streets, law enforcement with greater responsiveness to community concerns, viable municipal revenue, and increased quality of life. Investments that foster mixed-income neighborhoods while protecting against gentrification are of significant benefit to current low-income residents.

