



Habitat for Humanity[®]

of Coastal Fairfield County



2024 Needs Assessment Report

Building Hope in our Community: Advancing Black Homeownership in Coastal Fairfield County

habitatcfc.org



EQUAL HOUSING OPPORTUNITY

Habitat for Humanity of Coastal Fairfield County (Habitat CFC) Mission Statement

Habitat for Humanity of Coastal Fairfield County seeks to build community and improve lives by partnering with low-income families, community volunteers and donors to build decent and affordable homes in stable and welcoming neighborhoods.

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Acknowledgement of the research participants

Habitat CFC would like to thank the more than 100 people who participated in community meetings and focus groups, many of whom also completed our online survey to share information about Black homeownership. We hope that this report has captured your experiences, perspectives and hopes and dreams around homeownership.

Acknowledgement of the funders

We acknowledge M&T Bank for granting Habitat CFC the Amplify Funds for the Advancing Black Homeownership Needs Assessment. The funds were instrumental in helping us understand and address the unique challenges and opportunities that affect Black homeownership in our community. The Needs Assessment allows us to take crucial steps toward promoting equity in housing and to create meaningful strategies for empowering families to achieve homeownership.

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Executive Summary

Habitat for Humanity of Coastal Fairfield County (Habitat CFC) is committed to promoting equitable homeownership opportunities. However, they have observed that the local Black population was underrepresented among Habitat home applicants. This underrepresentation is due to a range of factors, including the lasting impact of racism and discriminatory practices that have historically limited Black homeownership, particularly in Connecticut.

Additionally, Black residents in Fairfield County face unique challenges when seeking homeownership. The region's high cost of living, coupled with persistent racial segregation, creates barriers that disproportionately affect Black families. Habitat CFC established an Advancing Black Homeownership (ABH) Advisory Committee composed of Black community leaders to address these issues. The committee noted that increasing Black homeownership requires a holistic approach that goes beyond financial considerations to include broader external factors, perceptions, experiences, and beliefs within the Black community.

Habitat CFC ABH Advisory Committee developed a framework for promoting homeownership with supports that attend to the following factors of access:

- **Meaningful:** Reflecting the unique needs and aspirations of the Black community.
- **Relatable:** Recognizing and respecting the lived experiences of Black individuals.
- **Attainable:** Addressing the financial and systemic barriers to homeownership.
- **Feasible:** Ensuring practical pathways to homeownership.
- **Possible:** Demonstrating that homeownership is a viable goal.

Habitat CFC conducted a comprehensive outreach effort to gather insights and inform its approach. It held three community meetings with over 100 attendees and organized five focus group discussions. Additionally, it collected responses from 93 survey participants, most of whom were not yet homeowners. The survey respondents represented a diverse age range and varied income levels, providing a broad perspective on the obstacles to Black homeownership in the region.

The ABH Advisory Group confirms that the Assessment Report's wholistic approach towards deconstructing disparities in homeownership properly sets the stage for the development and adoption of innovative and creative solutions to the core problems while highlighting the importance of ongoing community involvement. The Assessment Report's findings and recommendations detailed above represent in sum and substance constitute an important first step towards leveraging the collective strength of the community, stakeholders and corporate partners for purposes of creating a more equitable, sustainable homeownership environment for all of the citizens of Fairfield County but especially with regards to the Black and Brown communities. We recommend that the Assessment Report be received, accepted and critiqued by the reader as a conceptual and practical blueprint for addressing homeownership disparities in Fairfield County with the express goal in mind of rendering the American Dream of homeownership accessible to everyone who is committed to make the dream come true.

Introduction

Purpose of This Study

In June 2022, Habitat for Humanity International (HFHI) launched the Advancing Black Homeownership (ABH) Initiative to address disparities in homeownership and promote equity. Habitat for Humanity of Coastal Fairfield County (Habitat CFC) received a grant from HFHI to support this initiative¹, reflecting a commitment to advancing Black homeownership in Coastal Fairfield County.

Through this grant, Habitat CFC has engaged in capacity-building activities with Habitat colleagues from across the country with the goal of gathering information to create a strategic plan. Habitat CFC conducted a community needs assessment and embarked on a targeted planning effort to develop strategies for increasing Black homeownership. To ensure these efforts resonate with the local community, Habitat CFC formed an ABH Advisory group of Black leaders who provided critical insights and guidance. This collaboration was founded on the belief that strong community engagement is key to understanding and addressing the unique challenges faced by Black residents.

Advancing Black Homeownership Advisory Committee

The Advancing Black Homeownership Advisory Committee embodies the spirit of hope and resilience, aiming to improve the lives of Black families striving for homeownership in Fairfield County. By leveraging their collective wisdom, influence, and passion for justice this committee is poised to make a lasting impact on the lives of countless individuals and communities.²

The committee's objectives include hosting community focus groups to gather information. They are also tasked with fostering community engagement, empowering individuals through education, and promoting affordable housing initiatives. By working together, we aim to create meaningful and lasting change.

This report represents the culmination of the community needs assessment process. It draws on both quantitative data and qualitative insights from lived experiences to identify barriers to Black homeownership. By exploring the multiple facets of access to homeownership, this report aims to frame these challenges in a way that encourages innovative solutions and community-driven action. Direct comments from survey and focus group participants are called out throughout this report.

Background

Homeownership is a central component of the American Dream, representing stability, economic security, and generational wealth. However, systemic barriers have historically limited access to this dream for Black families. Recent research by HFHI has shown that homeownership leads to a range of positive outcomes, including increased graduation rates, improved children's health, and reduced

¹<https://www.governing.com/community/opening-doors-to-black-homeownership>

²<https://habitatcfc.org/2023/09/29/introducing-the-advancing-black-homeownership-advisor-committee/>

reliance on government assistance.³ Moreover, homeownership fosters broader benefits, such as civic engagement, environmental sustainability, and social stability.⁴

The association of homeownership with such a broad range of positive outcomes, makes increasing Black homeownership a key path toward a thriving local and state economy, improved health and wellness, and an engaged civic environment necessary for strong social and democratic processes.

Black homeownership will increasingly contribute to the American Dream for all in Connecticut as the number of Black households grows. The number of Black households in Connecticut has been increasing since at least the 1990s and is expected to continue to increase well into the future at the same time that the number of White households has been decreasing.⁵

Increasing Black homeownership is crucial not only for individual families but also for the overall health and prosperity of local communities and the state of Connecticut. As the number of Black households in Connecticut continues to grow, the success of the Advancing Black Homeownership Initiatives will be instrumental in shaping a more equitable and vibrant future for all.

Through the Advancing Black Homeownership Initiatives, Habitat CFC seeks to contribute to this vision by identifying and addressing the key barriers to Black homeownership in Fairfield County. By leveraging the collective strength of the community and fostering meaningful partnerships, we can move toward a more inclusive and just housing landscape, making the American Dream accessible to everyone.

Key Findings and Recommendations

This comprehensive approach to engaging Black community residents' underscores Habitat CFC's commitment to fostering a more equitable and inclusive path to homeownership for Black families in Fairfield County. We aim to address and overcome the historical barriers impeding Black homeownership through collaborative efforts and ongoing community engagement. Community residents who participated in the survey and focus groups led us to five focus areas related to the idea of access to homeownership.

1. Lack of Understanding of the Homeownership Process: Increased understanding of the perceived benefits and value of homeownership within the Black community, leading to informed decision-making and enhanced quality of life.

³<https://www.habitatbuilds.com/wp-content/uploads/2016/04/Benefits-of-Homeownership-Research-Summary.pdf>

⁴ <https://www.habitat.org/our-work/impact/research-series-outcomes-associated-with-homeownership>

⁵<https://www.urban.org/policy-centers/housing-finance-policy-center/projects/forecasting-state-and-national-trends-household-formation-and-homeownership/connecticut>

2. Affordability and Resources: Identification of potential barriers to homeownership, such as financial constraints or lack of access to resources, enabling targeted interventions to address these challenges.
3. Social networks and support: Strengthening systems for potential homeowners through the promotion of knowledge-sharing and encouragement from family and friends.
4. Credit and Awareness of Finances: Improved financial literacy and preparedness among potential homeowners, enhancing their ability to navigate the homebuying process and make informed financial decisions.
5. Availability of Information and Programs: Expanded access to programs and support that facilitate homeownership, fostering greater inclusivity and equity in the housing market within Coastal Fairfield County, CT.

Context: Why Focus on Black Homeownership?

Organizational Background

The criteria for obtaining a Habitat CFC home is the same for all people across race, ethnicity, religion, and additional identity categories. However, Habitat CFC has found that, over the past decade, the Black community has been underrepresented in Habitat homeownership in the region. When we say Black, we are not referring to all people of color but specifically to those individuals who are from communities whose ancestors were formerly enslaved in the United States.

Although racism affects people of many shades and ethnicities, the legacy of slavery from colonial times to the Civil War, has had a specific effect on Black communities. From the trauma of being enslaved to the horrific acts committed during the Reconstruction Era to the oppressive, violent and fear inciting practices of the Jim Crow years and through to the fight for Civil Rights, there is a long history of harm and also resilience and strength. This history continued into the 20th Century with practices of redlining and predatory lending and even to today with overt acts of racism and inequitable practices that are ingrained and institutionalized across systems.^{6 7}

Discrimination once took the form of redlining and today is seen in the devaluing of Black homes.⁸ It once looked like NIMBY (not in my backyard) attitudes and today looks like mistreatment of Black neighbors.⁹ It used to take the form of sundown towns and today lives on in racially restrictive

⁶ <https://www.segregatedbydesign.com/>

⁷ <https://nonprofitquarterly.org/solutions-centering-black-women-housing/>

⁸ [Mortgage Lending Company Must Pay After Black Couple's Home Undervalued By Nearly \\$300K, Changes Its Policies But Still Claims No 'Wrongdoings'](#)

⁹ <https://ctbythenumbers.news/ctnews/black-homebuyers-face-discrimination-when-purchasing-but-the-battle-for-equity-continues-as-homeowners>

covenants that still require legislative action to remove. Racism continues to be a determinant in Black homeownership.¹⁰

Evidence of these barriers can be found in the studies that show that, Black homeownership is trending downward even though Black employment trends show improvement.^{11 12} Additional indicators show that market forces alone do not account for the gap in Black homeownership.¹³ Rather, Black communities are disproportionately affected not just by issues of housing affordability and supply but also by climate change and persistent wealth gaps and the related health implications that are experienced in low-income communities.¹⁴

This history has repeatedly demonstrated to descendants of slaves that every time the Black community has begun to build community safety, security, and wealth, the community has also been targeted with physical and emotional deterrents to success. Every time there is an embrace of the opportunity for the “American Dream,” institutionalized policies and practices continue to pose a barrier to Black prosperity. Homeownership, today, is about re-building Black wealth and community stability.

What Does Black Homeownership Look Like Today

Black homeownership has been getting increased media coverage and attention nationally as well as in Connecticut and Fairfield County. Studies show that, even amongst all people of color, those identified as Black have the lowest homeownership rates and the biggest homeownership gap nationally at 30 percentage points lower than White homeownership.^{15 16} The Black population remains the least likely to own a home.¹⁷ A variety of factors contribute to this inequity.¹⁸ The disparities revolve around four

¹⁰ <https://www.housedems.ct.gov/node/18930>

¹¹ https://fredblog.stlouisfed.org/2022/04/the-latest-on-homeownership-race-and-region/?utm_source=series_page&utm_medium=related_content&utm_term=related_resources&utm_campaign=fredblog

¹² <https://nhc.org/2023-state-of-housing-in-black-america/>

¹³ <https://www.nareb.com/publications/2023-shiba-report/>

¹⁴ https://bwhi.org/wp-content/uploads/2019/01/CWC_Report_Full_report_lowres.pdf

¹⁵ <https://usafacts.org/articles/homeownership-rates-by-race/>

¹⁶ <https://www.nar.realtor/newsroom/more-americans-own-their-homes-but-black-white-homeownership-rate-gap-is-biggest-in-a-decade-nar>

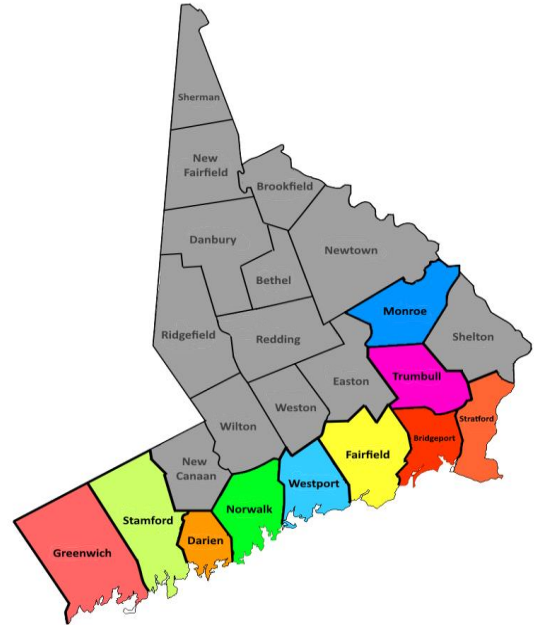
¹⁷ <https://www.jchs.harvard.edu/blog/nearly-every-state-people-color-are-less-likely-own-homes-compared-white-households>

¹⁸ https://www.urban.org/sites/default/files/publication/101160/explaining_the_black-white_homeownership_gap_2.pdf

key gaps: the knowledge gap, the trust gap, the market gap, and the resource gap. Addressing each of these requires developing community trust as well as investing resources.¹⁹

Although the statewide homeownership rate is similar to the national level overall (US 65.2% / CT 66.3%), when we look at the racial gap, the difference between Connecticut’s White homeownership (75.6%) and Black homeownership (39.0%) shows a gap of approximately 37 percentage points.^{20 21}

Once referred to as the Gold Coast, Fairfield County is documented as the richest county in Connecticut and one of the richest counties in the United States. Habitat CFC’s current region includes the towns/municipalities of: Greenwich, Stamford, Darien, Norwalk, Westport, Fairfield, Bridgeport, Trumbull, Monroe, and Stratford.



When we focus locally, we find that Fairfield County’s racial gap in homeownership is similar with 77% of White households being occupant owned and only 42 % of Black households being occupant owned, a percentage gap of 35.²² However, these Fairfield County percentages have been taken from the 2020 census with all indications saying that the trends over the past few years have been toward an increasing racial gap.

In addition, households are considered “cost burdened” by housing costs if their rent or mortgage is above 30% of their annual income. Fairfield County Statistics show that Black Households (designated by race of head of household) experience a higher cost burden than White households whether they rent or own their home.²³

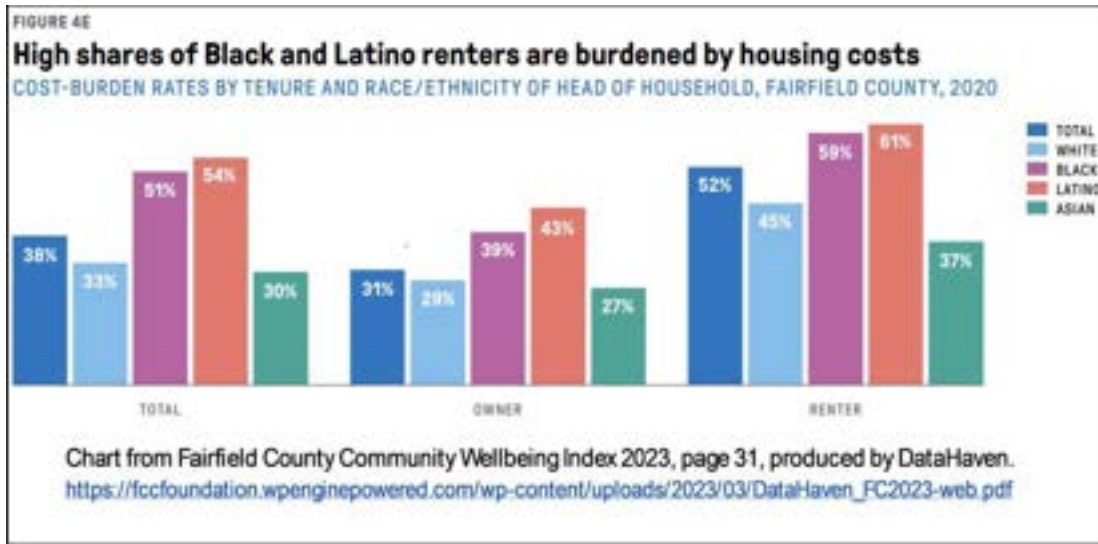
¹⁹ <https://www.huduser.gov/portal/pdredge/pdr-edge-featd-article-032221.html>

²⁰ https://www.americashealthrankings.org/explore/measures/homeownership?population=homeownership_black

²¹ <https://www.jchs.harvard.edu/blog/nearly-every-state-people-color-are-less-likely-own-homes-compared-white-households>

²² <https://www.ctdatahaven.org/reports/fairfield-county-community-wellbeing-index>

²³ <https://www.ctdatahaven.org/reports/fairfield-county-community-wellbeing-index>



Housing Patterns and Practices

Racialized housing policies and practices have been documented across the towns of Fairfield County contributing to persistently segregated housing patterns.^{24 25 26} Educational and economic inequality combine with trends in inflation, housing construction, and mortgage interest rates, making the pressures on Black homeownership even more complicated and interwoven.^{27 28 29}

The following table begins to show the patterns of income and housing across the towns that make up Habitat CFC’s region.³⁰ Along with national inflation, interest and construction shortage trends, Fairfield County’s proximity to New York, concentrated wealth, and high cost of living all contribute to the pressures on homeownership.

	Greenwich	Stamford	Darien	Norwalk	Westport	Fairfield	Bridgeport	Trumbull	Monroe	Stratford
Median Age	43	38	40	40	46	40	35	42	41	43
Median Household Income	\$180,447	\$99,791	\$250,001	\$91,434	\$236,892	\$149,641	\$50,597	\$138,801	\$127,995	\$86,113
Poverty Rate	5.00%	9.00%	5.00%	10.00%	3.00%	6.00%	23.00%	4.00%	3.00%	7.00%
Race (%Black)	2.00%	12.00%	<1.00%	12.00%	<1.00%	2.00%	32.00%	4.00%	3.00%	20.00%
Median Home Value	\$1,377,000	\$550,600	\$1,475,400	\$447,200	\$1,126,300	\$627,100	\$194,100	\$417,600	\$385,900	\$274,400
Median Rent	\$2,122	\$1,981	\$3,066	\$1,750	\$1,999	\$1,977	\$1,225	\$2,063	\$1,408	\$1,401
Owner Occupied	67%	49%	86%	57%	88%	83%	43%	88%	92%	79%

Data from CTData Housing Data: <https://www.ctdata.org/housing>

²⁴<https://rpa.org/work/reports/fairfield-county-housing-needs-assessment>

²⁵<https://www.ctinsider.com/news/article/report-ct-s-racial-economic-segregation-among-18623586.php>

²⁶https://www.chfa.org/assets/1/6/Equitable_Homebuying_2021.pdf

²⁷<https://nlihc.org/gap/state/ct>

²⁸https://www.chfa.org/assets/1/6/HNA_10.10.23.pdf

²⁹[https://www.chfa.org/assets/1/6/C.G.S.8-37bb - October 1 2022-September 30 2023 Final 12-29_compressed.pdf](https://www.chfa.org/assets/1/6/C.G.S.8-37bb_-_October_1_2022-September_30_2023_Final_12-29_compressed.pdf)

³⁰<https://www.ctdata.org/housing>

It is important to note that for Fairfield County as a whole, the median annual household income is \$100,810³¹. In Connecticut, to qualify for a subsidy through the Department of Housing and Urban Development's housing voucher program, a family's income cannot exceed 50% of the median income. Further, HUD requires that at least three quarters of its vouchers are to people whose incomes do not exceed 30% of the area median income.³² Therefore, in Fairfield County, income eligibility for federal housing subsidies would range from approximately \$30,000 to \$50,000 per year.

Although it might be easiest to focus solely on financial indicators (income, credit scores, savings) the complexity around homeownership can't be ignored.³³ In Fairfield County, stories and community experiences affirm that gaps in Black homeownership must be framed more holistically than finances alone. To better understand the interwoven effects of external conditions along with inner cultural and intercultural dynamics, we need to frame Black homeownership in terms of a broader set of ideas that together encompass the realities of homeownership access.

Methodology

Framing for Black Access to Homeownership

The ABH Advisory Committee and the staff of Habitat CFC, all recognized as leaders within the Black community, collaborated to create a model for exploring access to homeownership in Coastal Fairfield County. They aimed to develop a framework that would shed light on the unique challenges and misconceptions surrounding homeownership in the Black community. Their approach also took into account the psychological and emotional aspects of homeownership, that exist in addition to the financial considerations.

By using the following framework and the insights gathered from Black residents, the committee seeks to foster greater awareness, encourage cultural shifts, and design more effective support systems that can boost access to homeownership in the region.

³¹ <https://data.census.gov/profile?q=Fairfield%20County,%20Connecticut>

³² <https://portal.ct.gov/doh/doh/programs/section-8-housing-choice-voucher-program#:~:text=Generally%2C%20the%20family's%20income%20may,of%20the%20area%20median%20income.%5D>

³³ https://www.jchs.harvard.edu/sites/default/files/Harvard_JCHS_State_of_the_Nations_Housing_2019.pdf

Black Access to Homeownership

To increase Black homeownership, we need to provide the education, supports, and pathways that make it realistic for Black communities. To increase access to homeownership, we can understand and address the following:

Is homeownership **MEANINGFUL**? What are the individual and community perceptions about the value of homeownership? Do community members relate homeownership to a better quality of life?

Is homeownership **ATTAINABLE**? Do individuals in the community believe that homeownership is made for them and that it is something that they can be part of -- without a fear of safety to themselves or their children; without a fear of failure or loss; without going through a process that will harm their or their family's sense of pride and control over their own lives.

Is homeownership **RELATABLE**? Relatable refers to the social interactions in a community. Does a potential homeowner have family and friends that encourage homeownership and share information about mortgage processes and the costs and maintenance of homeownership?

Is homeownership **FEASIBLE**? Feasibility is mostly about the financial aspect of homeownership. Do individuals have exposure to, and education about, the terminology of mortgage applications? Do they understand terms of housing economics such as interest rates, taxes and banking as well as financial planning and household budgeting?

Is homeownership **POSSIBLE**? For homeownership to be possible, the above need to be in place or the appropriate resources must be available including education, supports, programs and affordable housing supply.

Building Community Knowledge About Black Homeownership

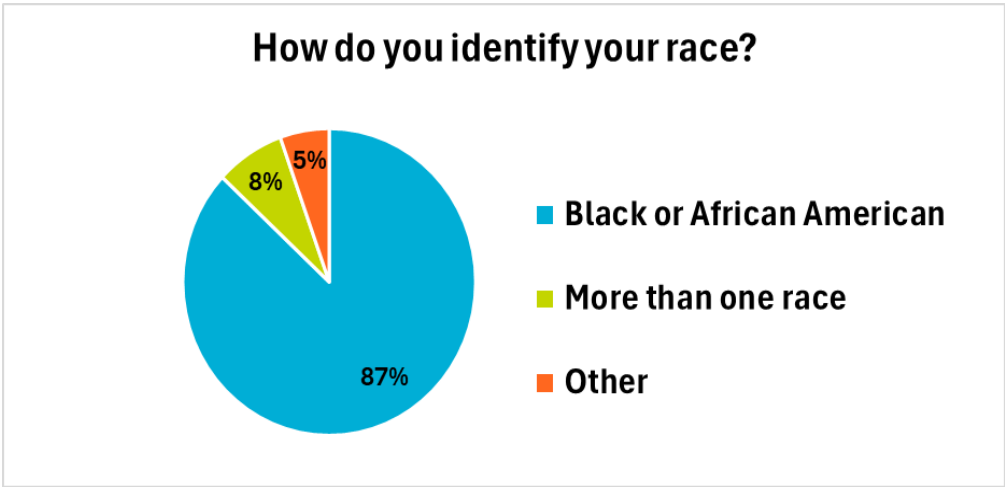
From the Fall of 2023 through the Spring of 2024, Habitat CFC and the Advisory Committee invited input from their networks in the region. With support of a multi-racial research team, we held three community meetings to discuss homeownership, build awareness about the challenges of becoming a homeowner, and also share information about Habitat CFC supports available in the region.

Within the community meetings, we held five focus groups where we conducted an online survey and also asked questions about specific perceptions and experiences of Black residents in the region. Over 100 adults attended in-person to discuss homeownership. Many brought their children or grandchildren and expressed the desire for a younger generation to be present to start learning, at an early age, about homeownership.

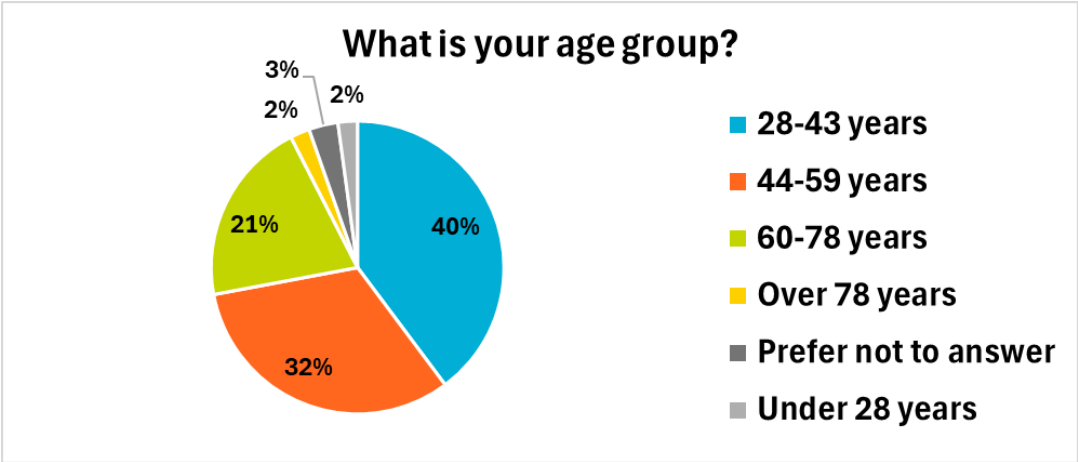
Data Sources and Participation

The Habitat Homeownership Survey was tested with two separate groups participating in Habitat programming. The questions aligned directly with the emerging framework for Access. We received a total of 93 responses to the final survey with a few people choosing to respond in paper form rather than online.

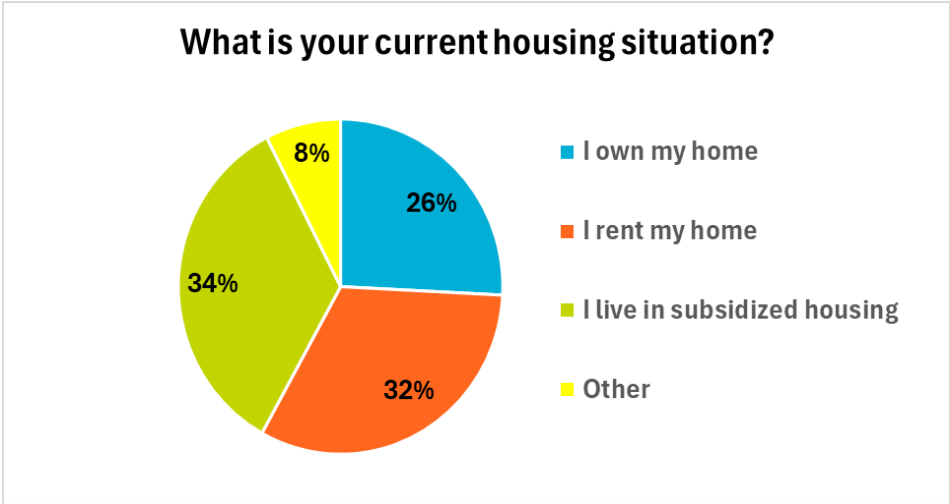
Eighty-seven (87%) percent of participants in the survey identified as Black or African American with an additional 8% identifying as more than one race. Of the 80 people who identified as Black, only 4 (5%) also identified as Hispanic.



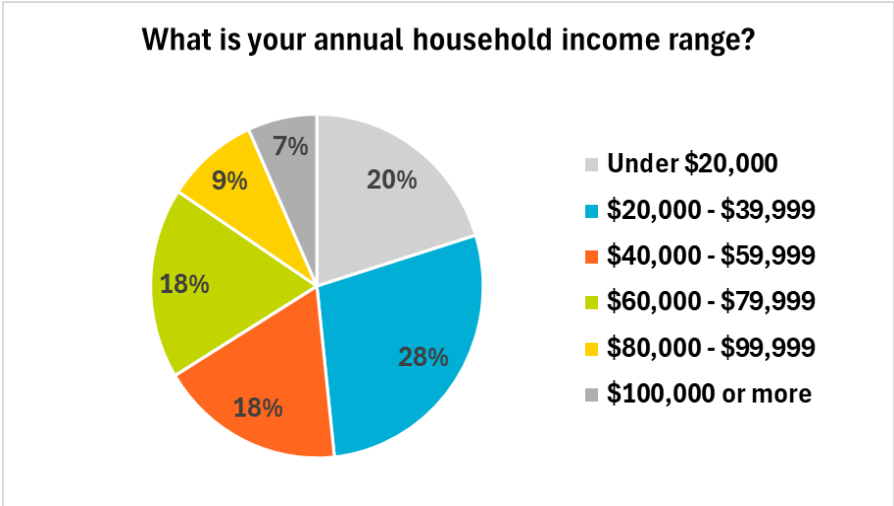
Survey participants' ages ranged from under 28 to over 78 years of age with the majority of people within 28 to 59 years of age.



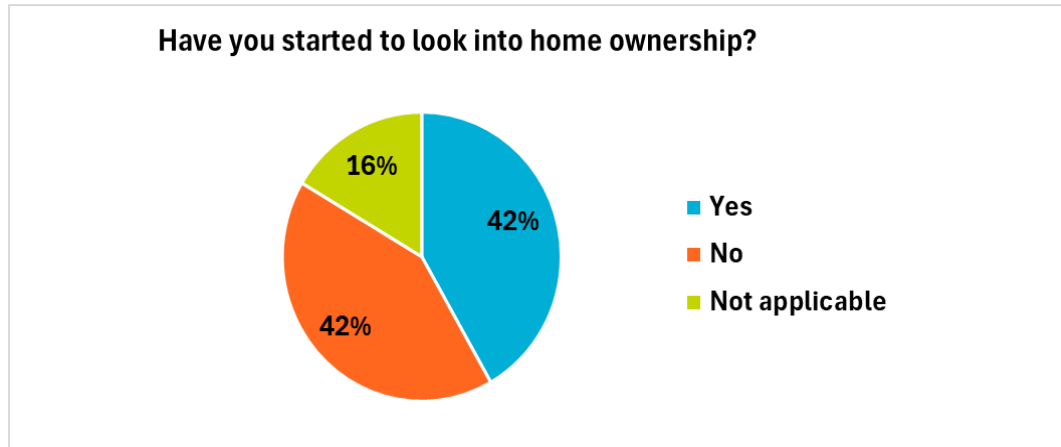
Because our community meetings were designed to solicit input about Black homeownership from across the community, participants included those in various living situations including those who already own a home, those who rent with or without roommates, those who live in subsidized housing, and various other situations like living with parents, or with someone else without paying rent.



Annual household income as indicated by participants ranged from under \$20,000 to over \$100,000.



Of the survey respondents, there was an even split with approximately 42% of the respondents saying they had started to look into homeownership and 42% saying that they had not. Another 16% indicated that this was not applicable to them.



Current Situation: Needs and Gaps

Analysis Using the Access Framework

Meaningful

Homeownership has many benefits as indicated by our respondents. Most notable, in order of how many people checked them off on the survey, were building up wealth for the next generation, living in a safe neighborhood, and wellness/stability. Open-ended responses confirm that homeownership is associated with a sense of family and financial security as well as legacy.

Additional responses paint a picture of many feelings that are associated with the dream of homeownership. Reaching a goal, and sometimes being the first in one’s family to own a home, is meaningful on its own and also is a way to provide the experience of homeownership for children. Not having to worry about raises in rent, landlords, and other people’s rules are also important as is the desire for privacy, reduced stress and peace of mind.

Build Community Support

- **To help you stay in home if emergency**
- **Sharing about history of racism**
- **Encouraging generational wealth transfer**
- **Information about laws**
- **Eliminate the taboo around discussing finances**
- **Shift idea of expected failure and doing it alone – support each other**

There is a pride, excitement, freedom, and independence associated with homeownership. Although less than half of respondents said a benefit of homeownership was contributing to my community, the perception expressed by one respondent was that owning and being a taxpayer means you have a bigger say in the community and that politicians will listen.

Attainable

Believing that homeownership is attainable is critical to ultimately owning a home. However, attainability is not about finances alone. We learned that attainability is reliant on perceptions of being safe from physical and emotional harm and not fearing an invasion of privacy or the risk of loss. Although survey respondents most often checked off the obstacles of savings and credit score, open-ended responses along with focus group discussions revealed a more varied picture.

Along with the documented issues of housing affordability, interest rates, and credit scores, feelings of inadequacy, not believing the opportunity of homeownership is for them, and fear of the unknown can all become obstacles as well.

When asked about the process of applying for a mortgage, those people who had applied for a mortgage most often noted that, if there was an easy part, it was related to supportive people in the process like a homeowner assistance program, a caring realtor, and a good lawyer. The most difficult parts included challenges all along the process from asking for money, sharing documents, realizing the limitations of one’s income, finding homes, down payment, mortgage companies, finding the best rates, waiting for approval, and simply finding the right home.

For those who hadn’t yet applied for a mortgage (about 75% of respondents), the biggest reason listed for not purchasing a home came back to affordability with the second most often cited issue being lack of information or knowledge.

Attend to the Process

- **Demystifying the process**
- **Easier shorter process so less time away from work**
- **Note the effects of artificial intelligence and algorithms in mortgage decisions**
- **Bank relationships/ Funding for more staffing**
- **Blind application process so racial bias does not come in**



Relatable

The notion of relatability comes from the belief that social interactions matter in a community. If an individual has family or friends who have owned a home or has close relationships with people who encourage them toward homeownership, the transition to homeownership can be a bit smoother. If there are social pressures against homeownership, the transition is that much more difficult because success in homeownership can be connected to the fear of loss of friends or a social support system.

Participants talked about pressures within the Black community that treat educational or financial success, and homeownership as an individual’s trying to be above or seem better than the community as a whole.

Approximately 66% of survey respondents indicated knowing someone who had made the transition from renting to buying a home. 76% indicated that their family or friends encourage them to buy a home. And an almost even split of 49% (compared to 51%) of respondents said that there were community events where homeownership was a topic discussed.

Share information

- Homeownership Info Sessions Sponsored by Churches
- Organized information system – in person and online
- Trusted Messengers
- Marketing using multiple streams
- About matching fund programs
- About affordability regarding income and how to access credit
- Provide sources of information (so much misinformation on social media)

Feasible

Feasibility focused on the financial aspect of homeownership. Do individuals have exposure and education to the terminology of mortgage applications, interest rates, taxes, and banking as well as the financial planning and household budgeting tools needed? Do potential homeowners have connections to the financial, real estate, and legal professionals that can provide information about entering into homeownership?

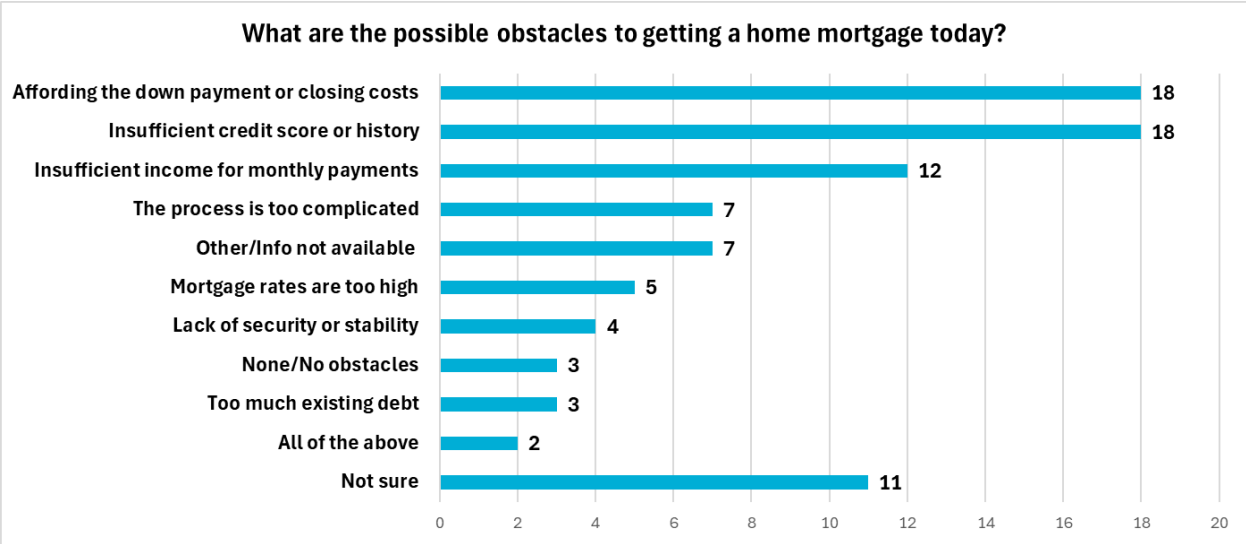
The majority of survey respondents believed that getting a home mortgage today would be “somewhat” to “very” difficult. Overall, multiple people indicated not being sure what the biggest obstacle would be or just noted that a mortgage process is too complicated. When asked how well they understood topics related to finances and homeownership (such as deposits, mortgage rates, taxes, escrow, water sewage,

Teach Financial Literacy and Homeownership

- Teaching children as young as 6 years old – with games, skills, youtube videos,
- Planning, budgeting and contingency plans
- About group economics
- Encourage youth to prioritize homeownership and investment
- Afterschool programs

credit scoring, and home inspections), 50% (on a scale of 1-4) leaned toward not understanding these topics.

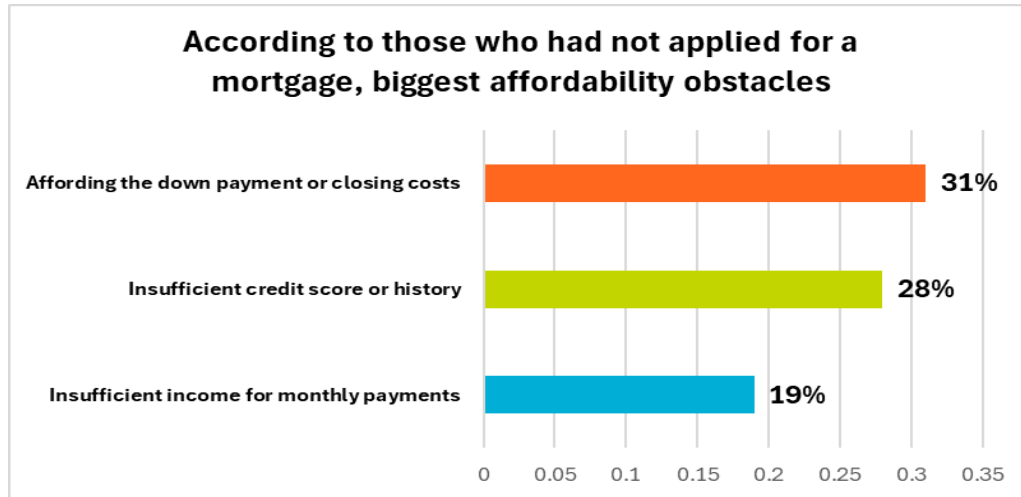
When asked about possible obstacles to getting a home mortgage today, respondents most often noted the biggest obstacles as down payment and closing costs, credit score, and income.



However, with respect to the issues of feasibility, it is useful to look specifically at those participants who do not yet own a home. Of the 93 total respondents, 74% (69) indicated that they do not currently own a home.

Of these 69 respondents, 85% were between 28 and 59 years of age. Over 50% indicated using some type of support for buying a home but 90% (62) said they had not yet applied for a mortgage with “affordability” being the biggest reason.

More specifically, they indicated that their biggest affordability issue was affording the down payment or closing costs (31%), insufficient credit score or history (28%), or insufficient income for monthly payments (19%).



These responses aligned with the obstacles most often cited across the participants. Even with the obstacles, of the survey participants who do not own a home, 73.9% still indicated being very or somewhat confident that they would someday own a home.

Possible

For Black homeownership to be possible, the above beliefs and conditions need to be in place, and/or the appropriate information and resources must be identified or made available and with the necessary social supports strengthened and the processes themselves demystified. The idea of possibility connects individual beliefs and experiences to all the organizational and institutional elements that surround homeownership.

Asked in two different ways, over 80% of respondents believe that there is a limited supply of affordable homes in their budget range where they want to live. In discussion, participants emphasized how much neighborhood plays into their perceptions and desires. Being in a safe location, for some, or being near family, friends, and their doctors is crucial. For some, negative experiences of not being welcomed into a neighborhood immediately come up when thinking about location.

In the survey and in discussions, participants also added to the idea of possibility. They note that there might be feelings of inadequacy or fear of the unknown. Some people may not believe that homeownership is possible for “someone like me.” They may have received misinformation or discouragement about the mortgage process. They may actually have been met with overt discrimination from banking professionals when trying to inquire about a mortgage process.

When asked who they trust in the community to share information about homeownership, the categories most checked off included family/friends, homebuyer educator and real estate agent. Interestingly, although faith-based organizations didn't rank as high in the survey responses, focus group participants emphasized the role of church leaders in spreading the word that homeownership is part of a thriving congregation. In addition, some noted the need to hear specifically from Black people about homeownership.

Affordability and Supply

- **Forgivable down payment assistance**
- **More accessible down payment assistance**
- **Higher percentage of affordable units in luxury apartments**
- **Rent-to-own units**
- **Create a legacy match program between elderly homeowners and future generation**

These responses correspond to the two most cited ways that participants noted first hearing about Habitat which included from family or friends or through a community organization. Additionally, 42 % of respondents already know someone who has applied to Habitat for a home and almost 66% believe that Habitat is an option for them to buy a home.

Analysis: Challenges and Limitations

Community Insights and Creativity

Focus group conversations enabled us to delve further into community insights and hear creative ideas about increasing Black homeownership. Whereas the survey provides us with counts and allows us to rank responses, the purpose of conversations was to move toward deeper and broader understandings.

There was amazing energy in the community meetings about Black homeownership. Of course there were stories of challenges inside the Black community and experiences with institutionalized policies and racism. However, much of the conversation was about creative ways that homeownership challenges could be addressed. Some of these were directly related to Habitat CFC's services and supports. Some were possibilities for information sharing and encouragement amongst the Black community itself.

We share all of these here so that individuals, organizations, legislators, advocacy agencies and broader systems leaders can tap into the energy and creativity that emerged through these community conversations.

Affordability is Affected by Realities and Perceptions

Most survey participants cited housing affordability as an issue. Participants pointed toward some current factors that are affecting Black homeownership including:

- Increased demand in Fairfield County during and following the Covid Pandemic
- Older residents are deciding to retrofit homes so that they can age in place rather than moving
- An increase in rental units being built rather than homes being constructed

- Private equity companies purchasing homes at higher than the asking price
- Properties being used as Airbnb rentals
- Zoning policies that mandate large lot sizes

The combination of gentrification in urban areas pushing housing prices up, and the misperceptions and stereotypes of affordable housing that reduces opportunity in the urban-adjacent towns, both exert pressures on Black homeownership. Even for those who believe in market competition, various macro forces are skewing the competition away from individual homebuyers. For residents who may want to stay where they were born, where their families, friends, and services are, these outside forces create a climate that makes homeownership difficult to impossible.

On the perception side, participants noted that some people look at rental costs and assume that purchasing will be much more expensive. As in our survey responses, discussion participants indicate that limited financial education makes the terminology and process of mortgages daunting.

Information and Learning is a Job for Families, Schools and Financial Institutions

Many participants brought children or grandchildren to the homeownership conversation with the explicit intention of encouraging another generation to learn early about homeownership. When asked how early was too early, people agreed that the younger generation is quicker to pick up things, especially if presented in fun ways. Age six or seven could be the starting point to learn about homeownership with lessons presented in video, games, or music.

Although there was general agreement that schools were severely limited in providing financial literacy, most importantly, participants said that parents could start by simply sharing information about household bills and credit.

For adults too, participants indicated the need for a credible source of information and training around financial literacy and homeownership. They noted misinformation as a key hindrance to moving forward in the steps toward homeownership. Key to quality information and a positive process is relationships with banking and real estate professionals – relationships that go beyond the algorithms now being used by the industry to make fast decisions about applicants.

Analysis: Needs and Gaps

Rental Burden is Eating up Economic Advancement

Participants shared the challenges when in a low-income category and noted the ways that money becomes a puzzle. For example, even though you may know that paying rent does not help build wealth, saving money for down payments and closing costs is difficult. High rents eat up a greater percentage of your earnings and make balancing day-to-day expenses more than just challenging. Balancing the dream of homeownership with the cost of living is strenuous.

As the Black community struggles for equitable opportunities for education, income, and employment, economic advancement is being absorbed by policies that penalize those trying to move from public assistance into self-sufficiency. Participants describe frustration when they have the opportunity to increase their income but find that subsidized support decreases. Saving enough to move out of public housing is experienced as near impossible. Combined with limited stock, the challenges of rental burden make it a huge step to advance to a first starter home.

Risk Assessment is About More Than a Credit Score

While banks and mortgage companies might be looking at the risks around credit history and expense ratios, one participant explained what risk looked like for her. When thinking about homeownership she was keenly aware that the costs of a single emergency or a lay-off might mean losing everything. She felt her job as a parent meant providing her child with stability. Staying in public housing was more stable than taking the risk that all could be lost.

In addition, risk also looked like not being welcomed in a community. Risk was also tied explicitly to location and safety with participants mentioning gun violence multiple times. Risk was also connected to lack of transparency in banking and the unpredictability in closing costs. One participant talked about unexpected costs that showed up on the day of closing and another expressed fear of variable mortgage rates that could increase at any time.

New Generations Want Similar Things but Perhaps Differently

Participants in the community meetings came from across generations and talked about differences. Incentivizing homeownership meant recognizing that family structures have shifted away from the nuclear family. Some may want to be more mobile and not tied to a mortgage and single location. One young adult noted her dream wasn't a single-family detached home but rather an urban unit where she could live on top of her business or workspace or perhaps a multi-unit dwelling with rental income potential.

Incentivizing homeownership starts with normalizing homeownership as culturally desirable in the Black community and also adapting what homeownership looks like for a new generation. This applies also to the housing industry. One participant talked about how underwriting policies have not changed in line with newer family configurations and goals.

One entrepreneurial participant focused on intergenerational housing transfer as a potential opportunity. She talked about creating a matching program for elderly homeowners that do not have children but who would like to will their property to a younger family.

Conclusion: Engaging Our Whole Community in Black Homeownership

Habitat's exploration confirms what has been documented about the challenges of homeownership nationally. However, we also found that Fairfield County has a history and characteristics that make

homeownership even more challenging. Additionally, perceptions and experiences from within the Black community also impact homeownership.

Our survey surfaced key understanding related to increasing Access to Black Homeownership and illuminated the complex decision making that Black people engage in as they navigate complex factors inside and outside their communities. Community focus groups provided deeper insights into the lived experience of participants as well as the amazing creativity of individuals seeking to advance Black homeownership in their particular context.

The opportunity presented by this community study is three-fold:

- The findings shared, first and foremost, can be used by the Black community in the region to take individual and group action and build solidarity around specific strategies to support Black homeownership. The insights and focus areas surfaced can become a framework for holding officials and institutions accountable to the dreams of the Black community.
- The findings can contribute to Habitat CFC's strategic planning around Black homeownership and can lead to specific marketing, programming, and partnerships with municipalities, business, and community organizations.
- The findings and Access framework can also be utilized by a broader network of community organizations and local institutions to question and ultimately strengthen approaches and actions intended to increase Black housing opportunity and support Black residents in their path toward homeownership.

Habitat CFC, the Advancing Black Homeownership Advisory Committee and Research Team offer this report as a resource for addressing challenges and barriers around homeownership

What Comes Next... A Call to Action:

The 2024 Needs Assessment Report is the end result of a comprehensive, multi-faceted approach towards identifying what are the unique, systemic barriers that have historically limited home ownership in the Black and Brown residents in Fairfield County. The Assessment Report utilizes copious quantitative data culled from the Fairfield County catchment area that is in turn informed by qualitative insights gleaned from a series of public and private community outreach efforts.

Advocate for Legislative Change to Advance Black Homeownership:

Habitat CFC is dedicated to promoting equitable homeownership opportunities. Our recent findings show that the local Black population is underrepresented among our home applicants due to historical and ongoing barriers.

We Need Your Voice to Advocate for Change:

- Support Fair Housing Legislation: Urge your local and state representatives to back policies that promote fair housing and address discriminatory practices.
- Champion Affordable Housing Initiatives: Advocate for increased funding and support for affordable housing programs that benefit underrepresented communities.
- Push for Anti-Discrimination Enforcement: Call for stronger enforcement of existing anti-discrimination laws in housing and lending practices.
- Promote Financial Education and Assistance Programs: Encourage the creation and expansion of programs that provide financial education and assistance to prospective Black homeowners.

Contact Your Legislators Today:

- Write, call, or email your local and state representatives to express your support for these critical issues.
- Participate in community meetings and public forums to voice your concerns and advocate for policy changes.
- Join local advocacy groups to amplify your impact and stay informed about legislative developments.

Together, we can create a fairer housing market and ensure that homeownership is attainable for everyone in Coastal Fairfield County.

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