



# HAVE STATE AND FEDERAL HOUSING POLICIES LOST THEIR WAY?

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## Introduction

California Community Builders (CCB) conducted what we acknowledge is a cursory review of government support for affordable homeownership and affordable home rental to determine if the intent of decades of legislation is being followed?

## The Value of Rentals and Homeownership

Affordable rentals are critical for lower-income families they provide safe, healthy, and comfortable shelter for families that may not otherwise be able to afford it. However it is affordable homeownership that provides a disproportionate value for society. This is especially true in a state like California which is facing a critical shortage of workforce and moderate income housing.

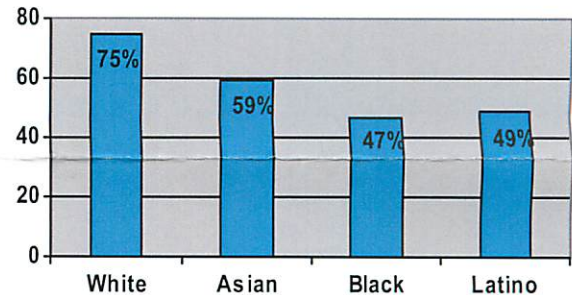
Homeownership creates numerous tangible and intangible benefits to society. Owning a home makes families investors in their community and for many low-income families it becomes their first opportunity to build assets. When a low-income family purchases a home, the neighborhood and greater community around them improves with increased political and community involvement that accompanies homeownership. The family also improves its social and economic status as it builds equity and capital for family investments like education, business, and retirement investments that all society benefits from.

## Background

Beginning with FDR's response to a massive wave of foreclosures during the Great Depression, federal and state governments have recognized the need to support affordable housing. Despite this, formal and informal bank policies as well as government failure to enforce fair housing laws have often impeded the ability of communities of color to own homes.

Due to these policies and practices far fewer African American, Asian American, and Latino families were able to build assets in a similar fashion to white families and move into the middle class post-WWII. As of 2008, 47.4% of African Americans, 59.5% of Asian Americans, and 49.1% of Latinos owned a home compared to 75% of white families.

## Homeownership by Race



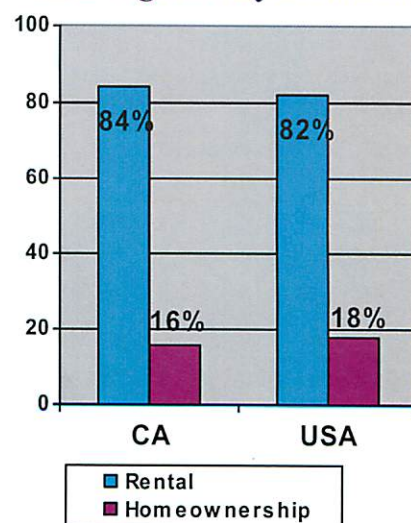
## Key Findings

For the purpose of this study we looked only at grants and other subsidies that were accessible to non-profit housing development organizations who specialize in building rental (multi-family) and homeownership (single-family) projects.

We found that for the past three years, from 2006 to 2008:

- Housing organizations in California received more than \$1 billion dollars from government agencies to develop affordable housing
- Of the total: 84% went towards rental projects and 16% went to homeownership.
- At the national level, \$52 billion was allocated to affordable housing developments.
- Similar to California, 82% went towards rental projects and the remaining 18% funded homeownership development.

## Housing Subsidy Distribution



## Methodology

Using annual reports for the past three years, the following four agencies and their subsidy programs in California and at the national level were analyzed for this brief:

### State

U.S. Department of Housing and Urban Development  
 California Department of Housing and Community Development  
 U.S. Department of Agriculture  
 Federal Home Loan Bank of San Francisco - Region IX

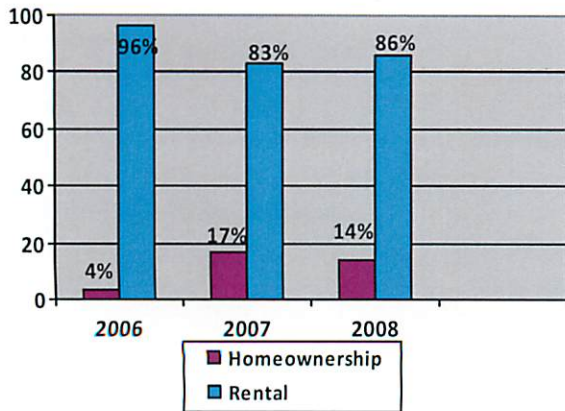
### National

U.S. Department of Agriculture  
 U.S. Department of Housing and Urban Development

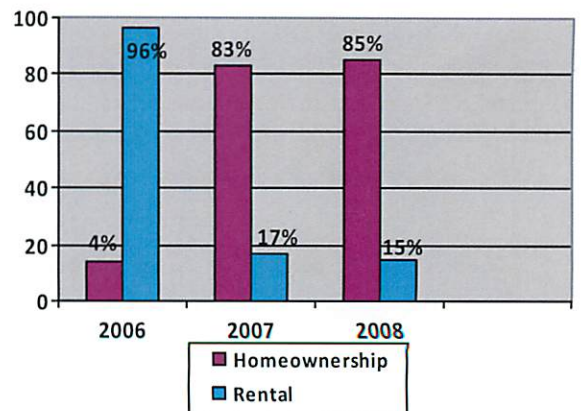
*Follow-up letters were sent to each participating agency to verify that the information we gathered is correct and sufficient to make an educated estimate of what their grant distribution looks like. The Federal Home Loan Bank of San Francisco was the only agency to respond and provide different data than what we initially collected. A second follow-up letter was sent prior to commencing this cursory review and we have yet to receive a response.*

## Percentage of Dollars Invested In Affordable Housing by Major Agencies

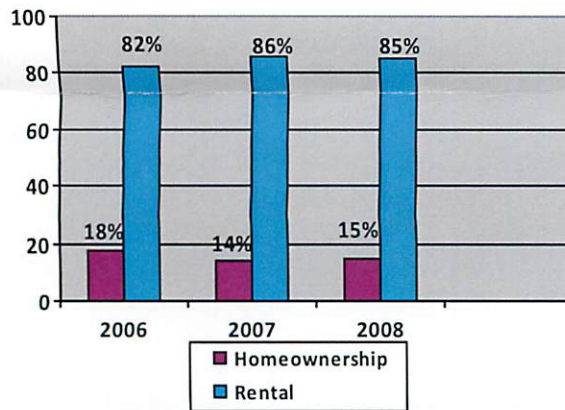
*USDA*



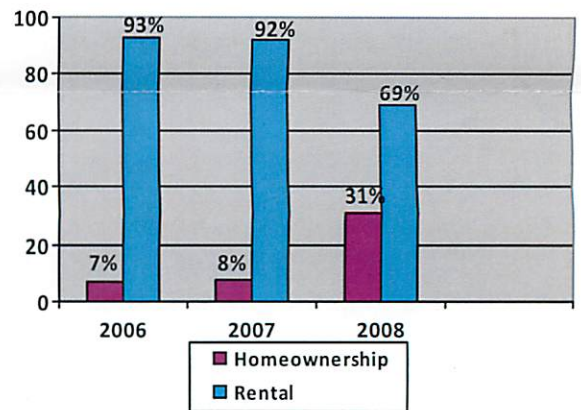
*Dept. of Housing and Community Economic Development*



*Federal Home Loan Bank-San Francisco*



*Department of Housing and Urban Development*



## Recommendations

California Community Builders does not purport to have the answers as to why many Californians, especially people of color, cannot access the American Dream of homeownership. However, we believe the first steps in finding some of these answers are:

1. A summit of all vested housing interests in California to discuss how affordable, safe, and high-quality homeownership can be made available for all Californians without unduly burdening families that are best suited by rentals; and
2. Expand quantitative and qualitative research on the issue of government subsidies for rental and homeownership projects.