

Offered by Councilors Kenzie Bok, Lydia Edwards, and Liz Breadon, Arroyo, Flaherty, Flynn, Wu, Essaibi-George, Campbell and O'Malley



CITY OF BOSTON IN CITY COUNCIL

ORDER FOR A HEARING REGARDING HOMEOWNERSHIP ASSISTANCE INCLUDING FOR FIRST-GENERATION HOMEBUYERS

WHEREAS: The racial wealth gap between white and Black residents in the Greater Boston Area is extremely large, with the Federal Reserve Bank of Boston finding in 2015 that the median net worth for white households was \$247,500 and only \$8 for Black households; *and*

WHEREAS: Net worth is closely tied to assets, most notably homeownership, and in the same report the Federal Reserve Bank of Boston determined that in Boston 79.1% of white households own a home, compared to 33.8% of U.S. Black households, 48.7% of Caribbean Black households, 29.4% of Cape Verdean households, 21.2% of Puerto Rican households, 17.3% of Dominican households, and 34% of other Hispanic households; *and*

WHEREAS: According to the Urban Institute, the homeownership gap, in addition to its impact on wealth, has negative repercussions for retirement, access to educational opportunities, and health outcomes; *and*

WHEREAS: In Boston, the homeownership gap has both been driven by and has perpetuated the harmful legacy of residential segregation, a dynamic which organizations like the Massachusetts Affordable Housing Alliance (MAHA) have worked to tackle over decades by successfully winning creation and implementation of the state's ONE Mortgage program for affordable homeownership through the Massachusetts Housing Partnership (MHP) and by pushing local banks to participate in order to serve more first-time homebuyers of color; *and*

WHEREAS: In 2015 and 2016, a coalition including MAHA, the Greater Boston Interfaith Organization (GBIO), and others began organizing to pass the Community Preservation Act (CPA) as a first step towards funding major new affordable homeownership programs in Boston, an effort which culminated in 2020 in the use of \$8 million in CPA and city budget funds to launch the ONE+ Boston program; *and*

WHEREAS: This ONE+ Boston program, funded by votes taken by the Boston City Council, is already enabling many first-time Boston homebuyers to access down-payment assistance and better interest rates than any other available peer program; *and*

WHEREAS: According to reporting by Tim Logan of the Boston Globe on February 8, 2021, Mayor Walsh has earmarked \$325,000 — \$250,000 reallocated from the Boston Police FY21 overtime budget — for a matching grant to provide additional assistance to first-generation homebuyers in Boston, representing an important shift from police funds to direct investment in our communities; *and*

WHEREAS: The first-in-the-nation matched savings program for first-generation homebuyers, called STASH and administered by MAHA, provides those first-generation homebuyers who qualify and contribute \$2,500 with \$5,000; *and*

WHEREAS: Because of racial disparities in intergenerational wealth transfers, expanding homeownership assistance and supports for first-generation homebuyers specifically is one of the most effective ways to directly target the racial wealth gap in Boston; *and*

WHEREAS: Boston can build on these successes and go a step further by further funding ONE+ Boston and launching a larger scale first-generation homeownership program, and in advance of doing so the Boston City Council should review the early impact of these new programs, including the number and demographics of residents served, the degree of total financial assistance being provided, and the type and location of housing stock being purchased by members of these programs; *NOW THEREFORE BE IT*

ORDERED: That the appropriate committee of the Boston City Council hold a hearing to review the city's homeownership assistance programs, including ONE+ Boston and its new support for first-generation homebuyers, and that representatives from the Department of Neighborhood Development, MAHA, GBIO, MHP, and the public be invited to testify.

Filed on: February 21, 2021