Innovative Partnership in Chicago Creates New Loan Product to Create and Preserve Affordable Housing Units

by Dawn Stockmo, NCST

Welcome to fall! As you might have noticed, we often use this column to highlight interesting work in which our buyers are involved, and we’re pleased to share news this month about a great partnership in Chicago established to help preserve more affordable housing.

The Joint Center for Housing Studies at Harvard recently released a study highlighting that the typical sale price of an existing single-family home in 2017 was 4.2 times greater than the median household income. What that means is working families are struggling to pay mortgages or rent because their incomes are not keeping pace with the cost of housing. In Chicago, between 2000 and 2015, average rents increased more than 60 percent, forcing low-income residents to leave the city in search of cheaper housing.

Community Investment Corporation (CIC) is doing something about that. Over the past two years, The Preservation Compact and CIC, in partnership with the City of Chicago and other government and private lender partners, have developed the new fund and loan product to create and preserve affordable units in strong housing markets.

JP Morgan Chase provided seed funding to launch the Chicago Opportunity Investment Fund at CIC, which in its pilot stage preserved 91 units of mixed-income housing, of which 20 are dedicated as affordable units.

In 2017, CIC provided a record $70 million in loans and grants to help acquire, rehab and preserve over 1,900 affordable multifamily housing and commercial units. These units were located in 32 neighborhoods and municipalities throughout the Chicago region, primarily concentrated in Chicago’s South and West sides. Nearly all units were affordable to households with incomes less than $40,000. Through its lending
products and complementary programs, CIC directly affected over 7,800 units of Chicago-area affordable housing in 2017.

“CIC has purchased almost 400 properties through NCST, historically 50% ownership and 50% rental; however, our current goal is to get to 60% ownership and 40% rental,” noted Andre Collins, vice president, acquisitions and dispositions strategy for CIC. “We work with 30 to 40 developers at any one time, but have interacted with over 150 developers, encouraging them to invest in blocks they would typically pass over. For CIC, mission accomplished means repositioning, reoccupying and revitalizing – concentrating on both rental and homeownership often times starting with rental.”

Below are two homes in Chicago acquired and rehabbed by CIC which now provide affordable housing opportunities.

**More than $96,000 invested by CIC to rehab this owner-occupant home**

This home is near East Chatham, a middle-class community that fared better than many of its south side neighbors after the housing crisis. Bolstered by strong community organizations and churches, Chatham is a destination for first-time homebuyers.

**This affordable rental home received $55,000 in rehab and repairs**

This fully rehabbed rental property is on the Southwest side in the Chicago Lawn community, a strong working class neighborhood that’s racially and culturally diverse. The housing stock features classic Chicago bungalows and 2-flat homes, and Marquette Park is a treasured community resource.

*Dawn Stockmo serves as Community Development Director, Midwest U.S., for NCST.*

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**Single Mother and Four Children Now Living in Fully Rehabbed, Spacious Home in Middle River, Maryland**

This home was vacant for many years when it was purchased by NCST community buyer, HSR Property Group, LLC. It is located in a well-kept community with an HOA. After more than $50,000 in rehab the home once again is a benefit to the neighborhood versus being a detriment.

HSR completely updated the home to 2018 standards. The new tenant is a single mother who receives a housing subsidy, which helps her stretch the money she earns working to cover the needs of her four children. The prior property the family lived in was very small, and wasn’t within walking distance of the older children’s high school. Now the older children can walk to school, and the family has four bedrooms and two full baths, which gives them space to live comfortably.
study, relax, and thrive. The children were very excited to have access to the community pool for summertime fun!

Renovations to the exterior of the house included a new architectural roof, gutters, and downspouts, new windows where necessary, new exterior light fixtures, updated landscaping, and a new sliding door to provide easy access to the backyard. The house was completely gutted and new dry wall was installed, plus fresh paint was applied throughout, new subfloors and flooring were installed, and the kitchen was completely upgraded with new appliances and countertops. In addition, new lighting fixtures, interior doors, and hardware were added. The upstairs bathrooms were gutted, remodeled, and outfitted with new vanities, and new plumbing and lighting fixtures. A high efficiency HVAC system, water heater, underground sewage plumbing, and sump pump were installed. All electrical and plumbing systems were replaced and brought up to current county code, and new hard-wired smoke detectors, a carbon monoxide detector, and CO detectors were added.

Thank you HSR Property Group! Your team continues to do great work in rehabbing and preserving affordable housing in your community.
Get the Advantage on Designing and Financing First-Time Homebuyer Programs

Connect with lenders, real estate agents, housing counselors and housing agencies for their unique perspectives on how to gain success in affordable lending, product updates, and other solutions. You’ll also learn about local initiatives that expand homeownership opportunities for underserved households and homebuyers in distressed markets.

2018 event dates remaining:
Oct. 18: Denver, CO
Nov. 8: Raleigh-Durham, NC

Click here to visit website for event details.
Event hosted by Freddie Mac and Nickerson Training.

NCST Community Buyer, FMCRC, Rehabs Beach Condo for Children With Cancer

The Florida Minority Community Reinvestment Coalition (FMCRC) completed rehab on a condo at Madeira Beach, Florida, near the Tampa Children’s Cancer Center. This condo is now available for use by children (and their families) who are patients at the center.

The purpose for the condo is to allow these families to enjoy some time together and find rest during this very painful time in their lives.

Al Pina, Board Chair, FMCRC, noted the first child and her family stayed at the condo, and more are now lined up to visit. This child has lymphoma. She finished chemotherapy and now awaits a bone marrow transplant. Her family told Mr. Pina they found beauty and peace during their stay. Mr. Pina thanked Wells Fargo, PNC Financial Services, Regions Bank, TD Bank, Fifth Third Bank, Capital One, Fannie Mae, FHFA, and NCST for their continued partnership.

Click here to watch a short video with more photos of this beautiful condo.

Policy Corner > Key Opportunity for NCST’s Partners and Buyers to Shape Direction of the Community Reinvestment Act’s Future

by Theodora Chang, NCST

More than four decades after Congress passed laws to address the pernicious practice of redlining, the impact of...
discriminatory lending is still clearly visible in the wealth gap between white and nonwhite families. Persistent racial disparities in lending contribute to lower homeownership rates that affect family net worth and housing wealth.

According to the most recent Survey of Consumer Finances by the Federal Reserve Board of Governors, the median net worth of white families rose to $171,000 in 2016 while the median net worth of black families was $17,600 and the median net worth of Hispanic families was $20,700. The mean net housing wealth for white households was $215,800 and $94,400 for black households.

Congress passed the Community Reinvestment Act of 1977 (CRA) to encourage banks to meet the credit needs of the communities where they take deposits. CRA regulations have only been updated three times, most recently in 2005. Since that time, the growth of online banking has changed the financial sector and broadened services beyond brick and mortar branches, leading many stakeholders from across the political spectrum to propose new ways to modernize the Act.

However, making significant changes is quite difficult, not just because stakeholders fear that opening up the CRA could affect provisions on which they depend, but also due to the need for three separate agencies to work together: the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC), and the Federal Reserve Board. So-called interagency rulemaking is notoriously difficult.

Recently, the OCC decided to forge ahead on its own with an Advanced Notice of Proposed Rulemaking (ANPR). An ANPR is essentially the opening salvo in a rulemaking process: it asks open-ended questions for stakeholders, the answers to which inform the drafting of a proposed rule. The proposed rule will have to involve the other agencies as well. Once there is a proposed rule, there is another opportunity for public comment – but the most effective time to weigh in is during the ANPR process, as rules are often quite “baked” by the time they're in the proposed rule stage.

The OCC ANPR provides a key opportunity for NCST’s partners and buyers to weigh in and shape the direction of the CRA’s future. While some aspects of the ANPR reflect efforts consistent with the current regulatory zeitgeist to reduce regulatory burden on regulated institutions, there are also updates that could help CRA work better for communities and intermediaries serving those communities.

Here is a brief summary of the issues on which the OCC seeks public input:

1. Modifying and streamlining existing performance tests by increasing the use of metrics or replacing the existing tests with alternative evaluation methods
2. Creating a metric-based performance measurement system with ‘macro’ benchmarks aligned with the four rating categories and ‘micro’ components for each of those benchmarks (e.g. qualifying lending, investments, and services) (a) these components would then be aggregated together into one indicator of performance; (b) this has been called the “one ratio” à total dollar value of a bank’s CRA-qualified activities / bank’s total assets
3. Redefining ‘communities’ and assessment areas so that banks continue to receive credit for qualifying activities within branch & deposit-taking ATM
geographies but can also get credit for other activities such as: (a) serving Low & Moderate Income (LMI) areas, outside of existing assessment areas, that are tied to the bank’s business operations (e.g. nonbank affiliate offices or loan production offices); (b) providing activities in targeted areas that have historically been excluded from consideration (e.g. remote rural areas or Indian country)

4. Expanding CRA-qualifying activities to include a greater range of activities supporting community and economic development and setting clear standards for CRA qualification in addition to reviewing its current consideration of: (a) low-cost education loans to low-income borrowers; (b) activities by non-minority-owned banks with minority-or-women-owned banks or low-income credit unions; (c) certain small business loans and small business credit in LMI areas; (d) large banks’ use of innovative or flexible lending practices to address the needs of LMI borrowers or geographies

5. Modernizing the existing framework to facilitate regular tracking, monitoring, and comparison of CRA performance among banks

The deadline for responding to the ANPR through the comment process is **Monday, November 19, 2018**. NCST is participating in several CRA conversations and working groups, and we would like to hear from all of our buyers on how the ideas in this ANPR would affect your work. In the following weeks, we will be contacting you via email or phone to ask for your input on the following questions, among others:

- Approximately what percentage of your capital comes from financial institutions currently subject to the CRA? What percentage comes from financial institutions not currently subject to the CRA?
- How much lending (in dollar amounts) do you currently receive from institutions subject to the CRA for acquisition and rehabilitation of single family homes?
- Have you ever been denied a loan by a financial institution that received an “Outstanding” or “Satisfactory” rating in its last Performance Evaluation?
- What aspects of the CRA, if changed, would improve or reduce your access to capital?

**We also encourage all of you to respond directly to the OCC.**

Commenters are encouraged to submit comments through the Federal eRulemaking Portal or via email.

- **Federal eRulemaking Portal** - [https://www.regulations.gov/](https://www.regulations.gov/)
  - Enter “Docket ID OCC-2018-0008” in the Search box and click “Search.” Click on “Comment Now” to submit public comments. Click on the “Help” tab on the Regulations.gov home page to get information on using Regulations.gov, including instructions for submitting public comments.

  - **E-mail:** [regs.comments@occ.treas.gov](mailto:regs.comments@occ.treas.gov).
    - Please use the title “Reforming the Community Reinvestment Act Regulatory Framework” to facilitate the organization and distribution of the comments.

*Theodora “Theo” Chang serves as Senior Policy Associate for NCST.*

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**Buyer Resources**

- **Free Webinar from LISC:** "Join Our Borrowing"
- **Fannie Mae Launches Challenge for Healthy Affordable Housing**
REGISTER HERE
Are you a current borrower or thinking you may need financing at some point in the future? Tune in to this webinar and hear everything you always wanted to know about borrowing from LISC!
● Date: Mon., Oct. 29
● Time: 2:00 pm EST
● Phone: 415-655-0002 | Access Code: 646 804 029

Free Report: Where does the American middle class live?
● https://brook.gs/2INovwq
● Efforts to improve the quality of life for the American middle class, and to help more people join its ranks, require local insight. After all, many local economic factors likely shape the size of the middle class: the types of industries that are present and the jobs that are available; the education and skills that workers and entrepreneurs possess; and the spatial and social dynamics that enable (or inhibit) access to regional economic opportunity.
● This report examines the presence of the middle class in America’s metropolitan areas, ... Looking across 382 metro areas, this analysis spotlights variation in the size of the middle class, factors associated with that variation, and trends in middle-class representation over time. It concludes with observations on the value of measuring middle-class size and status locally.
● Click here to explore the interactive dashboard: Share of metro area households by income category »

FHFA Releases New Homebuyer Affordability Measure and Data
● Last week, the Federal Housing Finance Agency (FHFA) released a new measure for homebuyer affordability, called the Housing Affordability Estimate (HAE). The HAE reports the share of recently-sold housing that is affordable to households based on their income, expected costs, and assets available for down payment.
● The new metric features several improvements over existing estimates of housing affordability for potential homebuyers, such as rather than just reporting the share of housing affordable to buyers earning the median income for their metro area, the HAE also calculates the share of housing affordable to low-income (80 percent of median) and very low-income (50 percent of median) buyers.
● The new HAE also shows changes in housing affordability since 1991, both nationally and for 50 of the largest metropolitan areas.
● Read the FHFA HAE Report here

Industry Conferences
NCST team members attend and serve as panelists for selected industry conferences and events. We enjoy the opportunity to see and meet our partners, as well as share our industry knowledge.

October:
● 8-11 - Opportunity Finance Network Conference, Chicago, IL
● 14-17 - MBA Annual Convention,
It's Fall conference season and our team members will be on the road. Meet some of our team at these upcoming conferences:

**October:**
- 14-17 - MBA Annual Convention, Washington, DC
- 23-24 - Ohio Land Bank Conference, Columbus, OH

**November:**
- 6-9 - National Community Development Assoc. – SE Region VI Conference, Birmingham, AL
- 8 - Freddie Mac Home Team Advantage Workshop, Raleigh, NC
- 13-14 - Building Advocacy for Middle Neighborhoods, Cleveland, OH
- 27-29 - NHC Solutions for Affordable Housing, Washington, DC

Hope to see you on the road in 2018!

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**Community Buyers - Share Your Property Success Stories**

Buyers - we'd like to share your accomplishments - please do brag a little! In REOTrack, when you submit your final reporting, click on the "**Good Story Flag**" box and we'll take it from there. Or email Sally or call her (214-710-3411) and she'll work with you on your story. > Download this flyer for all the scoop.

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**Industry News**

Below are recent, notable headlines regarding our industry.

**A VC-backed startup thinks it can take a fresh approach to rent-to-own**
- [https://on.mktw.net/2pJvNbP](https://on.mktw.net/2pJvNbP)
- Divvy Homes wants to change the way you buy your home. It also wants to change the way you rent your home. And in the process, it wants to change one of the housing market’s oldest business models – one that’s been fraught with pitfalls in the past. San Francisco-based Divvy, which on Tuesday announced a $30 million funding round from famed venture capitalists Andreessen Horowitz, calls itself a “fractional homeownership company.”
- To many housing advocates, it looks like the familiar “rent-to-own” model that has stumbled before, either by ensnaring consumers in clearly predatory schemes, or by failing to make work for anyone what’s often described a “win-win.” Still, Divvy and its backers believe new technology, and lessons learned from the aftermath of the housing crisis, will help it succeed where others have failed. Divvy, which launched earlier this year, allows qualified customers to select any home that’s for sale on the open market, as long as it’s in reasonable shape and meets the right pricing profile. If customers meet certain criteria – including having a minimum credit score of 550 and being employed for the last 12 months – they’ll likely qualify to participate.
- Divvy will buy the home for the customer, and allow that customer to lease it for up to three years. Every month, the tenant will make a monthly payment that Divvy’s underwriting
models determine the customer can “comfortably afford.” About 70% of that monthly payment is rent, about 5% are maintenance funds, and the rest is what it calls “equity credits” – monies held in escrow and which will belong to the tenant, whether or not he eventually becomes the owner of the home.

- Divvy has helped close to 100 customers so far, co-founder and CEO Brian Ma told MarketWatch, and is fielding nearly 2,000 applications a month. Right now it’s up and running in Cleveland, Atlanta, and Memphis, but is evaluating additional markets. ... “We make more money if you convert,” Ma said. “We want to treat people like co-owners.” While that sounds like a worthy goal, it makes consumer advocates wince. ...
- “This exact thing has been tried by people who I deeply respect and have deep roots in housing,” said Julia Gordon, executive vice president of the National Community Stabilization Trust. One recent example is Home Partners of America, a Chicago-based rent-to-own company initially funded by housing securitization pioneer Lew Ranieri. Home Partners did not respond to multiple requests for comment.
- “This doesn’t work if you’re aimed at a lower-income population,” Gordon said. “The economics don’t work. If they can make the economics work for low- to moderate-income families, that would be new. If they can make it work in the affordable space, that’s great.”
- Gordon and other advocates believe that anyone interested in a program like Divvy’s is either ready – and “could get into ownership now” if they worked with a housing counselor – or not. While Divvy’s model differs vastly from previous predatory programs that would do nothing for those in the latter category, it’s still unclear what will happen at the end of the three-year tenancy period.

Following the money: What happened to a nearly $17 billion bank settlement?

- On Aug. 21, 2014, Attorney General Eric Holder walked to a podium at the Department of Justice, flanked by government officials, and announced his agency had reached a record $16.6 billion settlement with Bank of America. “The largest civil settlement with a single entity in history,” he said. The settlement was one of many that large institutions agreed to pay in the aftermath of the financial crisis. Since 2009, financial institutions have paid nearly $250 billion for the part they played in the meltdown, according to Keefe, Bruyette & Woods, which has tracked fines over $100 million.
- Bank of America agreed to this record penalty to settle lawsuits and investigations into how it and companies it bought, including Countrywide Financial and Merrill Lynch, issued mortgages, packaged them together and sold those bundles to investors. It then marketed those residential mortgage-backed securities to investors as more secure than it knew them to be.
- The funding was directed at three main recipients: the federal government, a handful of states, and consumers. ... Nearly half the $16.6 billion went to the Department of Justice. DoJ sent just over $6 billion of that to the Treasury Department, which went into the general fund that pays for government operations, much in the same way taxes do. A smattering of federal agencies connected to the settlement also received money, including the Federal Deposit Insurance Corporation, Federal Housing Administration, and Securities and Exchange Commission. ...
- It also provided financing for 5,000 affordable housing units across the country. The bank donated almost 1,500 properties and distressed mortgages as part of the settlement, as well as $14 million to help rehabilitate or maintain them. Most of those properties went to a nonprofit called the National Community Stabilization Trust. Of the roughly 1,000 properties it received, 125 are in still the foreclosure process. The organization will then figure out what to do which each property, such as donating it to a local nonprofit to fix up or demolish. That work is expected to take until 2019. ...

Americans Want to Believe Jobs Are the Solution to Poverty. They’re Not.

- New article by Matthew Desmond, author of “Evicted”
- U.S. unemployment is down and jobs are going unfilled. But for people without much education, the real question is: Do those jobs pay enough to live on?
- https://nyti.ms/2Obm9sW
- Vanessa Solivan and her three children fled their last place in June 2015, after a young man was shot and killed around the corner. They found a floor to sleep on in Vanessa’s parents’ home on North Clinton Avenue in East Trenton. It wasn’t a safer neighborhood, but it was a known one. Vanessa took only what she could cram into her station wagon, a 2004 Chrysler Pacifica, letting the bed bugs have the rest.
At her childhood home, Vanessa began caring for her ailing father. ... Vanessa’s father died a year after Vanessa moved in. ... Vanessa’s mother, Zaida, is 62 and from Puerto Rico, as was her husband. She uses a walker to get around. Her husband’s death left her with little income, and Vanessa was often broke herself. Her health failing, Zaida could take only so much of Vanessa’s children, ...

If Vanessa had the money, or if a local nonprofit did, she would book a motel room. She liked the Red Roof Inn, which she saw as “more civilized” than many of the other motels she had stayed in. .... When Vanessa couldn’t get a motel, the family spent the night in the Chrysler. ...

In May, Vanessa finally secured a spot in public housing. But for almost three years, she had belonged to the “working homeless,” a now-necessary phrase in today’s low-wage/high-rent society. She is a home health aide, the same job her mother had until her knees and back gave out. ...

The Bureau of Labor Statistics defines a “working poor” person as someone below the poverty line who spent at least half the year either working or looking for employment. In 2016, there were roughly 7.6 million Americans who fell into this category. Most working poor people are over 35, ....

Elizabeth Warren’s Ambitious Fix for America’s Housing Crisis

The Massachusetts Democrat introduced legislation that takes aim at segregation, redlining, restrictive zoning, and the loss of equity by low-income homeowners.

Ten years ago, the subprime-mortgage crisis stripped millions of Americans of their homes. Many haven’t gotten those homes back and now face skyrocketing rents. Ask an economist, or any recent graduate trying to afford rent, and they’ll tell you: America is still in a housing crisis. On Tuesday, Senator Elizabeth Warren introduced a bill tackling the issue head on, trying to lower the cost of homes in neighborhoods with greater economic opportunity.

The legislation, titled the American Housing and Economic Mobility Act, is perhaps the most far-reaching assault on housing segregation since the 1968 Fair Housing Act. It’s ambitious, pouring half a trillion dollars over 10 years into affordable-housing programs, and funded by raising the estate tax to Bush-era levels. An outside study by Mark Zandi at Moody’s Analytics found that raising the estate tax would ensure the bill does not create a deficit. ...

Why Is the Homebuilding Industry Stuck in the 1940s?

Danny Cleary looked tense as he watched the first prefabricated wall panel rolling off the assembly line in his newly opened factory near Montreal. He asked his production manager to hand him a tape measure. He carefully measured the left side of the panel, then walked around the assembly table and measured the right side and then across. ... I had met Cleary a few years earlier. He called me after he’d joined his father’s midsize construction company and found out about my Grow Home design. “Most of the clients in our area are young, first-time homebuyers who can’t afford large homes. Your design will suit them,” he explained. His instinct served him well. Our conversation was in the late 1990s: In the following years his firm sold over 400 Grow Homes to become the largest builder in the region. Even for a well-off builder like him, constructing a plant to produce prefabricated homes was a risky venture requiring a large investment. When we met I asked him about the switch.

“When I visit my building sites and see a bundle of lumber delivered, thrown on the muddy soil, and watch my framers assemble it in a rainy, snowy, or hot summer day, all in the open, I sense there can be better ways to construct,” he said. “Building a home in a quality-controlled, sheltered environment makes a lot of sense. I decided I could fabricate my company’s own homes for less and manufacture wall panels for other builders as well.”

Cleary’s attempt at prefabrication is not common in a North American homebuilding industry that is notorious for its conservative attitude. Numerous prefabrication units are built each year, providing ample opportunity for research and innovation, yet construction methods of low-rise, wood-frame homes still fundamentally resemble those of the 1940s.

The quality of building products has significantly improved but not the basics of constructing a home. ... Past approaches no longer answer today’s demands: Every step of the process needs to be reconsidered. ...

Single-family rental giant bets big on house flipping market

Amherst Holdings, one of the largest single-family rental entities in the U.S., is putting up $1 billion to back a platform it can use to sell off homes it has flipped. According to an article
from Bloomberg by Patrick Clark, Amherst owns and/or manages roughly 20,000 single-family rentals and is launching a subsidiary called Bungalo to flip properties, selling them at no-haggle prices in the hopes of attracting buyers who want a simpler home buying experience. The company has already dropped $225 million on Bungalo’s launch this year and has plans to put up an additional $1 billion in funding to float Bungalo’s expansion efforts. ...

- “A lot of the distress in the U.S. housing market right now is not necessarily people upside down in mortgages,” Amherst Residential President Drew Flahive said in an interview. “It’s really the fact that a lot of these assets have a significant amount of deferred capex. An individual who wants to live in that home knows they have to come up with a down payment and a repair budget,” he added.

- According to Bloomberg’s report, confidential sources close to Amherst said the company is raising another roughly $1 billion to purchase more rental properties. Could it be that this is a play to offload older stock at a premium so it can reload its rental stock with newer assets? Time will tell. So far, Bungalo has more than 250 homes under repair and plans to expand into “markets people want to live in and are moving to,” according to Bungalo COO Greg Stewart. This news comes as house flippers profits have gone down in the past seven quarters, according to Daren Blomquist, senior vice president at Attom Data Solutions. ...

50 years after the Kerner Commission report, the nation is still grappling with many of the same issues | How black neighborhoods have changed 50 years after the civil rights movement

- https://brook.gs/2OhbrV3
- After intense mid to late 1960s urban rioting, President Lyndon B. Johnson commissioned The National Advisory Commission on Civil Disorders—generally known as the Kerner Commission—to study the causes of the riots and to propose solutions. Their report, issued in March 1968, argued that the riots were caused in large part by poor neighborhood conditions and limited labor market options facing black Americans as a consequence of racism and rampant discrimination in housing and labor markets (Kerner Report, 1968). These factors underlay the development and maintenance of the northern black “ghettos”, where residents endured extreme segregation, limited housing choices, concentrated poverty, and poor schools (Kerner, 1968). Although the report’s authors believed in full integration as the long-term solution, they argued that more immediate relief was possible through large-scale, targeted government investment in housing, education, and employment programs, and more robust social insurance programs. ...

- Since the report’s publication, the country has certainly seen much progress. Many black Americans enjoy relatively high social and economic status; overt racism and efforts to exclude or constrain where they live, work, or attend school have greatly diminished. Yet, the report outlined concerns that are still relevant. Racial segregation remains the defining feature of many US cities; blacks face higher unemployment and lower wages; huge disparities in wealth persist at levels near those described by Kerner and his colleagues five decades ago. ...

- Given the attention raised by the Kerner Report on black urban neighborhood conditions as both a cause of the riots and a potential metric of improvement, we thought it might be instructive to revisit how neighborhoods in riot-affected cities evolved in the subsequent decades....

Restarting motor city - After bankruptcy and bailout, fortunes in Detroit-Warren-Livonia, Michigan MSA are turning over again

- Five years ago, as the four-year, $80 billion bailout of its idling Big Three economic engine was ending, Detroit, the principal city in the Detroit-Warren-Livonia, Michigan Metropolitan Statistical Area, was declaring bankruptcy with debt estimates as high as $20 billion. This summer, those troubles seem comfortably in the rear view as, according to the latest VeroFORECAST, real estate values in the nation’s 14th most populous MSA are predicted to increase at an average of 6.8% over the next 12 months. That is nearly 2.5 percentage points higher than the national forecast of 4.4% and ranks it 68th of the report’s 354 MSAs, which include 1,005 counties, 13,877 ZIP codes, and 82% of American residences. ...

- The proof was in its emergence from bankruptcy in just 13 months, thanks to a government, business and philanthropic collaboration to restructure the debt, set at $19 billion. The 6.8% figure is the projected appreciation for single-family residences throughout Detroit Metro’s six counties. For condos and townhomes, the forecast is for a slightly lower increase at 6.9%.
The appreciation predictions are borne out if we look more closely at the detailed breakouts of data within the second quarter 2018 VeroFORECAST, which covers June 1, 2018, through May 31, 2019. There are separate data for SFR and condo-townhouse appreciation by county as well as by price tier, and they show consistent upward valuation in the mid-6% range across the region.

This is due to the fact that Detroit Metro has some good affordability and a supply of homes near only two months. Unemployment is just a touch above the 4.5% national average and the population has been relatively stable after fairly dramatic rises and falls during the 20th Century. ...

Older Adults Increasingly Face Housing Affordability Challenges

Due to both population growth and soaring housing costs, the number of adults age 65 and over struggling to afford housing is growing. The number of cost-burdened older households — those spending more than 30 percent of their incomes on housing — dramatically increased between 2001 and 2016. And while many types of older households are cost burdened, the problem is particularly common among renters, the oldest households, and very-low income older households.

The number of cost-burdened older adult households reached a high of 9.7 million in 2016, up from 6.5 million in 2001. This new peak includes 4.9 million severely cost-burdened households (those spending over half of their income on housing). Some of the increase was due to the growth of 8.2 million older adult households from 2001 to 2016. However, the share of cost-burdened older households also increased from 30 percent in 2001 to 32 percent in 2016. ...

Staff, Phone or Email Changes?

NCST Community Buyers: Had a recent staff change? Or updated your email address or phone number? Please alert our Buyer Team to any changes so they can update your records. To participate in our purchasing programs, it’s very important we have the correct contact information for you and your team.

Please email updates to: Buyer@StabilizationTrust.org.

NCST Email Addresses

Sending an email to an NCST team member? Please include the team email box. This ensures a timely response to your email in case your primary contact is out of the office.

- Desk@StabilizationTrust.org - property transaction questions and assistance
- ReoTrack@StabilizationTrust.org - post-closing questions and assistance
- Buyer@StabilizationTrust.org - questions about program guidelines, target areas, and additional programs
- NewBuyer@StabilizationTrust.org - for more information about becoming an NCST buyer
About NCST: The National Community Stabilization Trust (NCST) is a non-profit organization that works to restore vacant and abandoned properties to productive use and protect neighborhoods from blight. Our programs facilitate the rehabilitation of vacant but structurally sound homes, enable safe, targeted demolition when necessary, and support creative and productive re-use of vacant land.

View as Webpage