

"A" grade range

Very well organized, well researched paper with a clear argument to a provocative yet difficult question to answer. I think your paper makes some strong points and does good job (in a short space) of attempting to make sense of the stark disparity on homeownership across the boroughs.

There are some parts where a little more explanation would have been helpful and I think you needed to address redlining in Queens itself, but overall nice work!!

URBST 222

18 December 2022

### The Racial Homeownership Gap in NYC

Research Question: Why is there a variation of Black Homeownership throughout NYC and why does Queens have the highest rate?

For millions, owning a home remains at the heart of the American Dream. However, this is not a reality for many due to the extreme wealth gap that exists between Blacks and whites. In Manhattan, Brooklyn, the Bronx, and Staten Island, the low Black homeownership rate is a problem. This problem stems from the ingrained racism within each borough and the inequality our capitalist economy promotes. But, a different story unfolds in Queens as it has the highest rate of Black homeownership across NYC. The establishment of diverse communities, the impact of white flight, and the more affordable cost of living are the leading factors contributing to a higher Black homeownership rate in Queens in comparison to the other boroughs. Studying these leading factors in Queens and the other boroughs allows us to gain a better understanding of how we can reduce the homeownership gap in NYC and achieve equal access for all. **Excellent intro!**

To begin with, gentrification is the process by which a neighborhood's character is altered by the influx of more affluent residents and businesses. In Manhattan, gentrification has disrupted the borough's racial makeup. In 2010, "for the first time since the seventies, a majority of Manhattan's population was non-Hispanic white" (Dumenco, 2010). White homeownership

stood at approximately 25%. By 2019, this rate increased by 8%, making white homeownership 33% (NYU Furman Center). Although this doesn't seem like a very large number, when we compare it to Black homeownership we can see the true extent of this inequality. White homeownership is 3.6 times higher than Black homeownership and this gap has continued to widen, showcasing how action needs to be taken to reduce these inequalities. As a result of gentrification the cost of living, including housing became more expensive. The median sale cost of a house in Manhattan is currently \$1M, which is higher than the median sale price of a house in NYC overall and Queens (Manhattan Real Estate Market Trends, 2022). Also, the mortgage interest rates and property values increased and it pushed out low to middle-income longtime Black homeowners. Despite mortgage rates and property values increasing, the income of Blacks stayed the same, causing financial pressures. So, the displacement of thousands of Black Families, the destruction of cultures, and the expensive cost of living in Manhattan have continued to push this race out. This demonstrates the relationship between race and gentrification and the difficulty of obtaining and maintaining homeownership for Black families in Manhattan.

Additionally, gentrification is affecting Brooklyn residents. Historically, Black Brooklyn, including Bedford-Stuyvesant, Bushwick, and Williamsburg was known for its strong sense of community. However, due to waves of gentrification, these Brooklyn neighborhoods experienced a shift in their Black population. Many whites moved to these traditionally Black communities, increasing racial segregation and displacement. Specifically, there was an 8.4% increase in White residents, while there was an 8.7% decrease in Black residents (Marsh & Conlon, 2021). From the year 2000 to 2018, the "entire borough of Brooklyn lost 60,878 Black residents because of the overall cost of living increasing," which made it the second most

expensive borough in NYC (Chronopoulos, 2020). The median sale price of a house in Brooklyn is currently 815K which is higher than the median sale price of a house in NYC overall and Queens (Brooklyn Real Estate Market Trends, 2022). In 2019, 36% of whites owned a home as opposed to 25% of Blacks (NYU Furman Center). In Queens, white homeownership is 50%, while Black homeownership is 48% (NYU Furman Center). The larger gap in Brooklyn showcases how it is essentially more difficult for Blacks to become homeowners in Brooklyn than it is in Queens. Not only this, but for some Black families after surpassing the racial barriers to obtaining a home the City's Third Party Transfer Program led to them losing their homes at an alarming rate. This program intended to help preserve affordable housing; but instead, it targeted Black homeownership. "Approximately 700 homes were taken under TPT in NYC, with a majority in Black Brooklyn (Magee, 2021). Therefore, gentrification and discriminatory programs have led to the low rates of Black homeownership and its decline in Brooklyn.

Glad you mention TPT!

In the Bronx, residents have been historically subjected to intense mortgage stress and predatory housing policies. The Home Owners Loan Act, a housing policy that was supposed to refinance mortgages in default to prevent foreclosures, ended up doing the complete opposite for Black owners. In the years 1933-1940, the Home Owners' Loan Company even went as far as sending representatives to assess the value of neighborhoods in the Bronx and determine the risk of giving out loans in the neighborhood. They used the following categories: moderate or high risk and even shaded the majority of the Bronx in red on a map (Brendlen, 2020). This categorization meant that homeowners struggling to pay their mortgage stood a very low chance of obtaining a loan. However, these unjust evaluations were solely based on the racial and ethnic makeup of existing residents (Brendlen, 2020). That is why in 2019, the Black homeownership rate was 21%. The implementation of policies and practices like those associated with the Home

Owners Loan Act demonstrates the everlasting effects of the lack of equal access to loans and the sustainability of Black homeownership in the Bronx.

Also, affordability plays a big role in Blacks' ability to obtain homes. So, because the Bronx is home to the “highest share of low-income people in the city,” if homes aren’t affordable homeownership is not a possibility, especially since “the median annual income was only 43,540” in 2019 (Office of the New York State Comptroller, 2021; NYU Furman Center). This lack of affordability led to “70% of zip codes in the Bronx facing mortgage delinquency of 30 days or more” (Sequeira, 2022). Mortgage delinquency refers to homeowners who are overdue on making at least one mortgage payment. It is also important to note how this percentage increased to 13%, making Black homeowners at risk of foreclosures (Sequeira, 2022). This is yet another example of how the legacies of discrimination and the lack of affordability of homes have contributed to low Black homeownership rates.

In Staten Island, the rate of Black homeownership is 35%, 2.2 times less than the white homeownership rate found there, 78% (NYU Furman Center). This is due to the deep-rooted patterns of racism, which have led to Blacks being treated differently, Blacks being put at a disadvantage, and Blacks not being able to obtain home ownership at the same rate as whites. Even when Black families could afford and tried to buy a home, real estate agents directed Blacks to “older, densely populated, and economically depressed neighborhoods,” otherwise known as racial steering (Silve, 2017). In other words, the minorities who live there are concentrated in several hypersegregated pockets, showcasing the high levels of isolation, high concentration of poverty, and the lack of integration between Blacks and whites in this borough.

On the other hand, Queens is one of the most ethnically diverse urban areas in the world. Its nickname the “World’s Borough,” emphasizes the multi-cultural makeup of its communities.

With that being said, this borough has a 48% Black homeownership rate, the highest in NYC (NYU Furman Center). Many Blacks decided to get a home in Queens because of its racial integration and diversity, which encourages residents to assimilate in neighborhoods that allow them to interact and learn from one another. Additionally, the Black history ingrained into many neighborhoods in Queens such as St. Albans allows Blacks to not only take pride in their culture, but build community, and gain a sense of belonging. For instance, "Jackie Robinson, Ella Fitzgerald, Joe Louis, and Miles Davis who were influential in black history lived there once," shaping and paving the way for more Blacks to enter the neighborhood as they broke down racial barriers that had previously excluded Blacks and kept the neighborhood white (Licata 2015). Therefore, there was a social and racial change in this community. Not only this but racial barriers continued to persist. However, Blacks' resilience and perseverance helped surpass these barriers.

Moreover, the increase of White flight and Queens being more affordable than other boroughs in NYC contributes to Black homeownership rates being higher. Unlike Manhattan and Brooklyn, Queens is still experiencing white flight. From 2010 to 2020, Queens lost almost "70,000 white residents, more than the losses of the Bronx and Staten Island combined" (Department of City Planning, 2021). Whites went from being the largest racial group at "27.6%" of the population to them being the third largest, making up to just "22.8%" of the population (Department of City Planning, 2021). As we know, there is a direct relationship between white flight and the cost of affordable housing. Whites moving out of the neighborhood led to the supply of housing increasing, impacting the cost of housing. Thereafter, homes became more affordable and easily accessible for Black families. The median sale price of homes is currently 569k, which is under the NYC median sale price (Queens Real Estate Market Trends,

2022). Queens' closeness to Manhattan and the lower cost of living further attract Black homeownership. Therefore, Queens is a powerful magnet for Blacks looking to buy a home and create enclaves of Black middle-class life.

All in all, the low Black homeownership rate in Manhattan, Brooklyn, the Bronx, and Staten Island is due to our capitalist system running on inequalities. This allows Queens to have the highest rate of Black homeownership in NYC. Queens' diversity and the abundance of affordability contribute to this as well. Although Queens only has more affordable homes than Manhattan and Brooklyn, we saw that racism in the Bronx and Staten Island has heavily influenced Blacks' decisions. To further reduce the homeownership gap within the other boroughs we must use Queens as an example. We must also remove the local barriers related to race and affordability, address housing supply, make it easier to obtain mortgages, improve government mortgage programs, and focus on homeownership sustainability.

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