

A NEW VISION FOR GENDER JUSTICE IN HOUSING

*Ensuring the
Human Right to Housing
Through Shared Equity
and Community Control*

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INTRODUCTION

Economic and social rights, where they are present and lacking, are often the rights that shape women's lives. In particular, the large role that women are still expected to play in caretaking ensures that the burdens of housing, healthcare, education, food and other economic injustice fall more heavily on the shoulders of women. This translates into millions of women taking care of their children alone living in poverty.¹

While all of our public systems addressing economic and social rights—Medicaid, food assistance, public schools, etc.—fail poor families at least some of the time, the lack of adequate housing and/or income to pay for housing casts an ever present shadow on the vast majority of poor families in need. This forces a precarious existence on single women trying to care for children, while also often working under stressful and abusive conditions. Families live doubled and tripled up and still never know whether their housing is secure.

Yet, government assistance for housing for the poorest families continues to decline and the speculative housing market offers no solutions. On the contrary, the housing market only offers increasing rents and home prices as the

economy stabilizes and rebounds for investors. An economy that disregards the value of caretaking while privileging speculation and concentration of capital is designed to inevitably marginalize and oppress single-women headed households. Combined with the well-documented economic impacts of race discrimination, it is poor women of color that bear the burden of our speculative housing market.

Women in poverty, however, have shown resilience and creativity in their struggle to realize the human right to housing for themselves and their families. Seeking alternatives that challenge the root causes of housing instability in our country, poor women have emerged as key leaders in the growing movement for shared equity housing through Community Land Trusts (CLTs) and/or Limited Equity Cooperatives. These models reject the economic speculation undergirding rising housing prices, and can instead create permanently affordable housing through empowering poor communities—guided by human rights values—to collectively own and manage land with the goal of meeting the housing needs of all in their neighborhoods.



“We are united by a concern about the deterioration of our communities. The result of a foreclosure crisis, unfair, destructive and unfair development policies, and the lack of decent housing for people of modest means as well as the most vulnerable members of our population. We see it as a moral imperative. NEHI is not just about housing, its about people, building community, and helping individuals fill their potential. We are committed to affordable housing. The other key is community control. We are not outsiders. One of the reasons so many programs in Baltimore failed is they are imposed on our community from the outside. We are going to do this ourselves. And we can.

—LINDA BROWN, member of the North East Housing Initiative Land Trust in Baltimore

GENDER, POVERTY AND HOUSING

Women make up more than 80% of single headed families in the United States, and these families faced an astounding poverty rate with four out of ten living in poverty.² Half of these families live in what is considered extreme poverty, \$9000 a year or \$200 a week to meet their food, housing, clothing and other needs for a family of three. Even those living above the poverty line are often struggling, with a medium income of \$26,000, which is less than a third of the \$84,000 medium income of two parent families. But this phenomenon is not due solely to the number of adults in the home, as single father headed households face approximately half the poverty rate of single mother headed households and the medium income was \$46,000 in 2013 as opposed to the \$26,000 single mother households have available.³ Single mother households also show comparatively low levels of homeownership⁴ and wealth.⁵

Despite clear need, only one in four households eligible for government assistance for housing receive it. The meager discretionary cash assistance through the Temporary Aid to Needy Families (TANF) or income from work at minimum wage levels in the female dominated hospitality, dependent care, and food service sectors, is not enough to meet housing costs in most areas.⁶ For families that are able to secure housing support through public programs, housing costs are capped at 30% of their household income, long considered the affordability benchmark. But for the vast majority of women struggling to support their families alone, the burden might easily exceed half their income. In 2015 11.8 million households were spending more than 50 percent of their income on rent.⁷ These formally “severely rent burdened,” are unable to meet their basic needs.

In 7 out of 11 of the largest U.S. metropolitan areas, 25% of all renters are severely rent burdened.⁸ Of those with low incomes (below 60% of the

area median income), more than a majority in every city experience severe rent burdens. What’s worse, there is far greater demand for than supply of rental units in these cities. This resulting market pressure produced, between 2013 and 2014, median rents that rose more quickly than in the previous six years.⁹

Poor women of color have also either been shut out or exploited by lending institutions that often represent the only path to home ownership. Women of color that did own homes were the most likely to be foreclosed upon during the financial collapse.¹⁰ Indeed, the discriminatory patterns in lending are shocking: even among upper incomes, black women were five times as likely as upper income white men to receive subprime loans.¹¹

It is in this landscape of poverty, structural racism and gender discrimination that community leaders are fueling a movement to change housing as we know it and transform the lives of our most vulnerable families through sustainable and vibrant neighborhoods created by community control and shared equity in housing and land.





FROM FLIPPING TO SHARING: WHY TRANSFORMING THE HOUSING SECTOR IS KEY TO GENDER JUSTICE

Our housing market is so rife with speculation that there are investors who “flip” houses for profits. Flipping a house means buying a property with the hope the market will rise quickly, and selling it for a profit. No concrete value is added for a family or a community. It is pure speculative profiteering. Yet, flipping houses for a living is perfectly legal, if not actually encouraged by our economic policy.

Flipping houses is just the extreme manifestation of our speculative economy. Housing in the United States is constantly under “speculative” pressure, as it is treated by public policy as an investment rather than a vital resource to meet community need. Owners sell at the highest profit possible, and landlords set rents similarly. While profit margins may rise or fall, this speculative pressure is always present. Speculative pressure in the housing arena has accelerated, regardless of jurisdiction, because of the increasing ease of global investment in the U.S. housing

system, protected explicitly and implicitly by government mortgage insurance.¹¹

Public housing, the only form of permanent non-speculative housing historically supported by federal policy, had a small but significant role in serving as housing of last resort. But much of public housing over the years has been demolished and privatized.¹² And section 8 Housing vouchers, while helpful to the poor, do nothing to curb speculative housing pressure and, at times, fuel it.¹³

There are, however, other forms of non-speculative housing in the U.S., which come under the rubric of “shared” or “limited” equity housing. This housing has built in immunity to local market pressures on rents and home prices, keeping housing costs affordable permanently. In 2006, shared or limited equity housing existed in 40 of the 50 states surveyed.¹⁴ The Community Land Trust is one type of shared equity that is increasingly called for by communities.

COMMUNITY LAND TRUSTS

Community Land Trusts (CLT's) in the United States had their origins in the Civil Rights movement, when Black farmers in Georgia came together to own and control their land. A CLT is a hybrid between public and private housing, as well as private and community property ownership. CLTs utilize a unique "ground lease" structure. In this structure, individuals and families own the home but the CLT retains ownership of the land.

By separating ownership of the home from ownership of the land, the CLT can control resale values and keep the homes permanently affordable through a resale formula that is part of the CLT's contracts with all the resident owners. As a result, the model allows individual families to build equity in their homes but "right sizes" the equity return to the individual to retain affordability for the community. This curbs speculative markets and ensures the home is always accessible to working families. Of equal importance, any public subsidy government invests remains in the community rather than leaving in the form of "profit" with a seller of a home. CLT structures also operate rental housing.

The Community Land Trust itself is a non-profit corporation, with a Board of Directors elected by the community it serves, and serves as an important vehicle for com-

munity leadership. Typical CLTs have tripartite boards, with one-third consisting of community residents, one-third made up of public officials or public stakeholders, while CLT residents make up the final third. Community members determine the needs of the community, how to meet them, and the resale formulas used by CLTs.

And most importantly, Community Land Trusts can be, and are, structured and organized to be inclusive. A 2009 report by the U.S. Census Bureau estimated that 7 percent of current renters could safely afford to buy homes using standard mortgage products.¹⁵ Reducing mortgage rates and down payments would have a minimal effect on this reality, but reducing purchase prices through subsidies, on the other hand, produces a more dramatic result. A subsidy of just \$10,000 (whether from a family member or a public program) would increase the number of renters who could qualify for ownership by 12 percentage points, to the extent that almost 20 percent of current renters could afford to buy.¹⁶ CLT's can provide even deeper affordability with the right mix of controlling resale prices and public investment. Because any original subsidy to bring the home into the CLT is passed to the next purchaser, more renters would be enabled to enter into homeownership.



Financing programs for low-income housing still favor the traditional investment model rather than shared equity. Low Income Housing Tax Credits (LIHTCs)—the primary source of funding for low-income rental housing—are awarded to non-profit developers, who exchange the credits with investors for equity (cash) that is used to develop the housing. LIHTCs, however, generally expire after 15 years, and investors frequently demand that low-income restrictions be removed so they can recoup their investment. It is ultimately a publicly subsidies that guarantees, not a human right to permanently affordable housing, but rather private gain

What Is a Community Land Trust?

A Community Land Trust (CLT) keeps properties affordable and in the hands of the community by putting the house, not the land it occupies, on the market and allowing only people with low incomes to buy.

Individuals and families own the home

The CLT retains ownership of the land



A New Homebuying Process

- 1 New resident buys home
- 2 Annual fee for leasing land paid to CLT
- 3 Mortgage payment each month goes to pay down the principal, building equity
- 4 House is sold through at affordable price set by resale formula in Land Trust Agreement
- 5 Homeowner may share in some price appreciation in the market and secure return on equity
- 6 Opportunity to own home granted to a new resident

WHAT DOES THE CLT MODEL BRING TO GENDER JUSTICE?

So what does all this mean for single women with children? While only 3.5% of traditional market homeowners are single mothers, a comprehensive survey of 96 CLTs conducted by the National Community Land Trust network at the start of 2011 showed that out of 3,139 CLT purchasers, 21% were single mothers.¹⁷ Without question, CLTs are better serving single mothers than the overall market and providing stability and equity for our most vulnerable families.

Why does it work? In a social context that punishes rather than rewards caretaking, single mothers are disproportionately poor, and CLTs are an effective strategy to help overcome the resource barrier poor women face in securing decent housing. Average monthly home ownership costs are reduced in shared or limited equity programs from \$1,189 to \$869, with 76% of CLT buyers paying no more than 33% of their gross income on housing.¹⁸ As a result, on average after five years after a low-income family purchases a home, 82% of families still owned CLT homes, 12% had purchased traditional housing, while only 6% had returned to renting. In contrast, government assisted first-time homebuyer assistance programs to low-income households show that more than half of those assisted return to the rental market within five years.¹⁹

But even as a rental option, CLTs offer a better option for families living in poverty, which are disproportionately headed by single women. According to the 2011 CLT Network survey, 45% of residential properties in

CLTs' portfolios are rentals, and are able to offer affordable rates in a sustainable way. One of the oldest CLTs, Cooper Square Community Land Trust in the Lower East Side of New York City includes rental housing, serving "very extremely low-income" households, according to HUD standards.²⁰ Household incomes of renters at Cooper Square were 22% of Area Median Income (AMI).²¹ Similar rental projects in Berkley, CA served households

"I want to tell you how much being a board member of the land trust has meant to me in terms of my investment in my neighborhood."

—ANN SACKKEY, Board Member of the Charm City Community Land Trust in Baltimore

below 45% of the AMI, and most frequently under 30% AMI.²² There are additional benefits in CLT rental projects including greater community cohesion, support for families and training and capacity building.

Alternative housing models, like shared and limited equity housing, address the root cause of the housing crisis facing single women with children: speculative pressure.

The CLT model also offers community involvement in ownership, putting a tenant or homeowner into a sustainable relationship with neighbors and other stakeholders committed to community building and asset stewardship. These relationships have operated to create sustainable and vibrant communities that have proven resilient in the face of even the most challenging economic landscapes.

The Durham Community Land Trust (DCLT) in North Carolina was formed initially by community leaders that included renters. The Durham CLT does its own property management, which allows it to maintain a closer relationship with its tenants. Selina Mack, DCLT's executive director, estimates that her staff interacts with 90 percent of DCLT's tenants monthly. Says Mack, "A lot of our tenants are long-term tenants. They're just as invested in the community as our homeowners are. And because they have at least a monthly relationship with us, it's just easier to communicate—about community events, voter registration, whatever is coming up." A consequence of this organizational commitment to tenant engagement is a high rate of renter participation in community events and DCLT trainings.



CONCLUSION

A human rights-based housing policy for local, state and federal government is an essential cornerstone of gender equality. With the extreme level of privatization and demolition of public housing in the last two decades and the ineffectiveness of housing vouchers in markets with rapidly rising rents (both programs where respectively 75% and 83% of recipients were women),²³ shared equity has emerged as a model that—with adequate public financing—shows promise for creating stable communities and empowering single women to meet their and their fam-

ily's basic needs. Shared equity also supports the community leadership and participation of women who need affordable housing. Human rights principles demand that our policy frameworks center the needs of those who are marginalized or most vulnerable.²⁴ Given the devastating impact of our existing housing policy on poor women and their children, local and federal government should take steps to enable, nurture, and resource this emerging vision for housing in the United States.

NOTES

1. <https://singlemotherguide.com/single-mother-statistics/>
2. <https://singlemotherguide.com/single-mother-statistics/>
3. Single fathers also fare more poorly than households with two adults (with at 21% poverty rate for children which is significantly above the 13% poverty rate where there are two adults in the home), but fare better than single mothers (45% poverty rate for children of single mothers).
4. *The Who, What and Where of America: Understanding the American Community Survey, Third Edition*, edited by: Deirdre A Gaquin & Gwenavere White Dunn, Bernan Press, 2012.
5. The mean net worth of married couple households (\$187,102) is substantially higher than that of cohabitant households (\$77,093), male-headed households (\$92,045) and female-headed households (\$48,726). Michael Grinstein-Weiss, Yeong Hun Yeo, Min Zhan, and Charles Pajarita, "Asset Holding and Net Worth among Households with Children: Differences by Household Type," *Children and Youth Services Review* 30 (2008): 62-78.
6. *Out of Reach, 2016* http://nlihc.org/sites/default/files/oor/OOR_2016.pdf
7. "Projecting Trends in Severely Cost-Burdened Renters: 2015-2025," by Harvard University's Joint Center for Housing Studies (JCHS) and Enterprise Community Partners Inc, <http://www.newsweek.com/affordable-housing-rent-burden-census-income-inequality-373994>
8. New York University Furman Center, *Renting in America's Largest Metropolitan Areas*, March 8, 2016.
9. Id.
10. Allen J. Fishbein & Patrick Woodall, *Consumer Federation of America, Women are Prime Targets for Subprime Lending; Women are Disproportionately Represented in High-Cost Mortgage Market 4* (December 2006)
11. See Manuel B. Aalbers, *The Financialization of Home and the Mortgage Market Crisis*, 12 *COMPETITION & CHANGE* 148 (2008). The multiple forms of mortgage securitization has attracted investment by commercial banks, hedge funds, Real Estate Investment Trusts (REITs), Pension funds, Insurance Companies, and others.
12. See Linda Couch, 2012 *Advocates Guide to Housing & Community Development Policy, Public Housing, NLIHC* 145 (2012), and Rachel Cohen, *Goodbye Public Housing? The American Prospect*, Nov. 12, 2015.
13. See Eva Rosen, *The Power of Landlords*, *The Atlantic*. June 9, 2015. "Landlords can often charge more for units occupied by voucher holders than what they would go for on the open market. The voucher program's rent ceilings are determined by ... a standard based on average rents across the entire city, so they are often higher than what a typical unit might rent for in a less-affluent neighborhood."
14. Lincoln Institute of Land Policy,
15. They found that reducing mortgage rates by as much as 3 percentage points through subsidies had virtually no effect on the number of renter families that could afford ownership, and that offering loans with no down payment requirements would increase that number by only 2 percentage points (to 9 percent).
16. Jacobus, *Best of Both Worlds, Shelter Force*, February 7, 2011 http://www.shelterforce.org/article/2111/best_of_both_worlds/P3/
17. *Results of The 2011 Comprehensive CLT Survey* By Emily Thaden The Housing Fund Vanderbilt University In partnership with the National Community Land Trust Network and the Lincoln Institute of Land Policy January 11, 2012
18. This information was obtained through the Homekeeper data base maintained by the National Community Land Trust network at Grounded Solutions, Inc.. Contact Emily Thadden at ethadden@groundedsolutions.org.
19. Davis and Jacobus, *Burlington Long. Study*
20. *Community Land Trusts and Low-Income Multifamily Rental Housing: The Case of Cooper Square, New York City* By Tom Angotti With the assistance of Cecilia Jagu © 2007 Lincoln Institute of Land Policy
21. Id., at p.16.
22. Id.
23. <http://nlihc.org/sites/default/files/HousingSpotlight2-2.pdf>
24. http://sun025.sun.ac.za/portal/page/portal/Arts/Departments/political_science/docs/Tab/UNDERSTANDING%20HUMAN%20RIGHTS-BASED%20TERMINOLOGY.pdf