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*Guest Editor's Introduction*

# Hispanic Housing Experience in the United States Part II—Hispanic Homeownership and Rental Access Quality, Gentrification, and the Resulting Impact on Neighborhood Context

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*The views expressed in this article are those of the authors and do not represent the official positions or policies of the Office of Policy Development and Research, the U.S. Department of Housing and Urban Development, or the U.S. government.*

## Introduction

The access of Hispanics—the largest ethnic-racial minority in the United States—to housing has been understudied. A *Cityscape* call for papers to fill that gap resulted in more publishable submissions than would fit in one symposium. Therefore, in the last issue, George Carter III presented “The Hispanic Housing Experience in the United States, Part I,” which focused on homelessness, segregation, anti-immigrant ordinances, and mobility.

In this issue, our symposium (Part II) focuses on one old theme (segregation) but also several new ones: assisted housing, homeownership, and the transition of wealth and real property between generations.

## Background

Low-income Hispanic renters face particular hardship in the United States. The Worst Case Housing Needs 2019 Report to Congress found that between 2017 and 2019, 24.4 percent of Hispanic households met the criteria for worst needs, either paying more than one-half of income toward housing costs, living in severely inadequate conditions, or both (Watson et al., 2020). Although Hispanic households constitute about 18 percent of U.S. Department of Housing and Urban Development (HUD)-assisted households, a number similar to their overall share of the population, nearly one-fourth of Hispanics are qualified to receive HUD assistance. Compared with their measure of the applicant pool, however, Hispanics are proportionally underrepresented in obtaining certain forms of rental assistance. According to the 2019 American Housing Survey (AHS), 36 percent of Hispanic households spend 35 percent or more of their incomes on housing compared with only 26 percent of non-Hispanic households (U.S. Census Bureau, 2020). To the extent that we can measure adequate housing quality, research indicates that Hispanics experience severely inadequate housing at double the rate of non-Hispanics (2 percent versus 1 percent; 2019 AHS). Even when attempting to contact public housing authorities for assistance, Hispanics face potential discrimination in the form of less friendly greetings and being less likely to be addressed by name (Einstein and Glick, 2017).

In Part I, Carter (2021) pointed out that Hispanic households in the United States are more likely to be renters (52 percent) than are U.S. households overall (36 percent), and 36 percent of new households are Hispanic (NAHREP, 2021). Even controlling for income, family structure, and other characteristics, Hispanics are less likely to own a home than are Whites (Flippen, 2010).

## Symposium Articles

Along the U.S.-Mexico border are communities of Hispanics living in settlements of varying informality, known as *colonias*. *Colonias* not only frequently lack basic services such as plumbing, utilities, and other services, but their residents may lack clear property titles even though many families have lived on the land for generations. Keith Wiley, Lance George, and Sam Lipshutz (2021) investigate access to mortgages in *colonias* in connection with Fannie Mae and Freddie Mac's Duty to Serve policy obligations. Fannie Mae and Freddie Mac must "facilitate a secondary market for mortgages on housing for very low-, low-, and moderate-income families" in underserved markets, one of which is rural housing (FHFA, 2021). In examining Home Mortgage Disclosure Act (HMDA) data, the authors found low levels of lending throughout those sections of the border area.

Rocio Sanchez-Moyano (2021) compares White and Hispanic home purchasing patterns. Controlling for the financial, demographic, and mortgage characteristics of the homebuyer, the author found that Hispanic homebuyers still tend to purchase homes in neighborhoods with more economic disadvantages. Compared with Whites, Hispanics were more likely to purchase homes in high-poverty and low-income neighborhoods even when otherwise qualified to purchase homes in higher opportunity neighborhoods. Unlike Whites, however, Hispanic loan applicants with a co-borrower tend to purchase in better opportunity neighborhoods. Although HMDA data do not contain information about the attitudes of homebuyers, Sanchez-Moyano explores the structural sorting of Hispanic homebuyers. The data show that Hispanic homebuyers may be more likely to

purchase in majority-Hispanic neighborhoods but are also more likely to purchase in majority-Black neighborhoods when few predominately Hispanic neighborhoods are available.

Dowell Myers and David Flores Moctezuma (2021) ponder the future of predominantly Hispanic neighborhoods in Los Angeles (L.A.). First, the authors analyzed the age structure of Hispanics, their ability to purchase a home, and whether or not Hispanics are income-qualified to replace White homeowners who are considerably older. Second, the authors analyzed Hispanic homeowners in two historically Hispanic East Los Angeles neighborhoods and the rise in the number of White and Asian homeowners in those areas. The analysis found that although Hispanics may be rising as a share of total homeowners nationally, the trend is different in East L.A., where Hispanics are purchasing homes in formerly White areas but may be unable to afford homes in traditionally Hispanic neighborhoods.

Anna Maria Santiago and Joffré Leroux (2021) also focus on homeownership. To support homeownership goals, the authors focused on housing counseling agencies across the United States that provide a wide range of services, including preparing households with the financial skills to own a home. In “*Hogar Dulce Hogar?*: The Experiences of Low-Income Latinx Homebuyers in Denver,” they examine Hispanic households that formerly participated in public housing that leave for homeownership, about one-third of whom participated in the Denver Housing Authority’s Homeownership Program (HOP). HOP provided households with education on money management, credit management, financial assistance, and more. The authors found that Hispanic households that participated in HOP received several benefits. Those households held onto their homes for an average of 12 years—about 2 years longer than Hispanic households that did not participate in HOP. HOP participants were less likely to use risky loan products. Hispanic HOP participants purchased homes that appreciated more on average than those of Hispanic households that did not participate in the counseling program, although the appreciation rate for those homes was less than for the Denver region overall.

Kirk McClure and Alex Schwartz (2021) review how low-income Hispanic renters fare in the Housing Choice Voucher (HCV) program—HUD’s largest rental assistance program, comprising just over one-half of all HUD-assisted households. Hispanic renters make up about 18 percent of all HCV households (Din and Helms Garrison, 2021). McClure and Schwartz examined Hispanic HCV households moving between neighborhoods with varying degrees of opportunity, as defined by an index from HUD’s Affirmatively Furthering Fair Housing data. They found that Hispanic HCV households are more likely to reside in lower opportunity neighborhoods. When moving, many Hispanic HCV households are likely to move to neighborhoods with similar or less opportunity.

Sandra Newman and C. Scott Holupka (2021) examine variation in the take-up rates of Hispanics in different types of HUD low-income rental assistance. Large differences exist in the geographic availability of those forms of aid—for example, California has very little public housing. Newman and Holupka found overrepresentation among Hispanics in public housing, but they found the opposite in housing voucher programs. Despite rental-assisted Hispanic households having larger families on average, the authors found that Hispanic households have housing units 73 square feet and 93 square feet smaller than White and Black rental-assisted households, respectively. Hispanics have the greatest chance at a larger housing unit when enrolled in the HCV program, in which,

however, they are underrepresented. Despite the disadvantage in assistance, Hispanic households still reported higher housing unit and neighborhood ratings than did Black or White households.

In 2020, 16 disasters occurred, which cost more than \$1 billion in damage each, totaling nearly \$50 billion (JCHS, 2020). Because the cost and number of declared disasters are rapidly increasing, disaster preparedness is becoming more important than ever before. As Samantha Friedman, Mayuko Nakatsuka, Elizabeth Fussell, and Recai Yucel (2021) reveal, Hispanic households are often more likely to live in areas that are vulnerable to such disasters; however, there is a lack of recent literature on Hispanic disaster preparedness. Friedman and her colleagues reviewed studies that have attempted to analyze the preparedness of Hispanic households in case of disaster, but their literature survey reports mixed results. The authors conducted bivariate and multivariate analyses on household characteristics using the 2017 AHS to assess the preparedness of Hispanics compared with other racial and ethnic groups. The research examines household resources, such as emergency funds, the presence of a generator, and other factors that affect a family's ability to weather a disaster. Overall, the authors found that preparedness among Hispanics is lower than among White households; however, a wide variance exists between factors when compared with other racial and ethnic groups.

Dr. Ernesto Lopez-Morales from the University of Chile provides an international perspective. He contrasts *colonias* in the United States with *campamentos* in Chile—informal settlements populated by immigrants that lack basic services and utilities—exploring similarities and differences between the two settlement types. Like the United States, Chile has a rental voucher program (code DS52), which also seeks to provide housing to low-income households. Dr. Lopez-Morales noted major differences in that the subsidy is capped below actual market rates and that Chile's "DS52 voucher poorly assists deprived tenant households in finding a home" (Lopez-Morales, 2021). Although many social situations and programs in the United States have comparisons in Chile, not all programs carry over. For example, although subsidy programs exist in Chile, no programs seem to be available for counseling households on budgeting, homeownership, financial literacy, and other soft skills for maintaining a home.

The purpose of this symposium is for policymakers, researchers, and others to understand rental assistance, homeownership, and disaster preparedness among Hispanics. Although the effects of housing counseling, rental assistance, and other housing programs and policy are widely studied and debated, narrowing the focus to Hispanics to understand how counseling works *for them* is important. As Hispanics continue to grow as the largest ethnic/racial group in this country, and as their countries of origin and length of time in the country continue to evolve, it will continue to be important to contextualize housing policy issues specifically for Hispanics and pay careful attention to whether the nation's housing programs are effective in serving them.

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