

Good morning. Thank you all for joining us. And thank you for giving me a few minutes to frame the day before we dive in. I'm going to start by citing a few of the illustrative studies that have come out in the last year that help us define the problem we are trying to address. I will then suggest some working definitions that we might use today for housing opportunity and affirmatively further fair housing. I will talk a little about the process that Ford, Open Society Foundations and others in this room have engaged in in the last two years to help the community development and fair housing fields address some of these problems together. Finally, I will set some goals for the day and give you a narrative outline of the agenda.

As Mac mentioned, we started incorporating fair housing into our thinking about the future of community development a couple of years ago. It wasn't originally part of our Metropolitan Opportunity initiatives—it was more in the purview of our racial justice programs. But as we thought about tools to create quality communities for everyone, to de-concentrate poverty and decrease residential segregation, it became clear that fair housing was important, and poorly integrated in to many affordable housing efforts. We know that in the US, your zip code determines so much about your chances in life—health outcomes, educational options, access to jobs and services, the ability to build wealth and join the middle class. And the places with the worst outcomes can trap people there for generations.

In his book published this year, *Stuck in Place*, Patrick Sharkey notes that fully 70% of the families living in neighborhoods of concentrated poverty at the opening of the civil rights era are still there. Sharkey looks at the trajectories of a national sample of African American children raised in neighborhoods of concentrated poverty during the civil rights era. While his book documents the intergenerational detrimental effect of being stuck in these places, he notes encouraging evidence that when families are provided a chance to leave the most violent, disadvantaged neighborhoods, children benefit substantially. He also notes that when these neighborhoods experience transformations that bring economic opportunities and reduction of racial segregation, children living in these neighborhoods experience considerably more economic mobility.

We know that the region where you live is also an important determinant of mobility, and that the regions in the US that are substantially better than others in terms of access to the middle class share some characteristics. In a study published this summer and cited in the *New York Times* last month, Harvard and UC Berkeley researchers found that regions including Atlanta, Memphis, Columbus, Cincinnati, Charlotte and Raleigh had lower levels of upward mobility out of poverty while regions including New York, Boston, Pittsburgh, Seattle and parts of California and Minnesota had higher degrees of mobility. They pointed to five factors associated with greater mobility:

- Higher levels of socioeconomic and racial integration

- Greater income equality
- Better schools and lower drop-out rates
- Higher percentage of two-parent households
- Greater civic engagement

While our focus today is going to be on the places and systems that are barriers to mobility out of poverty, we have also seen the coming of age of studies about the effects of moving to opportunity programs on individuals and households. While much of research is disappointingly inconclusive, perhaps because of flawed program design and execution, HUD's national study of the long term effects of MTO program demonstrated improved health outcomes for participants, and women in particular. We have examples, although still anecdotal, that when affordable housing is built or made available in high opportunity places, and marketed effectively to residents of color in nearby high poverty communities, that there is high demand for this housing. When residents are supported through the transition, outcomes for families who move can be quite remarkable. In his study of Ethel Lawrence homes, the 120 unit affordable housing development that eventually resulted from the canonical Mount Laurel decision in New Jersey, Doug Massey found that residents experienced a dramatic increase in wages and decrease on public assistance, better health and mental health outcomes, and their children had dramatically higher school achievement.

Sadly, we know that over the last 30 years, affordable housing development has largely done the opposite of increase mobility. Rather it has sustained or reinforced the patterns of racially concentrated areas of poverty in most regions, and not served as the desegregating force that many involved in the creation of the fair housing act envisioned. Perhaps this is a controversial general statement, but we will hear more specifics about this in each of the regions in our first panel.

When we first started talking with affordable housing and community development professionals about housing opportunity, and then also with civil rights advocates about the implementation barriers for housing opportunity, we found a variety of responses. In general people had very different ideas of what these terms meant, and wildly different levels of interest and receptiveness to problems faced by the other sectors. Housers weren't sure racial integration was really a problem that was theirs to solve. Civil rights and fair housing advocates weren't necessarily focused on the difficulty in creating a scalable business model for opportunity based housing. So on that note, I would like to acknowledge the diversity of sectors in the room and ask you to raise your hand when I call out your sector, so that we can all get a sense of who is in the room. Some of you may raise your hand multiple times: If you are a developer or houser, raise your hand. Community development? Government? Finance? Fair housing or civil rights advocate? Housing organizer or advocate?

I'd like to start out conversation here today by suggesting some basic shared language, perhaps overly simplified, because, as we have discovered, given the diversity in the room, we may not all have the same definitions. Let's start with housing opportunity.

What is housing opportunity?

- Freedom from discrimination
- Access to resources and assets
- Creation and sustaining of integrated neighborhoods
- Freedom from fear and risk—including violence, environmental health concerns, housing instability

Note that these definitions imply both/and, a theme we will repeat often during the day. That is, housing opportunity means addressing both individual discrimination, and the places that isolate people from opportunity. We need to address the problems that lead to segregation, such as exclusionary land policy, lack of supply of affordable housing in high opportunity places, market discrimination, and segregative choices, as well as problems that stem from segregation: unequal educational and employment opportunity, exposure to risk.

In order to increase housing opportunity, we need to both focus on revitalizing places that struggle with access to opportunity and create housing choice, that is creating a wider variety of housing in every place and enabling people to make the best possible choices about housing for themselves and their families.

A few things these goals and definitions do not imply:

- Forcing people to leave their neighborhoods
- Depriving poor neighborhoods of resources they need to improve
- Ignoring the legacy of segregation that has been reinforced by the pattern of affordable housing development in many regions in the last 40 years
- Assuming the while concentration of poverty and residential segregation are the problems we are trying to solve, that affordable housing is always the answer.

Another term that used to be hard to define, affirmatively furthering fair housing, just got a lot easier, because the new draft AFFIRMATIVELY FURTHERING FAIR HOUSING regulation issued by HUD last month defines it quite well:

Affirmatively Furthering Fair Housing means taking proactive steps beyond simply combating discrimination to foster more inclusive communities and access community assets for all persons protected by the Fair Housing Act. More specifically, it means taking steps proactively to address significant disparities in access to community assets, to overcome segregated living patterns and support and promote integrated communities, to end racially and ethnically concentrated

areas of poverty, and to foster and maintain compliance with civil rights and fair housing laws.

Of course those are all nice things to say, and all of you in the room know that they are easier said than done. Two years ago, Ford Metropolitan Opportunity Program started convening a few willing participants across these sectors to try and overcome the distance that seemed to exist in the practice across sectors, even though people often shared the same goals. I would like to thank those of you who have been with us since the beginning. We started with a small convening here that resulted in a few sporadic working groups, and then a west coast convening about a year ago. In the last year, the working groups in various configurations have been more active and focused. They have drafted some principles that tried to represent a consensus across sectors. This was an important exercise, not so much because the principles are definitive or representative of all viewpoints, but because in the process I think we forged some important new alliances, created a new level of focus across sectors. Affirmatively Furthering Fair Housing and inclusionary housing are topics are discussed with what I think is a new level of sophistication at most major housing conferences today. For example, next month, NHC will feature a pre-conference session on inclusive housing as well several sessions at the main conference on Affirmatively Furthering Fair Housing and inclusionary housing. The Funders' Network for Smartgrowth is going to have a daylong pre-conference workshop on the geography of opportunity at their spring conference in Boston. Ford has started requiring recipients of Ford's housing Program Related Investment recipients to track opportunity measures at the portfolio level.

Similarly, fair housing and civil rights groups have exerted an important level of influence and effort around the policies that represent ways to address barriers to housing opportunity, and leverage traditional planning and housing mechanisms to advance better regional tools for Affirmatively Furthering Fair Housing. PRRAC and others weighed in on REO to rental policy as a way to advance opportunity in areas hit by foreclosures. National Council of La Raza and other civil rights groups continue to play pivotal roles in Government Sponsored Entity and mortgage reform, both on the single and multifamily sides. And through the Fair Housing Equity Assessments required in places that received Sustainable Community Regional Planning Grants, fair housing advocates have been able to substantially engage regional planning as a way to further fair housing.

Perhaps most importantly, we have seen organizations working effectively in coalition at the regional level to advance housing opportunity. From Texas to New Jersey to California, we have seen fair housing and civil rights advocates joining with housers, and also transportation equity coalitions and education reform groups, with grass roots community organizers and community development experts to not only get projects built that advance housing opportunity, but also to change the local and state systems—the policies and practices—that are discriminatory. The last 6 years have been difficult years for advancing racial justice, especially at the

national level, and though we have suffered a few near misses in fair housing. I would argue that Affirmatively Furthering Fair Housing is one of the bright spots, where we have made significant movement towards policy that better advances racial equity, and that we should celebrate these wins as we approach the 50th anniversary of the Civil Rights Act.

Which brings us to today. Today, we hope to accomplish a few things:

- This convening is focused on 3 Northeast regions, which share many housing market and infrastructure characteristics, and so we hope that by lifting up specific best practices and challenges across similar regional dynamics, there will be some cross region learning.
- We will look at 3 specific policy and funding opportunities and how they can be used to Affirmatively Furthering Fair Housing—the draft HUD Regulation that came out in July, the Sustainable Communities Initiative and Disaster Recovery.
- We hope to create the opportunity to you to form new relationships and alliances across sectors.

So if you look at the agenda, a quick narrative of the day is:

- We will start by presenting some basic data about affordable housing, poverty and segregation patterns for each of the 4 regions (NJ and NY will be 2 separate regions for the purposes of most of the day)
- We will then have a panel that will present an overview of the regulation that is currently out for comment, and hear from folks in various sectors about what they see as the challenges and opportunities presented by the draft regulation.
- We will then hear from 3 of the regions that have received SCRP grants, and how they have been able to use regional planning and the Fair Housing Equity Assessment to plan for Affirmatively Furthering Fair Housing, and share some of the challenges they see coming up as they seek to implement those plans.
- After lunch, we will break into 4 groups by region, where each region has planned for a discussion of details around Affirmatively Furthering Fair Housing and Housing Opportunity in their places. We know that folks often find it hard to get together across sectors as they are doing their important work, and hope that the regional break-outs will provide an opportunity to take some of the information presented earlier in the day and formulate some action steps specific to your region across sectors. National folks, we will ask you to join the regional group of your choice.
- In our final panel, we will have the opportunity to hear from our colleagues in New Jersey and New Orleans about how they have been able to address fair housing in their use of disaster recovery funds, and used the large infusion of resources to leverage longer term changes in housing and finance systems.

- Solomon Greene will then take us home by summing up the day and we will adjourn to the reception.

On a final note, I would like to say a few thank you's before we move into our first panel. First, I would like to thank my colleagues in Metro Ops who have all be very engaged in this work and contributed to the planning of this convening: Jerry Maldonado, Don Chen, George McCarthy, Amy Kenyon, Sena Segbedzi and especially our support staff who has helped, Rowena Nixon, Keren Orr, Christina Hong, Brian Mori. The facilities folks at Ford, who make this look so effortless, have also been fabulous. I would also like to thank my powerfully thoughtful colleague at Open Society Foundation, Solomon Greene, who has very much been the intellectual light behind this work. There have been a group of somewhere between 15 and 30 folks who have been meeting at least monthly for last year in working groups, and it's been very exciting to see where they have taken us and this effort. Most of them have important day jobs, and so I am very appreciative of the time and talent they have spent working on shared policies and objectives. Finally, I would like to thank 3 people who have been pivotal to organizing this event, and really organizing this effort. Diane Glauber, Phil Tegeler and Peter Lawrence, thank you for your leadership.

With that, let's move into our first panel. Ingrid Ellen, Co-director for the Furman Center at NYU is going to kick us off. Thank you, Ingrid.