

OP-ED

Slump Offers Affordable Housing Opportunity

Connecticut faces a triple housing threat: skyrocketing foreclosure rates, a severe lack of affordable housing and extreme racial and economic segregation.

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Could there be a silver lining to the foreclosure crisis that will address all three problems?

On May 7, the General Assembly passed a bill that encourages the state to purchase foreclosed properties for redevelopment as affordable and supportive housing. On July 30, President Bush signed legislation, championed by Sen. Christopher Dodd, which allocates \$3.92 billion nationally to, in large part, help municipalities buy foreclosed properties. Cities and private groups in Boston, Minneapolis and San Diego reportedly are starting to purchase and redevelop foreclosed properties. The creation of desperately needed affordable and supportive housing could be the silver lining to the foreclosure crisis.

Unfortunately, a variety of forces could lead the state and others to purchase foreclosed

properties in struggling racially segregated urban areas and convert them into housing for the poorest of the poor. This is not fair to the children currently living in these neighborhoods or the children who will potentially be added to the school rolls. Why not acquire foreclosed properties in more economically and racially integrated neighborhoods with high-performing schools?

We've seen this pattern before with the overwhelmingly urban placement of public housing and developments funded through programs such as the federal Low-Income Housing Tax Credit Program. Underlying these decisions are assumptions about expediency, economy, race and class that exacerbate a history of public and private actions.

This has created housing for poor people in areas of excessive poverty and has led to Connecticut's own special brand of racial and economic apartheid. Studies by the Urban Institute and others show that isolated distressed inner-city neighborhoods with high levels of crime, struggling schools, adverse health outcomes and lack of jobs mean a

denial of all kinds of opportunities for residents.

Connecticut should make a deliberate decision to develop desegregated affordable housing. The state and its private partners should purchase foreclosed properties and create affordable and supportive housing in areas where the public schools are thriving, crime is low and employment opportunities are high.

In Baltimore, housing ad-

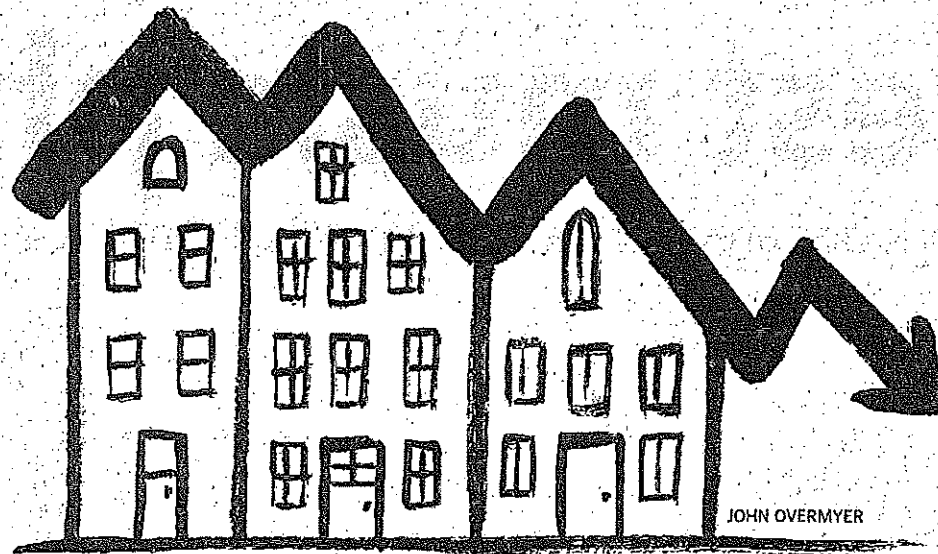
vocates studied a range of factors, such as school performance, availability of good jobs, access to transportation and low levels of crime, that, when combined, allowed neighborhoods to be classified as "high," "moderate" or "low opportunity" areas. They then overlaid the map of "opportunity areas" with a map of foreclosed properties. Surprisingly, they discovered that there are significant numbers of foreclosed

properties in each of these areas. The Fair Housing Center has commissioned such a study for our state and we predict that similar patterns will be found in Connecticut.

This study will allow the state to assess the feasibility of buying properties in high- and moderate-opportunity areas to convert into affordable and supportive housing. It would also help the state gauge the appropriate income mix for

properties it purchases in low opportunity areas. Thoughtful desegregating developer will help the state comply with its obligations under the federal Fair Housing Act and boost town compliance with the state Affordable Appeal Act. Foreclosed properties in high- and moderate-opportunity areas will likely cost more. But, with a depressed housing market, now is the time to invest in these properties.

Will there be neighborhood opposition? Perhaps, but may be less so if the proposals are not for massive development. If done right, the real silver lining to the foreclosure crisis might not be just the creation of affordable housing, but the first step toward undoing decades of governmental and privately sponsored discrimination. Without this kind of strategic investment, our cities will never thrive, our suburbs will never be integrated and our schools will continue to be disgracefully segregated.



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