



# Day 2: Thursday, Feb. 2

An Initiative of Pikes Peak Habitat for Humanity in Celebration of the 2023 UN World Interfaith Harmony Week

On day 2, learn about barriers to homeownership and some statistics on the racial homeownership gap.

## 1 BARRIERS TO HOMEOWNERSHIP

While Pikes Peak Habitat works towards a world where everyone, everywhere has a decent, affordable place to live, we recognize there are significant barriers to homeownership facing community members. Some of these barriers can include:

- A shortage of housing units, particularly for lower-priced homes.
- Increasing housing costs paired with stagnant household incomes.
- Challenges saving for a down payment alongside increasing interest rates.

## 2 RACIAL HOMEOWNERSHIP GAP

Additionally, minority households also face unique barriers to homeownership. Over the years, structural obstacles faced by minorities compounded to culminate in what is now known as the racial homeownership gap.

In fact, as of 2021 national homeownership rates in the United States for Black and Hispanic/Latino households trail homeownership rates of White households by more than 25 percentage points.

### U.S. Racial Homeownership Gap





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### 3 HISTORIC FACTORS CONTRIBUTING TO THE RACIAL WEALTH GAP

While there are a number of policies and factors that have contributed to racial inequities in homeownership, here are a few that have exacerbated the issue in the United States over time:

- **Redlining:** “Color-coded maps developed by the federal Home Owners’ Loan Corporation identified where households of color lived and deemed those ‘redlined’ areas unsafe for lending. The FHA refused to insure loans in redlined communities, and private lenders across the country followed their lead.”
- **Racial Covenants:** Covenants included in the deeds of homes prohibited individuals of specific races to purchase a home or “homeowners from reselling their homes to Black Buyers.” While the U.S. Supreme court ruled that racial covenants were illegal in 1948, it wasn’t until 1968 that “the policy of insuring mortgages with racially restrictive covenants [was] fully nullified by the [Fair Housing Act].”
- **Targeted Zoning:** Across the nation, local governments implemented zoning ordinances that required single-family homes in predominantly white communities, while encouraging multi-family housing and “industrial facilities to be located in or within or near communities predominately of households of color.”

### 4 DAILY ACTION ITEMS

- 1) Watch the short documentary [“This Divided Land”](#) to see how Habitat Asheville responded when they found a property with a racial covenant, transforming it into a “Beloved Community” neighborhood.
- 2) [Sign onto Pikes Peak Habitat’s “Building the Beloved Community” Pledge.](#)
- 3) Write down your reflections about these housing barriers. Were you aware of the racial homeownership gap or some of the policies? Were you surprised by any?

Sources: Habitat for Humanity International. [“Historic Housing Discrimination in the U.S.”](#)

Habitat for Humanity International. [“How do Racial Inequities Limit Homeownership Opportunities?”](#)



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