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STRUGGLING TOWARD HOMES OF THEIR OWN DESPITE PROGRESS, MINORITY GROUPS HAVEN'T NARROWED GAP WITH WHITES

Terence Floyd feels a warm twinge of gratification as the small crowd files into the classroom in a converted Hartford factory at the end of a workday.

Residents from Hartford and surrounding towns, almost all black or Latino, will learn what it takes to buy and keep a home. In growing numbers, they're striking while the interest rates are still hot, hoping -- against hope, some of them -- for that indescribable surge of financial power that intoxicates all of us, rich, poor and middle-class.

Floyd, director of housing and community development for the nonprofit agency Co-Opportunity Inc., does his part for clients who pass through the eight-week classes dreaming of driveways and lawn care.

But Floyd's job is not to dream. He looks around the room soberly. He knows that if just half the people in his classes close on a house of their own within two years, "we're doing good."

"Unfortunately, they don't all get there," he said.

It's a perfect picture of what's happening in minority homeownership across the nation. We see newly tapped interest among previously shut-out renters. We see the housing industry, community groups and lenders lavishing attention on these new buyers.

We see some progress, as homeownership among black and Latino households approaches 50 percent nationally -- although it's much lower in Connecticut.

But despite the triumphs of hundreds of thousands of families, despite happy declarations from the Bush administration as well as Democrats, despite years of record-breaking low rates and alleged economic booms, despite widespread programs offering mortgages with little or no money down, the homeownership gap between white and black and Latino households

remains largely unchanged.

Worse, the homeownership percentage rates have barely inched ahead for blacks, and haven't moved at all for Latinos, in a period of once-in-a-lifetime low borrowing rates.

Resolve shows in Donnaree Daley's stern face as she listens intently to the steps she must take. The former low-income housing resident, now living with her mother and 5-year-old daughter in Bloomfield as she works in customer service for Fleet Bank, will have to fight her own financial demons as well as the nation's. Wages remain stagnant as rank-and-file workers lack bargaining power amid paltry hiring.

And by most guesses, borrowing rates will jump upward, which will push people on the edge right back to the apartment-leasing office.

"I don't know how, but I know I'm going to do it," Daley said. "By December, I'm going to be debt-free."

Others in the class, including Janice Williams, moved to the Hartford area from big cities, for the open space and lower housing prices. "I love New Britain," Williams declared. "Like my daughter says, it's open land, and with open land, open minds."

They can see the goal, literally, as the class teacher, Effie Lucas, passes around snapshots of an actual closing by a former Co-Opportunity client in a lawyer's office. There it is, the moment when life changes forever.

But if the ethnic gap in homeownership is to be narrowed, it's going to take much more than ambition, by policymakers as well as striving home buyers. More money, more ideas, more education, more programs and less empty campaign rhetoric.

President Bush has made minority homeownership a priority, at least in his speeches, since June 2002 -- when he echoed a goal of mortgage-financing giant Fannie Mae to help put 5.5 million new buyers of color in homes by 2010. But although Fannie Mae has dedicated about \$500 billion in loan funds to the effort, Bush's centerpiece, the American Dream Downpayment Initiative, simply moves money from an existing low- and moderate-income housing program for cities and states.

In Hartford, a big part of the problem is the housing itself. Single-family houses comprise just 14 percent of all residences. If all of those were owner-occupied, and every multi-family house was occupied by an owner, the homeownership rate would reach only 30 percent, according to Bob Kantor,

director of the Fannie Mae office in the city.

"We're working on a strategy with the mayor to increase the homeownership rate," Kantor said. For example, he noted, "We're starting to see in the Latino community, families like to buy homes together."

Ultimately, progress will require real economic progress for have-nots -- and that's where the question grows tricky. Narrowing the gap is correctly viewed as a necessary linchpin in solving all sorts of social and urban problems. At the same time, the gap is also caused by those problems, and so it's part of the cycle of poverty.

Ten years ago, 70 percent of white, non-Latino households owned their own homes. The percentages for blacks and Latinos were 42 and 41 percent, respectively. By 2001, black and Latino families had pushed ahead to 48 and 47 percent, while whites were at 74 percent.

Today, after three years of historically low borrowing rates, homeownership among blacks is a shade under the milestone of 50 percent. Latinos, though, remain at 47 percent, unchanged from three years ago.

Tell that to almost any real estate agent, and he or she will say, "No way." Indeed, between 2001 and 2003, the number of Latino homeowners grew by 515,000, or 11 percent, to 5.1 million. Latinos comprised 7.1 percent of all homeowners in 2003, up from 6.4 percent two years earlier.

Impressive numbers. Trouble is, the figures only reflect growth in the Latino population. So, while it's great for those half-million families, in the big picture, progress remains elusive.

Connecticut is gaining a share of minority homeowners in the cities and suburbs alike. But the overall numbers remain lower here because of high costs and the lack of any cohesive efforts to break past the city-suburb divisions. Numbers from the 1990 and 2000 census -- the only reliable data -- showed the Latino rate jumping from 25.9 percent to 28.1 percent, and the rate among black households advancing from 31.4 percent to 36.5 percent.

Enticing mortgages, it turns out, can only go so far.

"Wages are definitely not keeping up with inflation," Floyd said. "People are not making enough in general to live."

Part of the problem is getting the word out. As the classes make clear, the chasm isn't just a matter of income, but culture as well. Part of the issue is the residential real estate industry itself, traditionally white like the suburbs

it aspired to build. Now that's changing, like those suburbs, only slower.

Bob Blanchard of ERA Blanchard & Rossetto Inc. in Manchester is proud of the changes, brought in large part by two of his minority agents, one born in Jamaica, the other in Bangladesh.

"There's a lot of people who are of color who are buying houses who aren't blond and blue-eyed. We enjoy the cultures, we enjoy the people when they come in," Blanchard said. Of the two agents, he said, "They're doing quite a good business with their own people plus anybody else that comes in."

That's the point; a lot of buyers want to work with someone who looks like them. Lorna Purrier, who moved from Jamaica in 1978 and has been with the agency for a decade, said virtually all of her clients are minority, largely immigrant. One family has sent Purrier a whopping 10 referrals since she helped them overcome three earlier credit rejections from banks.

"I speak their language, I understand their language," said Purrier, volume leader at her agency last year. "They feel more comfortable working with me."

Indeed, said Kantor at Fannie Mae, "We think there's a lot of job opportunities for the minority communities. Historically, the housing sector has been an all-white sector."

The trend points to progress, but it needs to be joined by stronger overall economic policies, such as advancing the earned-income tax credit in Connecticut. The single action that would do the most for moderate-income homeownership -- minority or not -- could well be a U.S. Justice Department attack on anti-union, anti-female practices at giant retailers, starting with Wal-Mart. Don't look for that anytime soon.

Housing advocates, in fact, worry that a push to boost homeownership rates without proper support could lead to a backward fall, as foreclosure rates rise and as we forget about rental housing.

"It's a noble goal," said Diane Randall, director of the Hartford-based Partnership for Strong Communities.

But she added, "How low of a household income can you go and still get people into the homeownership market? There has to be affordable rental housing available."

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