



## Hartford, Connecticut

Nationally, there are widespread reports about a housing recovery. However, the Haas Institute’s report, *Underwater America: How the So-Called “Recovery” Is Bypassing Many American Communities*, shows that this recovery has left behind the hardest-hit neighborhoods in cities like Hartford. In these housing “hot spots” too many homeowners are still underwater on their mortgage, which means they owe more than their homes are worth. These communities have already seen millions in wealth wiped out as a result of the foreclosure crisis, but for the homeowners who live in these hot spots, there is no relief in sight.

Moreover, even within these cities, working class communities of color are bearing a disproportionate share of the impact of the ongoing crisis. The same communities that were targeted for predatory mortgages in the first place and saw generations of wealth stripped away through foreclosures, are now concentrated in these housing hot spots, where they are more likely to be underwater on their mortgages.

### The Housing Crisis in Hartford

Rank	ZIP Code	Percent of Homes Underwater	Percent Below Peak Home Prices	Home in Default or Foreclosure in 2013	Percent African American and Latino	Median Household Income
1	06103	71%	N/A	5	24%	\$72,942
2	06114	63%	35%	177	75%	\$33,210
3	06106	61%	35%	219	81%	\$26,640
4	06112	54%	38%	171	88%	\$31,754
5	06105	45%	31%	77	67%	\$28,707
6	06120	29%	30%	74	96%	\$21,824
	Citywide*	56%	35%	723	83%	\$28,931

---

\*ZIP codes for which Zillow did not have underwater mortgage data are not included in this table, but they are included in the total citywide counts. The citywide data on defaults and foreclosures was obtained by adding up the data for each individual ZIP code in the city. However, ZIP codes do not correspond exactly with city boundaries, so some of the ZIP codes included in the table or included in the citywide totals may not lie completely within Hartford city limits.

## Key facts about the housing crisis in Hartford

- 56 percent of Hartford homeowners were still underwater on their mortgages at the end of 2013, making it hardest-hit city in the country with a population over 100,000.
- Hartford home prices remain 35 percent below their peak levels.
- More than 700 homeowners in Hartford went into default or foreclosure in 2013.
- African Americans and Latinos account for more than 83 percent of the population of Hartford. Across the country cities like Hartford, with large communities of color, have been disparately impacted by the housing crisis.

## Recommendations

The housing crisis is far from over for the families living in hard-hit cities like Hartford. We need action to ensure that any recovery does not leave behind the communities living in these hot spots. Local officials in these cities should explore all options at their disposal to more effectively address the crisis. Here are some key steps that should be taken immediately to ensure an equitable recovery for all homeowners:

1. Loan holders – banks, government sponsored enterprises (i.e., Fannie Mae and Freddie Mac, which are regulated by the Federal Housing Finance Agency, FHFA), and investors – should reduce the principal on underwater mortgages to current market values.
2. If loan holders are unwilling or unable to reduce the principal on underwater mortgages to current market values, they should allow these loans to be purchased by publicly-owned or nonprofit entities that are willing to restructure them with fair and affordable terms.
3. Local municipalities should use all options at their disposal to facilitate the goal of resetting mortgages to current market values, including the use of “reverse eminent domain” (the program proposed in Richmond, California and elsewhere) to acquire mortgages in order to restructure them with fair and affordable terms.
4. Banks, government sponsored enterprises like Fannie Mae and Freddie Mac, and investors that own *vacant homes* that have already been foreclosed upon should sell them to publicly-owned or nonprofit entities that can convert them to affordable housing units for residents of the community instead of selling them to speculators.
5. Local municipalities should use all options at their disposal to facilitate the goal of turning vacant, foreclosed homes into affordable housing. This includes the use of “reverse eminent domain” to acquire properties in order to convert them to affordable housing units for residents of the community and to prevent them from being purchased by speculators.