

Emerging Housing Markets in Virginia: Que Pasa?

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I grew up in Virginia and don't remember hearing any foreign languages at the grocery store or gas station. Boy, have things changed. More than two decades after my high school years I am pleasantly surprised to return to Virginia and see and hear people from all corners of the globe in our Commonwealth. Maybe I didn't have to travel the world, living in several countries -- now I can meet the world in my neighborhood.

The question at the office is: What does this mean for us, the affordable housing providers? The answer is simple: a paradigm shift, with the caveat that the more things change the more they remain the same. If our focus has always been the underserved and the disadvantaged, then those demographic sucking sounds you are hearing are the limited English proficient (LEPs) families being pulled into the housing underworld where we do most of our work already. Many LEPs have escaped generations of racial exploitation overseas and are attempting to live the American Dream just as those from our historically underserved communities are. We in the affordable housing sector work with people, and it's retail work. Now we need to do our retail work in a multicultural and linguistically diverse landscape. Here are some things to keep in mind.

Know your shifting market

From 1900 to 1970, the percentage of Virginia's population born in a foreign land hovered at one percent. From 1970 to 2000 that proportion grew eight-fold, and the 2010 census will likely see a number closer to 12-15% and closing in on 1 million people (JLARC Report: Acclimation of Virginia's Foreign Born Population, 2003).

Why is this demographic shift happening in the first place? Is it Virginia's famed Southern Hospitality that motivates people to move from other states or from beyond our nation's borders?¹ To all us native Virginians, I'm sorry to report that it's not that flattering -- there are three main reasons for this demographic shift: jobs, jobs and more jobs. In May 2007 the Virginia Employment Commission reported that Virginia's 2.8% unemployment rate stood well below the national rate of 4.3%, an already very low rate most economists would say indicates a full employment economy. In fact, according to the JLARC report, "Virginia's foreign-born population is an integral part of the Virginia economy. Constituting approximately 12 percent of the State's civilian labor force and 44 percent of Virginia's labor force growth over the last decade, the Virginia foreign-born participate in every major sector of the State's economy." In his 2006 State of the Union address, President George W. Bush confirmed that "We hear claims that immigrants are somehow bad for the economy -- even though this economy could not function without them." In markets that have seen high growth rates in construction and accommodation/food services, the LEP population has arrived in force to do the many lower-wage jobs that no one else filled.

¹ Actually, the 2005 American Community Survey of the Census Bureau reports that only half of Virginia's 7.5 million residents were born in Virginia: 40 percent were born in other states and 10 percent were born in other countries (Cai, Qian, *Who's Moving to Virginia?*, Weldon Cooper Center, University of Virginia, January 2007).

This is not news to those in NOVA -- what's news is that in the farthest geographic reaches of the state you will now find LEPs, a reality that not only has not been welcomed, but has actually fueled much tension. Whether it's making Christmas wreaths in Galax, processing chickens in Harrisonburg, building housing in Loudoun, picking apples in Nelson, or shelling crabs in Tidewater, LEPs are fully engaged in our economy.

Every part of the Commonwealth is different, but I think you'll find that the demographic shift in the Charlottesville area mirrors the experience of many localities. Here we have seen a near quadrupling between 1990 and 2005 of the Latino/Hispanic proportion of the area's population (the largest and fastest growing LEP group). The Asian population during this period saw a 70% increase in their share of the total. This is compared to a drop in the proportion of residents that are African-American or White (US Census Bureau).

In terms of housing, there are some unique characteristics of this population that should catch our attention. This LEP group is younger, with an average age in 2000 among Latinos/Hispanics of 26 years compared to 35.8 for the general population across Virginia. This equates to more working families with growing children reaching their home-buying years and needing to expand their housing options. No surprise then that 69% of Virginia Latinos/Hispanics had a change of residence between 1995 and 2000, compared with 45% for Whites and 50% for African-Americans. Latino/Hispanic purchasing power is also higher than many suppose: this group's median household income in the Charlottesville area in 2000 reached \$35,588. This compared to \$41,705 for the general population (Whites \$43,777 and African-Americans \$30,914). Yet, with this income and all the moving around, Latinos/Hispanics are much more likely to be renting (61%) versus African-Americans (46%) or Whites (30%). Finally, unlike others in the underserved population, Latinos/Hispanics are far less likely to have long credit reports – to the contrary they often have no credit history and have to borrow money just to establish a score for mortgage lenders. The bottom line: Younger Latino/Hispanic families are on the move, with resources and credit worthiness and a pent-up demand that puts them on course for homeownership.

Know your borders, bring your passport

So, how do you increase your market share within the LEP population like Piedmont Housing Alliance, which engineered a jump from zero percent of its first-time homebuyers being LEPs in 2004 to 2006 when 16% of its clients were LEPs? Well, first of all, big surprise, there is the language barrier. According to the 2000 census, 11 percent of Virginia residents over the age of five speak a primary language other than English. Forty-one percent of this population speak English “less than very well” and 21 percent live in “linguistically isolated households.” Obviously, it would help everyone, including the LEP client, if they learned to speak English, but seeing how few of us could learn Spanish in a few months or even years can we expect others to pick up English quickly? Many LEPs are not very literate in their own language and spend their day surrounded by other LEPs – not conducive to learning a new language. There has to be another approach. In fact, Title VI of the Civil Rights Act of 1964 provides “that no person shall be subjected to discrimination on the basis of race, color or national origin under any program or activity that receives Federal financial assistance. The courts have held that Title VI prohibits recipients of Federal financial assistance from denying LEP persons access to programs, on the basis of their national origin”. (US Department of Health and Human Services, Office for Civil Rights, <http://www.hhs.gov/ocr/lep/fact.html>).

Agencies first need to do one or more of the following: contract with interpreter services, hire bilingual staff, provide bilingual telephone services, print information in multiple languages, and

in general have a language access plan. That's just to react when clients come in the door or call on the phone.

What about *attracting* LEP clients? That's the second step, involving outreach to the community: churches, social groups, larger employers, through TV, radio and print media. Cultural events and agency-to-agency referrals are also good ways to get the word out. In Charlottesville, we have a very helpful network of agencies improving outreach to LEPs: *Creciendo Juntos – Growing Together* (www.cj-network.org). Most LEP communities rely on friends and family for information, so word of mouth can spread the news quickly about your services and programs. It's retail work, as usual.

Yet, language isn't everything. "You say *tomayto* and I say *tomahto*"... there are many cultural differences that affect communication and a successful client relationship. Having staff members that are *bicultural* will help tremendously in building understanding and trust. Agencies should also invest in cultural sensitivity training and be encouraged to participate in community wide events that give staff members an opportunity to interact and befriend people from other cultures. Many of our larger urban areas provide frequent venues and fairs that bring diverse populations together.

Now that you have overcome any cultural and linguistic barriers, you get down to technical talk about housing opportunities in Virginia. But guess what, the financial and housing world that the client is familiar with from their country of origin looks very different from what is offered here. Remember, financial literacy may be a "language" barrier too. Are your education, counseling, financial and housing programs providing the right fit, or do they need to be customized to the unique characteristics of the family: size, income type, education, housing preferences, credit history, etc.?

There is no one-size fits all answer, but the tools and experience are out there. The good news is that once a barrier has come down, your agency may find things move forward much as they have in all our work – creating opportunities for the underserved. As I said, *the more things change the more they remain the same*. Good luck.