

Reading: A Little History of Housing

Part One: After Slavery

In 1900, 35 years after slavery ended, four-fifths of African-Americans in the South lived in rural areas. But at the beginning of the twentieth century, many African-Americans began moving from rural areas of the South to southern cities.

City governments in this part of the country, reacted by passing laws to promote racial segregation.

On May 15, 1911, the mayor of Baltimore, J. Barry Mahool, signed into law the country's first racial segregation ordinance. The law prohibited blacks from buying a house on a block that was majority white. The mayor explained:

“Blacks should be quarantined in isolated slums in order to reduce the incidents of civil disturbance, to prevent the spread of communicable disease into the nearby white neighborhoods, and to protect property values among the white majority.”

During early 1900s, in what came to be known as the Great Migration, some 6 million African Americans moved north to escape the violence and terror they experienced in the rural south. As blacks began to move into northern cities, many of these cities followed Baltimore's lead in legislating where blacks could and could not live.

The Supreme Court ruled against these laws in 1917. However, cities continued to encourage segregation with city planning language that was less overtly racial.

Discuss:

- What are your thoughts and feelings about what you just read?
- Do you think we still see evidence of these early policies today? Where? How?

Part Two: The federal government legislates housing

During the Great Depression of the 1930s, millions of people were unable to pay their mortgages and lost their homes. The banks that survived virtually stopped lending money for home purchases. In 1934, Congress passed the National Housing Act to resuscitate the housing industry and make it possible for people to obtain mortgages once again.

The newly created Federal Housing Administration (FHA) regulated and revamped the mortgage process, and most importantly, insured home mortgages so that the banks were able to lend money without fear of not getting paid back.

Unfortunately, the help the FHA provided went almost entirely to white people. FHA policies excluded and segregated black people:

- The FHA refused to insure mortgages in or near black neighborhoods.
- The FHA subsidized the construction of huge housing developments that explicitly excluded blacks.
- The Home Owners Loan Corporation (a federal agency) produced maps that designated white neighborhoods as safe for loans and black neighborhoods as unsafe for loans.
- These maps were then used by other agencies insuring home loans like the FHA and the Veterans Administration.
- New housing projects were segregated by race—sometimes bringing segregation to areas that had been integrated racially before.

The FHA based their discrimination on the theory that blacks moving into white areas would reduce property values and thereby put the loans at risk. However, there were no studies to support this idea. In fact, African American home buyers often *increased* the property values because they were willing to pay higher purchase prices to move into a white neighborhood.

The Underwriting Manual of the FHA was quite explicit: "Incompatible racial groups should not be permitted to live in the same communities." The manual also recommended that highways be used as a physical divider between black and white neighborhoods. These barriers continue to divide city neighborhoods today, often cutting off black neighborhoods and depriving them of growth.

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social groups are present, to the end that an intelligent prediction may be made regarding the possibility or probability of the location being invaded by such groups. If a neighborhood is to retain stability it is necessary that properties shall continue to be occupied by the same social and racial classes. A change in social or racial occupancy generally leads to instability and a reduction in values. The pro-

Discuss:

- What are your thoughts and feelings about what you just read?
- The Constitution's 14th Amendment guarantees all citizens "equal protection of the laws." Do you think the FHA's policies violated the 14th Amendment? Why or why not?

Note: The 13th, 14th and 15th Amendments (the "Reconstruction Amendments") were all passed after the Civil War in an effort to establish equality for African Americans. The amendments are included at the bottom of the reading.

Part 3: After World War 2

The segregation policies continued through the 1940s and 1950s.

- During World War II, the FHA would not approve a new housing development for whites until a six-foot wall was built to separate the development from a black neighborhood. Detroit's "Eight Mile Wall" (named for its location, not for its length) still exists, though it is no longer a racial housing barrier.
- From the end of the 1930s to the mid 1950s, the FHA supported over 60% of home purchases in the U.S. Only 2% of these loans went to black Americans.
- The GI Bill (also known as the Serviceman's Readjustment Act of 1944) was a law that provided a range of benefits for returning World War II veterans, including low-interest housing loans and college aid. It was enormously successful in helping returning white veterans get a leg up in society after the war. But black vets were largely excluded from the benefits. For example, of the first 67,000 mortgages supported by the Veterans Administration under the GI Bill, only 100 went to blacks. This was largely because the FHA would not guarantee mortgages for black families.
- The late 1940s and 1950s saw many large-scale suburban housing developments supported by the FHA. The houses were inexpensive and the down payments were small. Most excluded blacks.

Discuss:

- What are your thoughts and feelings about what you just read?
- Which policy do you think has the greatest impact on us today? Why?

Part 4: What the Civil Rights Movement Won

In 1968, as a result of a massive civil rights movement, Congress passed the Fair Housing Act, which made overt racial discrimination less prevalent. But it included only weak enforcement provisions and no measures to reverse or mitigate past government-sanctioned segregation or compensation for victims of those discriminatory policies.

Under the Fair Housing Act, black Americans could buy a house wherever they wanted (at least officially). But at that point, houses were nowhere near as affordable as they had been in the 1940s and 1950s. And home prices have continued to rise since then. FHA-financed suburban homes that whites bought in the 1950s for about twice the median income now sell for about 6-8 times the median income. The post-World War II FHA-financed houses in Levittown, NY, which were not available to blacks, sold for \$8,000. Today, they sell for \$400,000.

Discuss:

- What are your thoughts and feelings about what you just read?
- If you know the story of previous generations in your family, do you know if they were affected by policies we have read about? How?

The 13th Amendment to the U.S. Constitution Article XIII. *Ratified December 6, 1865*

Section 1. Neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction.

Section 2. Congress shall have power to enforce this article by appropriate legislation.

The 14th Amendment to the U.S. Constitution Article XIV (Section 1 of 5 sections)

Ratified July 9, 1868

Section 1. All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside. No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.

The 15th Amendment to the U.S. Constitution Article XV. *Ratified February 3, 1870*

Section 1. The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of race, color, or previous condition of servitude.

Section 2. The Congress shall have power to enforce this article by appropriate legislation.