Fair Housing Training: Land Use, Housing Policies, and Disparate Access to Wealth

April 21, 2021
Agenda

• History of Legal Segregation and Housing Discrimination in the U.S.

• The Fair Housing Act and Affirmatively Furthering Fair Housing

• Local Fair Housing History and the Housing Equality Center of Pennsylvania
Part of general Reconstruction era federal policy.

Passed by Congress in April of 1866 over the veto of Andrew Johnson and reenacted in 1871. The Fourteenth Amendment was adopted in part to ensure that Congress could not repeal the Act. The Act is still in effect today.

The Civil Rights Act of 1866 stated that all persons born in the United States were now citizens without regard to race, color, or previous condition (enslavement). As citizens they could make and enforce contracts, sue and be sued, give evidence in court, and inherit, purchase, lease, sell, hold, and convey real and personal property.
Zoning:

State and local ordinances prohibited the sale or rental of homes to non-white buyers or renters in white areas or to white buyers in non-white areas, typically enforced through municipal zoning. Explicitly racial zoning was practiced during the early 1900s until 1917, when overturned by the Supreme Court (although many cities ignored the Supreme Court decision until as late as 1950).

Supreme Court found that zoning restrictions based on race were a limitation on property rights and outlawed the practice of racial zoning for this reason.
Legal Segregation and Discrimination

Zoning:

After 1917 economic zoning arose as a pretext for zoning based on race. In 1921 a model zoning ordinance was distributed by the Department of Commerce, encouraging all municipalities to adopt zoning ordinances that segregated housing by economic factors, therefore accomplishing racially homogenous neighborhoods. Zoning ordinances with the effect of economic segregation have historically proved legally sustainable despite disparate impact based on race.
Restrictive Covenants:

After 1917 legal segregation also continued to be enforced through restrictive covenants and deed restrictions—contractual agreements that prohibited the sale or lease of specific pieces of property to non-white people. By the 1940s, 80% of properties in some cities carried restrictive covenants prohibiting Black residents.

Despite the deed restrictions being private agreements, all levels of government participated in the enforcement of these restrictions up until 1950, evicting and occasionally jailing Black purchasers.
Public Housing:

New Deal programs such as the Public Works Administration, which had the dual goal of creating construction jobs and addressing a nationwide housing shortage, developed housing according to a “neighborhood composition rule” which required that housing for white families could only be built in previously white neighborhoods and housing for Black families could only be built in previously Black neighborhoods. Integrated neighborhoods were designated as either white or Black, and in many cases Black families were displaced as previously integrated communities were reclassified as redeveloped as white neighborhoods.
Legal Segregation and Discrimination

Public Housing:

Beginning on a small scale during WWI and continuing through WWII, the government began developing public housing for civilians due to population growth in many cities as a result of wartime industries. Public housing during this time was for working and middle class families and was not heavily subsidized by the government.

Public housing continued to be explicitly segregated by race and segregation continued to be established where it did not previously exist, as integrated neighborhoods were demolished to build segregated housing developments.
Legal Segregation and Discrimination

Public Housing:

After WWII, the government expanded the construction of public housing in the form of massive high rise projects.

At the same time, the real estate industry began to develop housing affordable to working and middle class families and successfully lobbied for public housing to be restricted by strict income limits.

During the following decades, public housing transitioned into a system for low income residents and deteriorated in both quality and reputation due to the loss of middle income rents and political interest.
Public Housing:
The continuing location of public housing in areas that have further entrenched racial and economic segregation has been an ongoing source of civil rights litigation following the passage of fair housing laws, including more recent cases involving the obligation of public housing authorities and CDBG jurisdictions to affirmatively further fair housing.
Government Insured Lending:

In 1933, the Homeowners Loan Corporation was established to rescue mortgages that were in danger of default. HOLC purchased existing mortgages and issued new low-interest, amortizing loans with 15-25 year terms.

To assess credit worthiness and risk the HOLC developed maps which rated neighborhoods in every metro area of the country, taking into account racial and ethnic makeup. Loans were not made to individuals in neighborhoods considered to be undesirable according to this rating system.
Legal Segregation and Discrimination

Government Insured Lending:

Green = “Best”
Blue = “Still Desirable”
Yellow = “Declining”
Red = “Hazardous”

Any neighborhood with African American residents was coded red, hence the term “redlining”.
**Legal Segregation and Discrimination**

<table>
<thead>
<tr>
<th>1. NAME OF CITY</th>
<th>CAMDEN (Fairview) N.J.</th>
<th>SECURITY GRADE</th>
<th>First</th>
<th>AREA NO.</th>
<th>A-3</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. DESCRIPTION OF TERRAIN.</td>
<td>Level and containing small, brick dwellings of pleasing English architectural design.</td>
<td></td>
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<tr>
<td>3. FAVORABLE INFLUENCES.</td>
<td>Laid out in village fashion with all modern facilities such as community shopping center, recreation center, parks and adequate transportation.</td>
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<tr>
<td>4. DETRIMENTAL INFLUENCES.</td>
<td>None</td>
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<tr>
<td>5. INHABITANTS:</td>
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<td></td>
</tr>
<tr>
<td>a. Type</td>
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<tr>
<td>Skilled mechanics &amp; shipbuilders</td>
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<td></td>
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<td></td>
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<tr>
<td>b. Estimated annual family income $</td>
<td>$1200</td>
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<tr>
<td>c. Foreign-born</td>
<td>Polish 10%</td>
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<tr>
<td>d. Negro</td>
<td>No</td>
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<tr>
<td>e. Infiltration of</td>
<td>None</td>
<td></td>
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<tr>
<td>f. Relief families</td>
<td>Very few</td>
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<td></td>
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<tr>
<td>g. Population is increasing</td>
<td>slightly</td>
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<tr>
<td>decreasing</td>
<td>static</td>
<td></td>
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<tr>
<td>6. BUILDINGS:</td>
<td>Detached, semi-detached &amp; row</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Type or types</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>b. Type of construction</td>
<td>Brick</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>c. Average age</td>
<td>20 years</td>
<td></td>
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<td></td>
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<tr>
<td>d. Repair</td>
<td>Good</td>
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</tbody>
</table>
Legal Segregation and Discrimination

1. NAME OF CITY: HADDONFIELD, N.J.  SECURITY GRADE:  SECOND  AREA NO. B-13

2. DESCRIPTION OF TERRAIN: A small, quiet and attractive country town located in rolling terrain.

3. FAVORABLE INFLUENCES: In its day one of the finest residential districts in South Jersey.

4. DETRIMENTAL INFLUENCES: None

5. INHABITANTS: Minor business executives
   a. Type: Plant foreman
   b. Estimated annual family income: $1,800-5,000
   c. Foreign-born: None
   d. Negro: Yes (but scattered)
   e. Infiltration of: None
   f. Relief families: Few
   g. Population is increasing: Slightly; decreasing: static

6. BUILDINGS: Large 1 family homes
   a. Type or types: Few apartments
   b. Type of construction: Frame & few brick
   c. Average age: 40 yrs.
   d. Repair: Good
Legal Segregation and Discrimination

1. NAME OF CITY: Camden (Whiteman Park Section) SECURITY GRADE: Third AREA NO.: C-5

2. DESCRIPTION OF TERRAIN: Level land solidly built up with small homes on small lots.

3. FAVORABLE INFLUENCES: Occupied by a high type of Polish residents who have their own shopping area, schools, churches, recreation centers, etc.

4. DETRIMENTAL INFLUENCES: Negro district on edge of this section, but splendid cooperation of all residents in this section will always prevent spread.

5. INHABITANTS: Skilled & unskilled
   a. Type: Mach. & professionals, etc.; b. Estimated annual family income: $900-3,000
   c. Foreign-born: Polish: 90%; d. Negro: No; (Nationality: Yes or No)
   e. Infiltration of: Polish; f. Relief families: Considerable
   g. Population is increasing: ; decreasing: ; static: Yes

6. BUILDINGS:
   a. Type or types: 1 family row; b. Type of construction: Brick
   c. Average age: 25 yrs.; d. Repair: Good
Legal Segregation and Discrimination

1. NAME OF CITY: Camden, N.J.
   SECURITY GRADE: Fourth
   AREA NO.: D-2

2. DESCRIPTION OF TERRAIN: Level land solidly built up and laid out in small lots improved with cheap dwellings and shacks.

3. FAVORABLE INFLUENCES: Nearness to place of employment

4. DETRIMENTAL INFLUENCES: Adjacency to freight yards.

5. INHABITANTS:
   a. Type: Poor class laborers
   c. Foreign-born: Mixed; 20%
   e. Infiltration of: Negroes
   g. Population is increasing: static
   b. Estimated annual family income: $600-1,200
   d. Negro: Yes; 80%
   f. Relief families: Great Many
   h. Repair: Poor

6. BUILDINGS:
   a. Type or types: Singles
   c. Average age: 50 years
   b. Type of construction: Frame & Brick
Legal Segregation and Discrimination

Government Insured Lending:

In 1934, the Federal Housing Administration was formed to insure purchase loans. FHA underwriting standards excluded Black and racially mixed neighborhoods as well as those that might possibly integrate in the future and discouraged urban and older areas.

After WWII, the Veterans Administration also began to insure mortgage loans, using the FHA underwriting guidelines.

By 1950, 50% of purchase loans were insured by either the FHA or VA.
Legal Segregation and Discrimination

Government Insured Lending:

In addition to the discriminatory evaluation of individual mortgage applicants, FHA lending was used to finance most new subdivisions during the 1940s into the 1960s. Developers of new, all-white suburban subdivisions were given approval by the FHA prior to construction in order to negotiate favorable bank loans for land acquisition and development. FHA granted approval on the condition that the homes would be built in all white areas with no prospect of future integration and would be sold only to white buyers—taking into account the presence of exclusionary zoning and/or deed restrictions.
Legal Segregation and Discrimination

Blockbusting:

Practice of speculators purchasing homes in white neighborhood and renting or selling them to Black buyers in an attempt to induce panic selling by white homeowners for their own profit. Investors would engage in such deceptive practices as hiring Black families to walk through the neighborhoods or knocking on doors or making phone calls inquiring about homes for sale. Blockbusters would then offer to purchase the homes of white owners at below market prices and resell to Black buyers at inflated prices. These were typically unfavorable owner financed transactions, as the Black homebuyers were not able to qualify for FHA loans.
Legal Segregation and Discrimination

Urban Renewal:

Also called “slum clearance”. Due to discriminatory policies that prevented Black families from moving to the suburbs and resulting overcrowding and disinvestment, many urban neighborhoods became blighted. Urban land redevelopment begun following WWII that involved the demolition of neighborhoods and displacement of residents to be replaced with highways, hospitals, universities, offices, middle-class housing projects, etc. Highways in particular were advocated as strategy for eliminating blight.
Urban Renewal:

Typically demolished lower income Black residential neighborhoods and Black-owned businesses to make room for employment centers and associated services and amenities that would benefit white middle class communities. Federal highway program was estimated to displace nearly 100,000 individuals a year between 1956 and 1965 with no obligation to provide relocation assistance until 1965, by which point the project was nearly completed.
Legal Segregation and Discrimination

Opposition and Violence Accompanying Integrative Moves by Black Families:

Throughout the U.S., Black families attempting to move into white suburban neighborhoods were met with opposition and violence. Many documented suburban Philadelphia examples include organized protests and petitions, harassment, riots, vandalism, and arson. In local municipalities, police and fire departments did not respond in time to prevent the destruction of property and municipalities denied families permits to rebuild.
Kerner Commission Report

National Advisory Commission on Civil Disorders or “Kerner Commission”:

Established by President Lyndon Johnson to investigate the causes of the 1967 race riots and to issue recommendations, report published in February of 1968.

“Our nation is moving toward two societies, one black, one white—separate and unequal.” The report criticized the government for failed policies in education, policing, employment, and housing and cited white racism as a cause for civil unrest. It recommended, among other things, developing programs and policies to reduce residential segregation.
Kerner Commission Report

National Advisory Commission on Civil Disorders or “Kerner Commission”:

Martin Luther King Jr. said the report was a “physician’s warning of approaching death, with a prescription for life.”

President Johnson ignored the findings and recommendations of the Kerner Report. Less than two months following the release of the report Dr. King was assassinated, leading to rioting in over 100 cities nationwide.
Legal Segregation and Discrimination

Ongoing Effects of Government Sponsored Segregation:

- Racial wealth gap
- Continuing racial disparities in homeownership and higher education
- Exclusionary zoning
- Inequity in access to quality schools and job opportunities
- Inequity in tax burden
- Environmental racism
- Gentrification and displacement

Present racial wealth gap is largely attributable to intergenerational disparities in home equity growth directly resulting from 20th century housing policy.
The Civil Rights Act of 1968 was passed 7 days after the assassination of Martin Luther King, Jr. and prohibits discrimination in housing related transactions based on race, color, national origin, and religion.
Amended in 1974 to prohibit discrimination based on sex and again in 1988 to outlaw disability and familial status discrimination. In 2021, the definition of sex was expanded to include sexual orientation and gender identity. The 1988 amendments also added an administrative enforcement mechanism through HUD’s Office of Fair Housing and Equal Opportunity. Prior to 1988 the FHA was only enforceable through private lawsuits, making it very difficult and costly for individual consumers to assert their rights.
From its inception, the Fair Housing Act not only prohibited discrimination in housing related activities and transactions but also imposed a duty on the federal government to affirmatively further fair housing (AFFH).

Because in practice HUD programs have historically perpetuated patterns of racial and economic segregation AFFH seeks to begin to remedy the impact of historical segregation.

The AFFH obligation covers all activities, policies, and procedures of public housing authorities. Housing authorities are responsible to implement policies that will increase housing choice and access to geographic areas of opportunity for members of protected classes.
Any jurisdiction that receives CDBG funding must develop an analysis of the barriers to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of impediments identified, and maintain records reflecting the analysis and actions.

There is no requirement that subrecipient entities, such as municipalities and social service agencies, have their own separate plan for affirmatively furthering fair housing. However, subrecipients should be involved in the process of determining locally appropriate actions to affirmatively further fair housing and should play a role in carrying out those actions.
In 2015 HUD published an Affirmatively Furthering Fair Housing final rule.

- Replaced previous Analysis of Impediments process and intended to clarify and simplify existing fair housing obligations
- Intended to help program participants better understand what they are required to do to meet their AFFH duties and enable them to assess fair housing issues in their communities and then to make informed policy decisions
- Provided communities that receive HUD funding with a nationally uniform data and assessment tool to facilitate the Assessment of Fair Housing (AFH) process and reduce burden on jurisdictions
In May 2018 HUD suspended the AFFH Rule and withdrew the Assessment Tool.

- This notice did not affect any requirements to affirmatively further fair housing
- HUD’s intent was initially to revise the Assessment and Data and Mapping Tools and training/technical assistance
- Jurisdictions that did not yet submit an AFH were required to conduct an Analysis of Impediments
- Jurisdictions that did submit an AFH must continue to execute the goals in the accepted AFH
In August 2020 HUD replaced the previous AFFH Rule with the *Preserving Community and Neighborhood Choice Rule*.

- The new rule *did not* remove the statutory requirement to affirmatively further fair housing.
- Any jurisdiction that receives CDBG funding is required to self-certify that they are affirmatively furthering fair housing and must continue to retain records to prove that they are taking active steps to meet their AFFH obligations.
In January 2021, President Biden issued a memo to the Secretary of HUD instructing the agency to take actions to remedy the history of discriminatory housing practices and policies by the federal government.

• In particular, the memo requires that HUD examine the impact of the recent regulatory actions regarding affirmatively furthering fair housing and take any necessary steps to make sure that HUD administer its programs in a manner that affirmatively furthers fair housing in compliance with the Fair Housing Act.

• In April 2021, the reinstatement of the 2015 rule was submitted to OMB for review.
Founded in 1956, before fair housing legislation.

Bryn Mawr civil rights activist Margaret Collins founded a real estate firm named Friends Suburban Housing, Inc. to help African Americans gain fair access to housing in Philadelphia suburbs.

Over the 20 years of the company’s existence, Friends Suburban Housing sold 232 homes to Black buyers in 60 previously all white communities, beginning the racial integration of the Philadelphia suburbs.
Meanwhile, a group of community advocates founded the Southeast Delaware County Area Committee of Friends Suburban Housing to strengthen her efforts and to build local support for fair housing laws.

Committee not only spoke out against discrimination, but also urged neighbors to welcome African Americans into their communities and embrace integration.
The Committee physically accompanied the first Black families moving into Delaware County, staying in new residents’ homes to offer protection as they were met with violent opposition by white neighbors.
Housing Equality Center

What Can I Do?

PURPOSES
1. To help provide equal opportunity for every individual to choose his own home and neighborhood.
2. To gather facts.
3. To modify and alleviate unfavorable attitudes and prejudices.
4. To help coordinate the interests and efforts of many people concerned with achieving stable, integrated neighborhoods.

OPEN THE DOORS TO THE SUBURBS

We, the undersigned, wish to make these principles of justice and brotherhood effective in our neighborhoods. Every person, regardless of race, religion or national origin, has the right to rent, buy or build any home which he can afford. We will welcome as a neighbor any responsible person moving into neighborhood and we will not practice religious or ethnic discrimination.

DECLARATION OF INTENTION

I) I would be glad to welcome as neighbors a responsible family from a minority group.

( ) If I were to sell my house, I hope that I would be in a position to do so on an open basis without discriminating because of race, creed or color.

Name(s) ________________

Address 833 W. 16th Ave., Drexel Hill, Pa.

The Committee for Democracy in Housing expects to publish these names in a newspaper ad when it has 100 or more. If you object to this use of your name, check here ( ).
With legal backing to support its goals following the passage of the state Fair Housing Act in 1961 and the federal Act in 1968, the Committee began conducting some of the first fair housing testing in the country, along with expanding the service area in which it operated.
The creation of HUD’s Fair Housing Initiatives Program in 1992 allowed the organization to hire staff for the first time, and this program still forms the basis for the services offered today.

The mission of the Housing Equality is to advance fair and equal access to housing opportunities for all Pennsylvanians. The Housing Equality Center’s service area includes the Pennsylvania counties of Bucks, Chester, Delaware, Lehigh, Montgomery, Northampton and Philadelphia. Our education and technical assistance programs support housing professionals throughout Pennsylvania.
The Housing Equality Center provides:

• Counseling, testing investigations, and enforcement services to assist victims of housing discrimination.

• Education, training programs, and technical assistance for housing professionals, nonprofits, housing authorities and others to promote compliance with fair housing laws and to prevent discrimination.

• Publications, fact sheets and resources to educate the public and housing professionals about fair housing.
Consumers, providers, and advocates should contact the Housing Equality Center of Pennsylvania to report discrimination. The Housing Equality Center accepts and investigates complaints from anonymous sources.

Fair housing complaints can be filed with HUD for up to one year from the incident, or with the Pennsylvania Human Relations Commission for up to 180 days from the incident. A lawsuit may be filed in Federal Court up to two years from the incident.
equalhousing.org

- Sign up for fair housing news
- Register for an upcoming fair housing event or meeting
- Learn about fair housing laws
- Download guides, resources, fact sheets, and fair housing guidance
- Request fair housing training or print materials for your clients, constituents, or colleagues
- Report discrimination online
Rachel Wentworth
wentworth@equalhousing.org

Questions?