



Housing: An Evaluation of the System that Created It

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How should we think of Systems?

- System: anything that is made up of different parts working together to produce a product or outcome.
- Attributes:
 - Systems don't feel; they function.
 - Amoral.
 - Dependent upon parts.
 - Intentionally engineered.



How do we identify with Systems?

- Solar System
- Eco System
- School System
- Legal System
- Financial System
- Digestive System



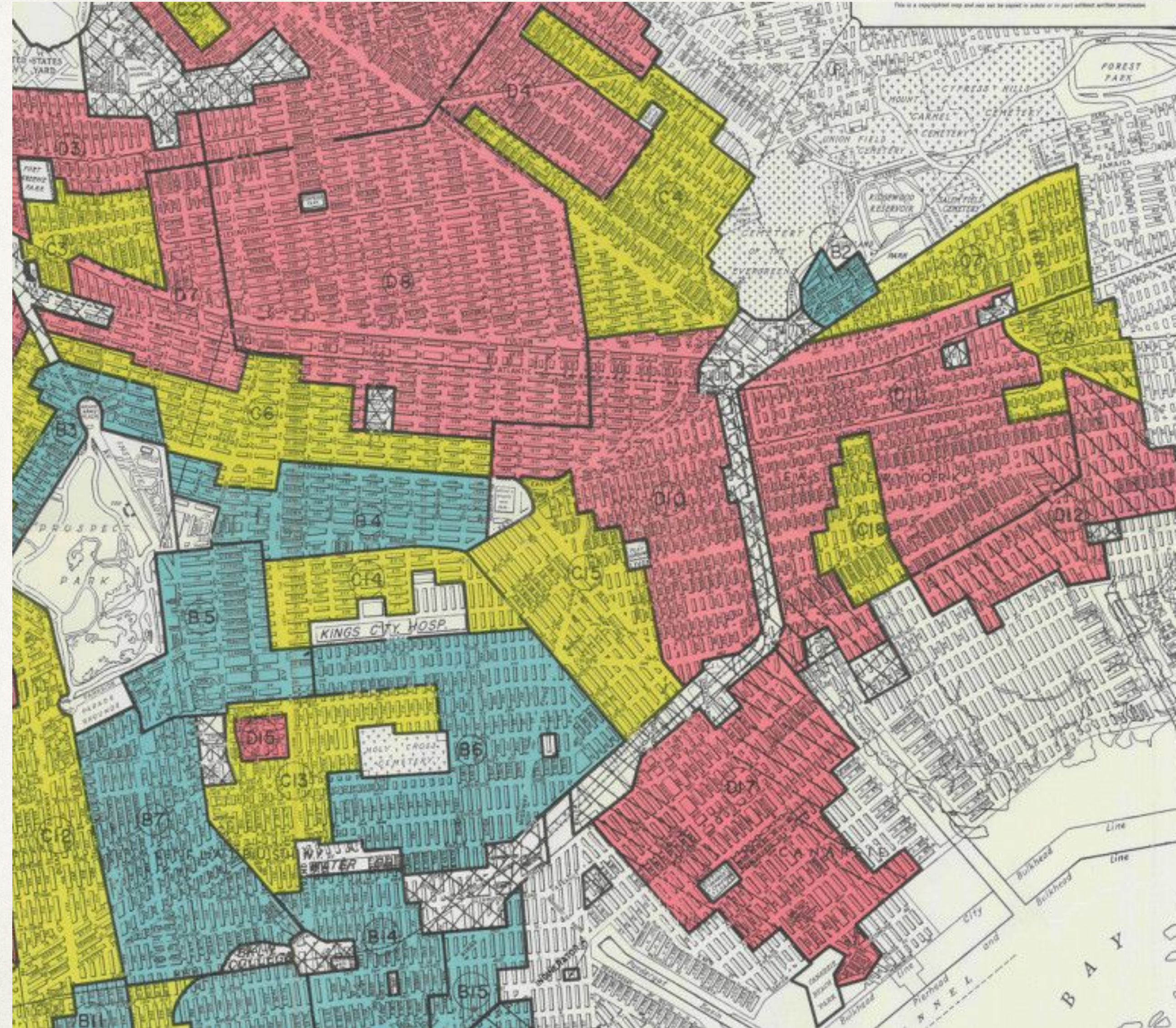
Housing: New Deal-Same Product

- The innovation of housing erupted after WWII lead by the New Deal
- The New Deal was a series of programs, public work projects, financial reforms, and regulations enacted by President Franklin D. Roosevelt between 1933 and 1939.
- The government set up a national neighborhood appraisal system, explicitly tying mortgage eligibility to race. Integrated communities were ipso facto deemed a financial risk and made ineligible for home loans, a policy known today as "redlining."



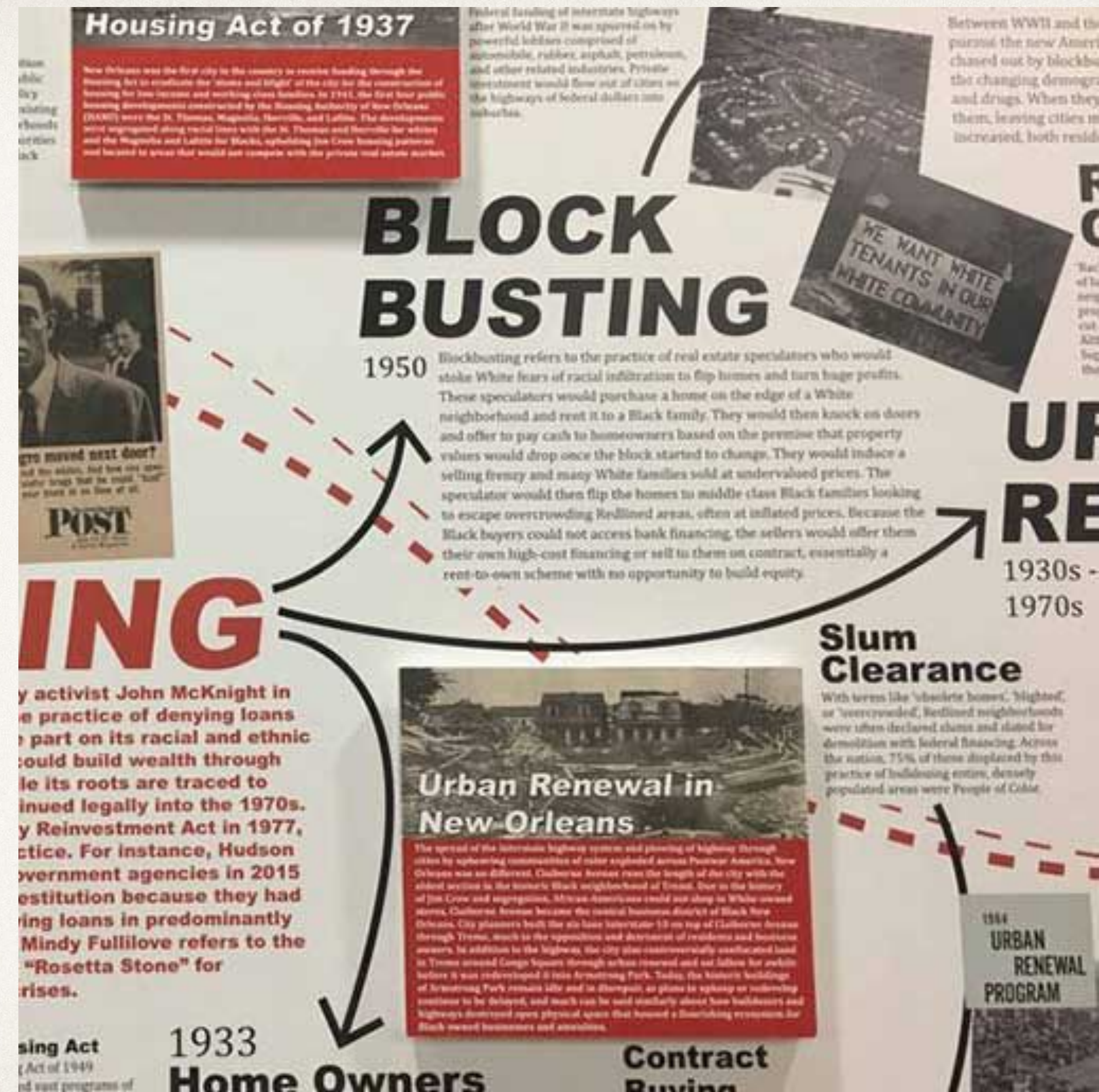
The Onset of Redlining

- Redlining-A U.S government backed practice of denying mortgages to people of color preventing them from buying homes in certain neighborhoods or getting loans to renovate.
- Between 1934 and 1962, the federal government backed \$120 billion of home loans. More than 98% went to whites. Of the 350,000 new homes built with federal support in northern California between 1946 and 1960, fewer than 100 went to African Americans.
- Freeways tied the new suburbs to central business districts, but they often cut through and destroyed the vitality of non-white neighborhoods in the central city.



If you don't leave...I will!

- Blockbusting-the practice of persuading owners to sell property cheaply because of the fear of people of another race or class moving into the neighborhood, and thus profiting by reselling at a higher price.
- As more whites moved to the suburbs, cities' municipal tax revenues decreased significantly which prevented adequate services to be provided to inner city minority residents. This was coupled with increased taxes on residents forced to remain in cities to try and make up for the reduced tax base, further exacerbating their precarious financial positions.



RESIDENTIAL SECURITY MAP
—LEGEND—

- A—FIRST GRADE
- B—SECOND GRADE
- C—THIRD GRADE
- D—FOURTH GRADE
- UNDEVELOPED (COLOR INDICATES GRADE)
- INDUSTRIAL & COMMERCIAL

PREPARED BY:
DIVISION OF RESEARCH & STATISTICS
WITH COOPERATION OF APPRAISAL DEPT.
HOME OWNERS' LOAN CORP. MAY 1, 1937

STREET MAP OF THE
BALTIMORE
AREA

260 Square Miles, Including
Towson • Pikesville • Catonsville

Compiled, Printed, Engineered and Printed by
THE GEORGE F. CRAM COMPANY

LEGEND	SYMBOL
Major Highways	Thick solid line
Minor Highways	Thin solid line
Intersecting Highways	Thin solid line with cross-ticks
Unimproved Roads	Dashed line
Canals	Double line
Railroads	Line with cross-ticks
Public Buildings	Star
Churches	Cross
Schools	Circle with cross
Cemeteries	Circle with cross
Public Parks	Circle with cross
Public Squares	Circle with cross
Public Markets	Circle with cross
Public Baths	Circle with cross
Public Offices	Circle with cross
Public Hospitals	Circle with cross
Public Asylums	Circle with cross
Public Prisons	Circle with cross
Public Workhouses	Circle with cross
Public Almshouses	Circle with cross
Public Hospitals	Circle with cross
Public Asylums	Circle with cross
Public Prisons	Circle with cross
Public Workhouses	Circle with cross
Public Almshouses	Circle with cross



The Father of City Planning ...

- Jesse Clyde ("J.C.") Nichols—was a nationally renowned city planner in Kansas City from the first decade of the 20th century to the 1950.
- His means of maintaining stable property values in residential developments effectively segregated people of color from whites initiating long-lasting effects on the racial and ethnic distribution of metropolitan-area residents.
- His tool to achieve his means was the use of deed restrictions; these legal contracts dictated factors such as building materials and minimum cost of home construction, but more significantly, forbade ownership by African Americans, Jews, and other minority groups.
- The J.C. Nichols Company was among the first and highest profile organizations to encourage the use of racially restrictive covenants, which ultimately influenced racial population patterns nationally.
- As of the mid-1990s, the Nichols Company's assets were valued in excess of \$500 million.



"None of said lots or portions of lots shall ever be sold, conveyed, transferred, devised, leased or rented to or used, owned or occupied by any person of Negro blood or by any person who is more than one-fourth of the Semitic race, blood, origin, or extraction, including without limitation in said designation, Armenians, Jews, Hebrews, Turks, Persians, Syrians, and Arabians, excluding, however, from the application of this paragraph partial occupancy by bona fide domestic servants employed thereon."

DEED RESTRICTION SIGNED BY
JOHN A. KROH SR., 1945



SECTION 2.
REQUIRED COST OF RESIDENCES.

Any residence erected wholly or partially on any of said land hereby restricted shall cost not less than \$3500.00.

SECTION 3.
OWNERSHIP BY NEGROES PROHIBITED.

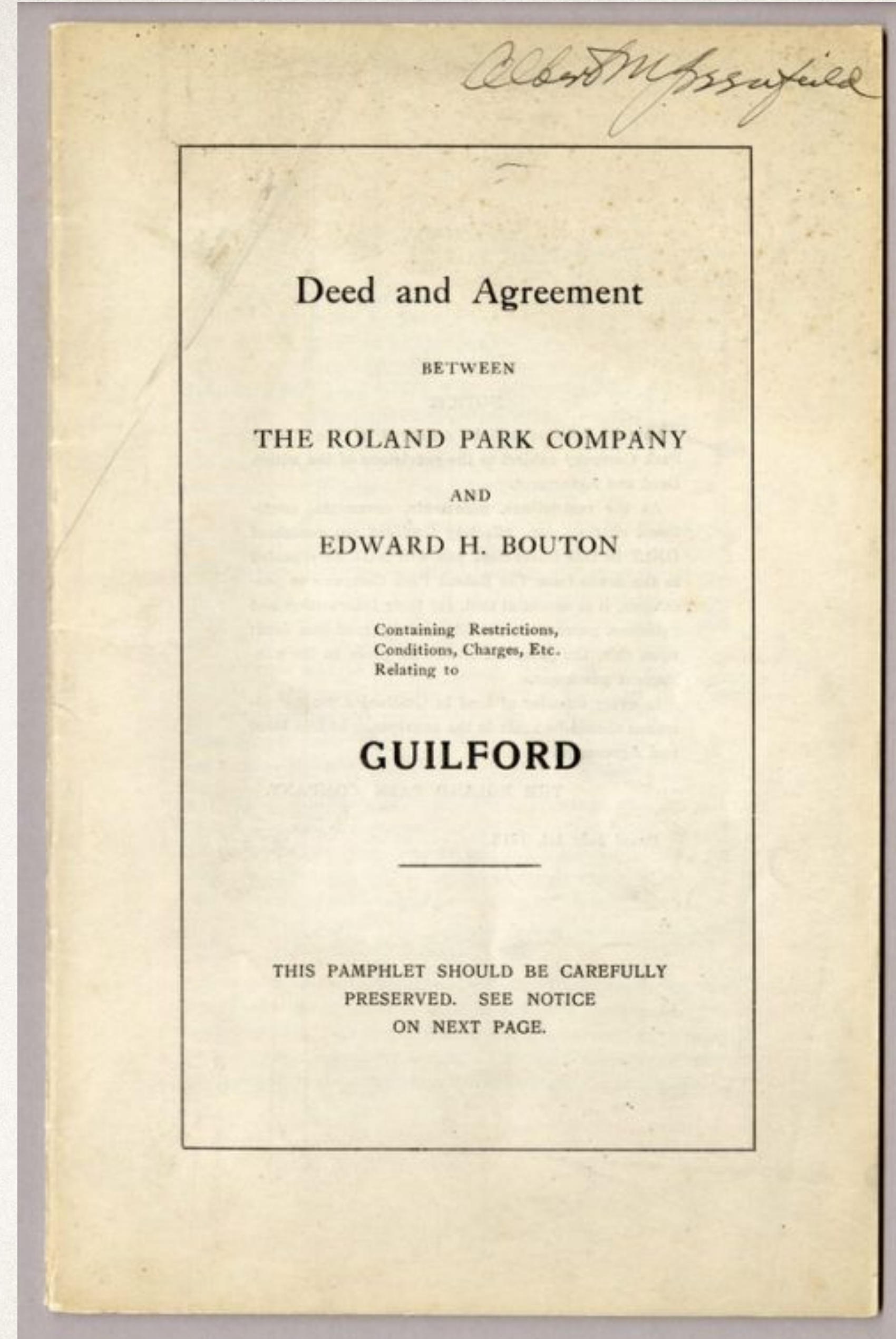
None of said land may be conveyed to, use, owned, nor occupied by negroes as owners or tenants.

SECTION 4.
BILL BOARDS PROHIBITED.

No signs, advertisements, bill boards or advertising structures of any kind may be erected or maintained on any of the land herein restricted without the consent in writing of The J. C. Nichols

Legacy Matters....

- During the early 1900s, white Baltimoreans started using housing ordinances, homeowners associations, and block-busting to discriminate against and segregate Black Baltimoreans.
- One of the first official policies was Baltimore City Ordinance 610, known as the West plan-named after Councilman Samuel West. This ordinance, passed by the City of Baltimore in 1910, stated that no Black resident could move on a block in which more than half of the residents were white and vice versa.
- While Ordinance 610 was a government-sponsored housing segregation law, many private communities instituted community covenants- The Roland Park Company is one of the more notable examples of such covenants.
- Within the Roland Park Company's Guilford Neighborhood Covenant from 1913 a provision stated that "at no time shall the land in said tract or any part thereof shall, or any building erected thereon, be occupied by any person of Negro extraction." -this covenant did make the exception for Black domestics serving white families.



*"Deed and Agreement between the Roland Park Company and Edward H. Bouton
Containing Restrictions, Conditions, Charges, etc. Relating to Guilford,"
published by the Roland Park Company, 1913, PAM 5647.
H. Furlong Baldwin Library, Maryland Center for History and Culture.*



\$1,395,000
bd 6 ba 5,434 sqft



1,388,000
bd7 ba6,678
sqft

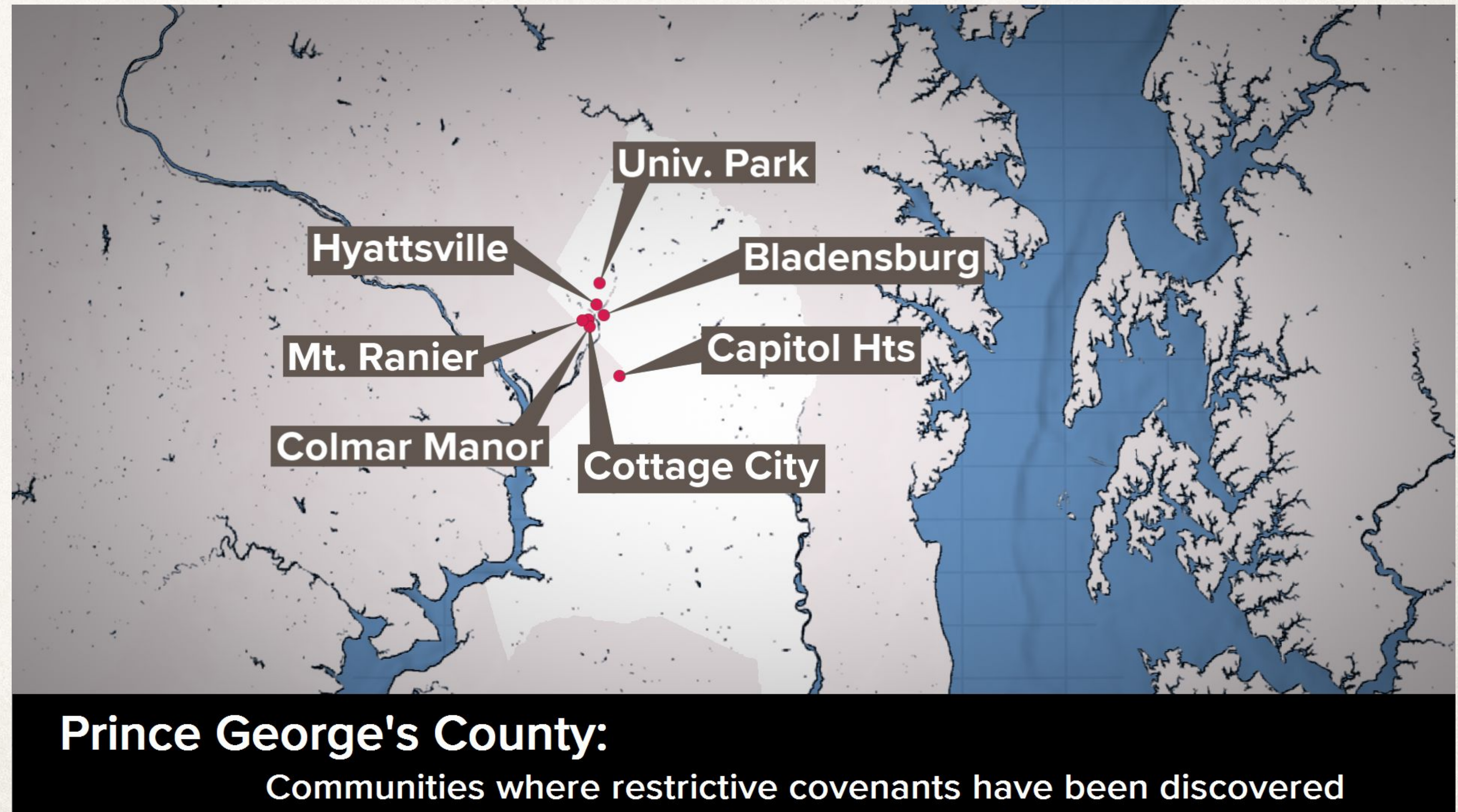


Sold: \$1,570,000



Replication as a form of flattery....

- University Park
- Hyattsville
- Mt. Ranier
- Colmar Manor
- Cottage City
- Capitol Heights
- Blandensburg

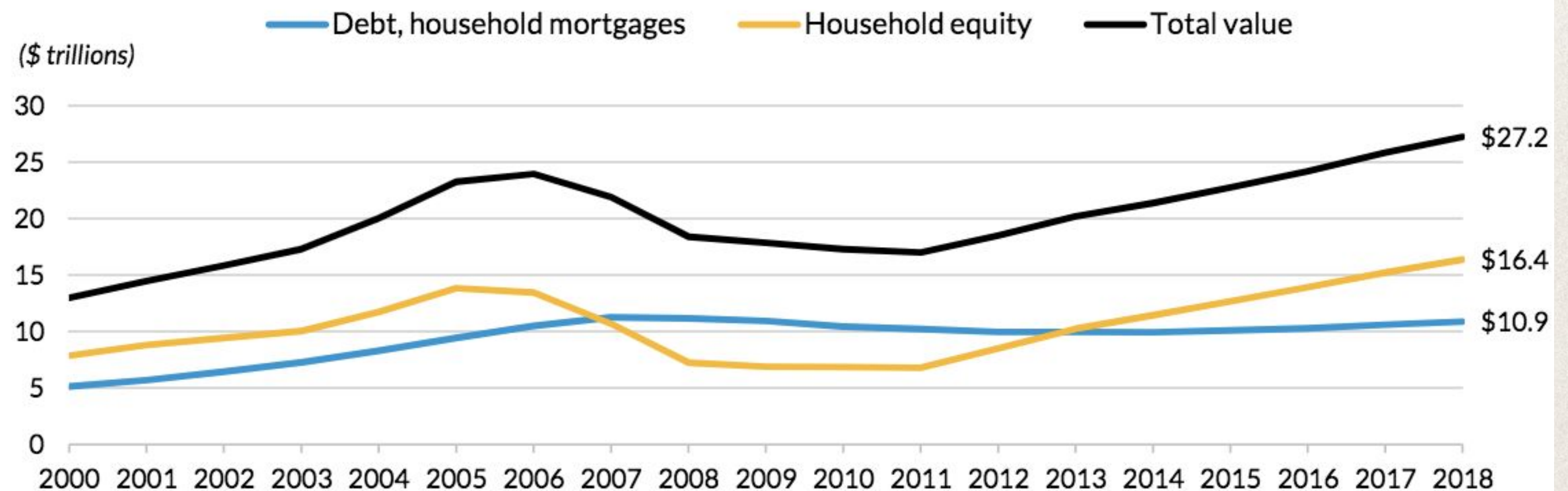


Why has Housing been so important?

- Stable monthly payments
- Opportunity to build equity
- Cheaper than renting over time
- Tax advantages
- Economic leverage
- Predictor of academic achievement
- Correlations to quality of life
- A mechanism to build credit
- Stability



Value of the US Housing Market



Sources: Federal Reserve Flow of Funds and Urban Institute. Last updated March 2019.

U.S Dept. of Housing & Urban Development (HUD)

- 1965-Department of Housing and Urban Development Act of 1965 creates HUD as Cabinet-level agency.
- 1966-Robert C. Weaver becomes the first HUD Secretary, January 18.
- 1968-Riots in major cities follow assassination of Dr. Martin Luther King Jr. Civil Rights Act of 1968 (also known as the Fair Housing Act) outlaws most housing discrimination, gives HUD enforcement responsibility. Housing Act of 1968 establishes Government National Mortgage Association (Ginnie Mae) to expand availability of mortgage funds for moderate income families using government guaranteed mortgage-backed securities.
- 1970-Housing and Urban Development Act of 1970 introduces Federal Experimental Housing Allowance Program and Community Development Corporation.
- 1974-Housing and Community Development Act consolidates programs into Community Development Block Grant (CDBG) program. Section 8 tenant-based certificates increase low-income tenants' choice of housing. Gerald R. Ford becomes president following Nixon's resignation.



House Bill 1077

Real Property-Deletion of Unlawful Ownership Restrictions

LAWRENCE J. HOGAN, JR., Governor Ch. 421

(a) This section applies to any recorded covenant or restriction that restricts ownership based on race, religious belief, or national origin, including a covenant or restriction that is part of a uniform general scheme or plan of development.

(b) (1) [On or before September 30, 2019, the] **THE** governing body of a homeowners association shall delete any recorded covenant or restriction that restricts ownership based on race, religious belief, or national origin from the common area deeds or other declarations of property in the development.

(2) Notwithstanding the provisions of a governing document, the governing body of a homeowners association may delete a recorded covenant or restriction that restricts ownership based on race, religious belief, or national origin from the common area deeds or other declarations of property in the development without approval of the lot owners.

(3) The governing body of the homeowners association shall record with the clerk of the court in the jurisdiction where the development is located an amendment to the common area deeds or other declarations that include the recorded covenant or restriction that provides for the deletion of the recorded covenant or restriction from the common area deeds or declarations of the property in the development.

(c) Beginning on October 1, 2019, within 180 days after receiving a written request from a lot owner, the governing body of a homeowners association shall delete a recorded covenant or restriction that restricts ownership based on race, religious belief, or national origin from the common area deeds or other declarations of property in the development, in accordance with this section.



Lawrence “Larry” J. Hogan Jr.

That's the past though.....Right?

Housing Table 1a. Last Month's Payment Status for Owner-Occupied Housing Units, by Select Characteristics: United States

Source: U.S. Census Bureau Household Pulse Survey, Week 33.

Note: These data are experimental. Users should take caution using estimates based on subpopulations of the data – sample sizes may be small and the standard errors may be large.**

Total Population 18 Years and Older in Owner-Occupied Housing Units

Select characteristics	Total*	Owned free and clear	Household currently caught up on mortgage payments		
			Yes	No	Did not report
Total	127,176,307	46,597,820	74,231,680	5,951,393	395,414
Age					
18 - 24	6,215,721	2,282,297	3,602,930	282,641	47,853
25 - 39	25,999,541	5,617,888	18,666,894	1,683,062	31,698
40 - 54	32,163,574	7,136,209	22,576,732	2,379,678	70,955
55 - 64	25,892,981	10,240,871	14,603,682	923,585	124,844
65 and above	36,904,490	21,320,556	14,781,443	682,427	120,063
Sex					
Male	61,746,928	23,032,294	35,632,777	2,870,525	211,331
Female	65,429,379	23,565,526	38,598,902	3,080,868	184,083
Hispanic origin and Race					
Hispanic or Latino (may be of any race)	16,640,972	5,458,144	9,742,679	1,348,273	91,876
White alone, not Hispanic	90,534,556	34,591,309	52,893,961	2,812,164	237,123
Black alone, not Hispanic	9,069,371	2,620,786	5,398,633	1,010,476	39,476
Asian alone, not Hispanic	6,818,256	2,551,542	3,803,298	438,103	25,313
Two or more races + Other races, not Hispanic	4,113,152	1,376,039	2,393,109	342,377	1,626

Let's Dialogue

- Factors to consider:
 - What role do we play in the housing system?
 - How can systems (like housing) be altered today?

