



# Housing: An Evaluation of the System that Created It

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# How should we think of Systems?

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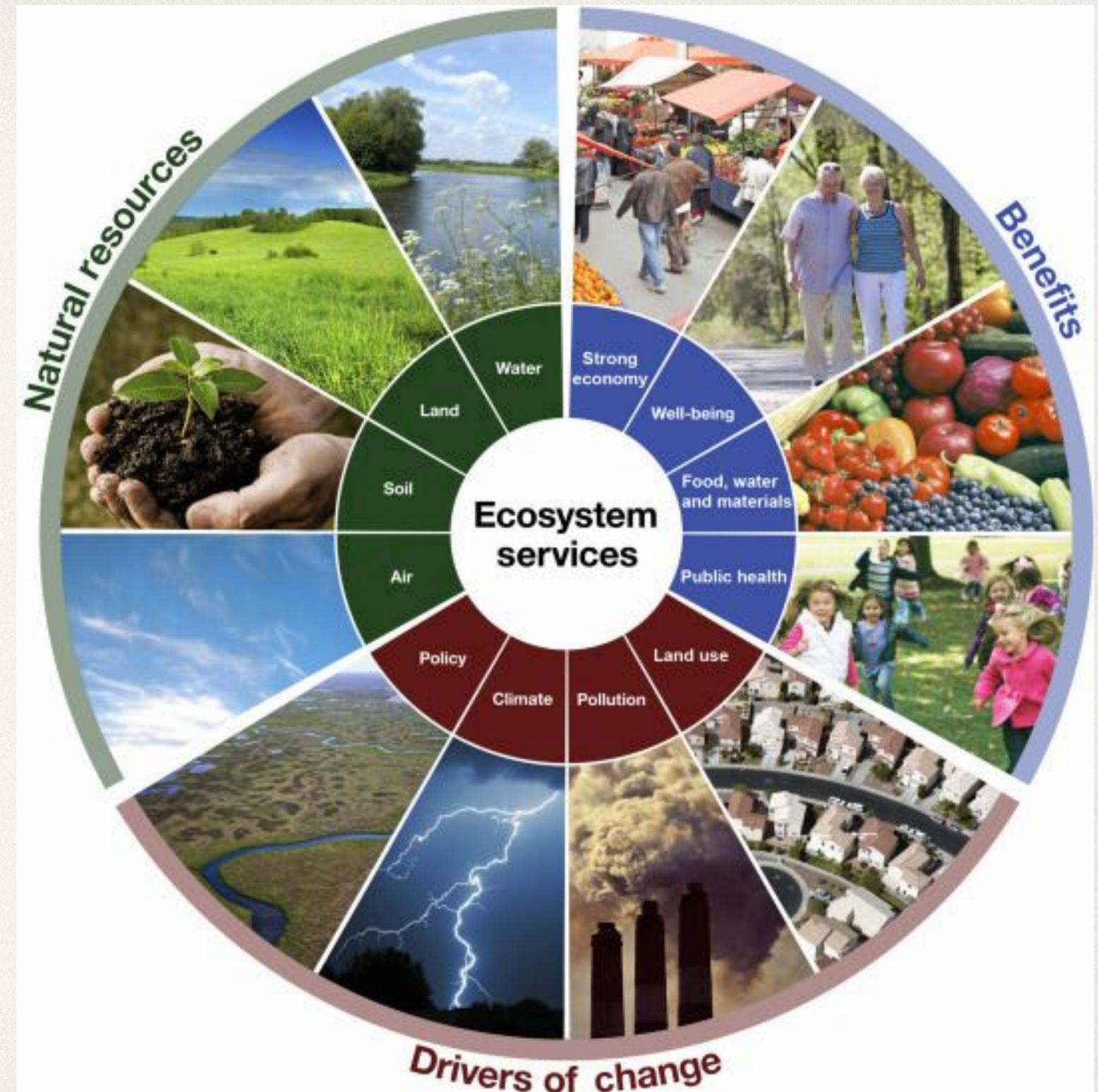
- System: anything that is made up of different parts working together to produce a product or outcome.
- Attributes:
  - Systems don't feel; they function.
  - Amoral.
  - Dependent upon parts.
  - Intentionally engineered.



# How do we identify with Systems?

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



# Housing: New Deal-Same Product

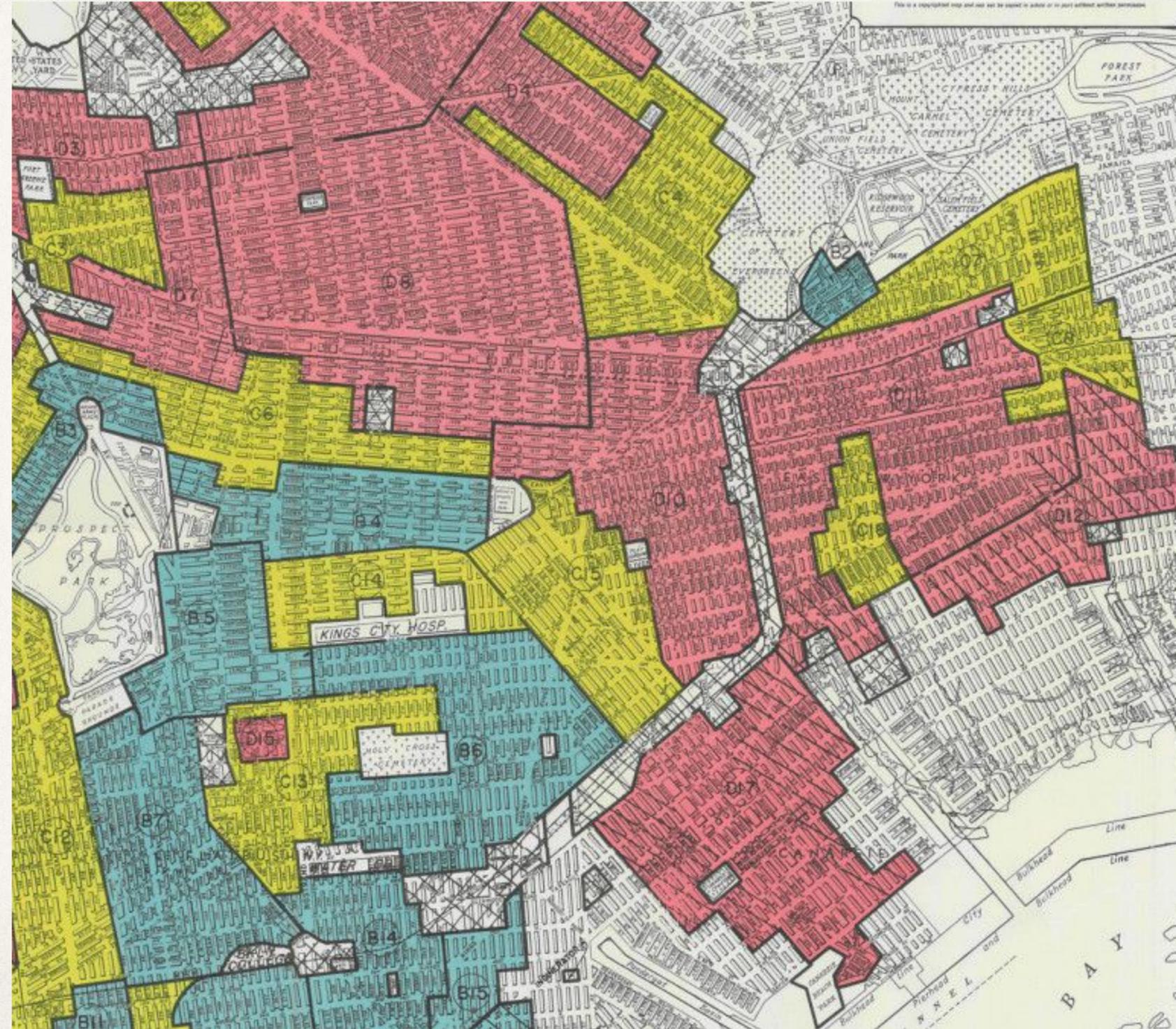
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- The innovation of housing erupted after WWII lead by the New Deal
- The New Deal was a series of programs, public work projects, financial reforms, and regulations enacted by President Franklin D. Roosevelt between 1933 and 1939.
- The government 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.



# The Father of City Planning ...

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- 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, used, 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





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

MLS



**1,388,000**  
bd7 ba6,678  
sqft

MLS



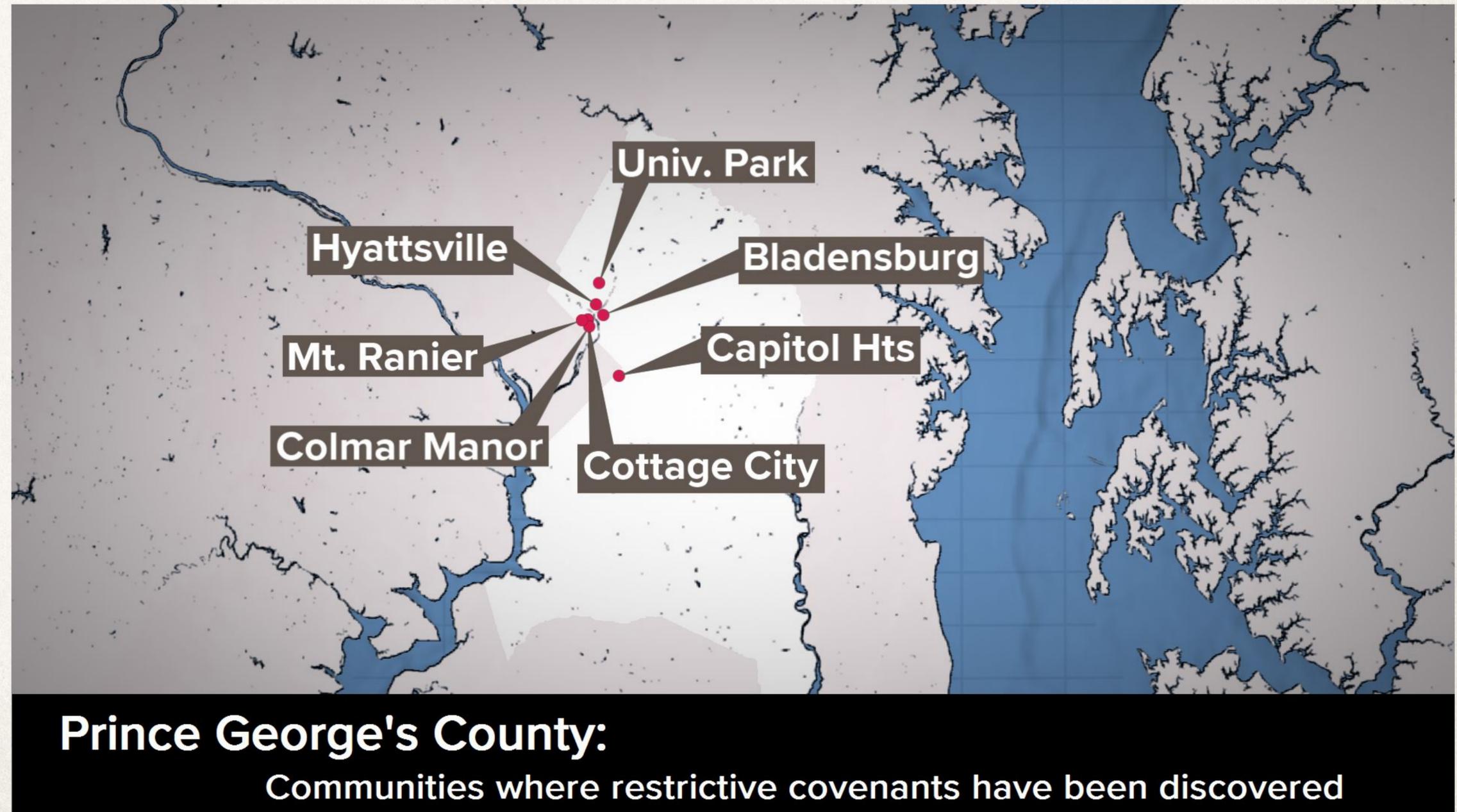
**Sold: \$1,570,000**

brigh MLS

# Replication as a form of flattery.....

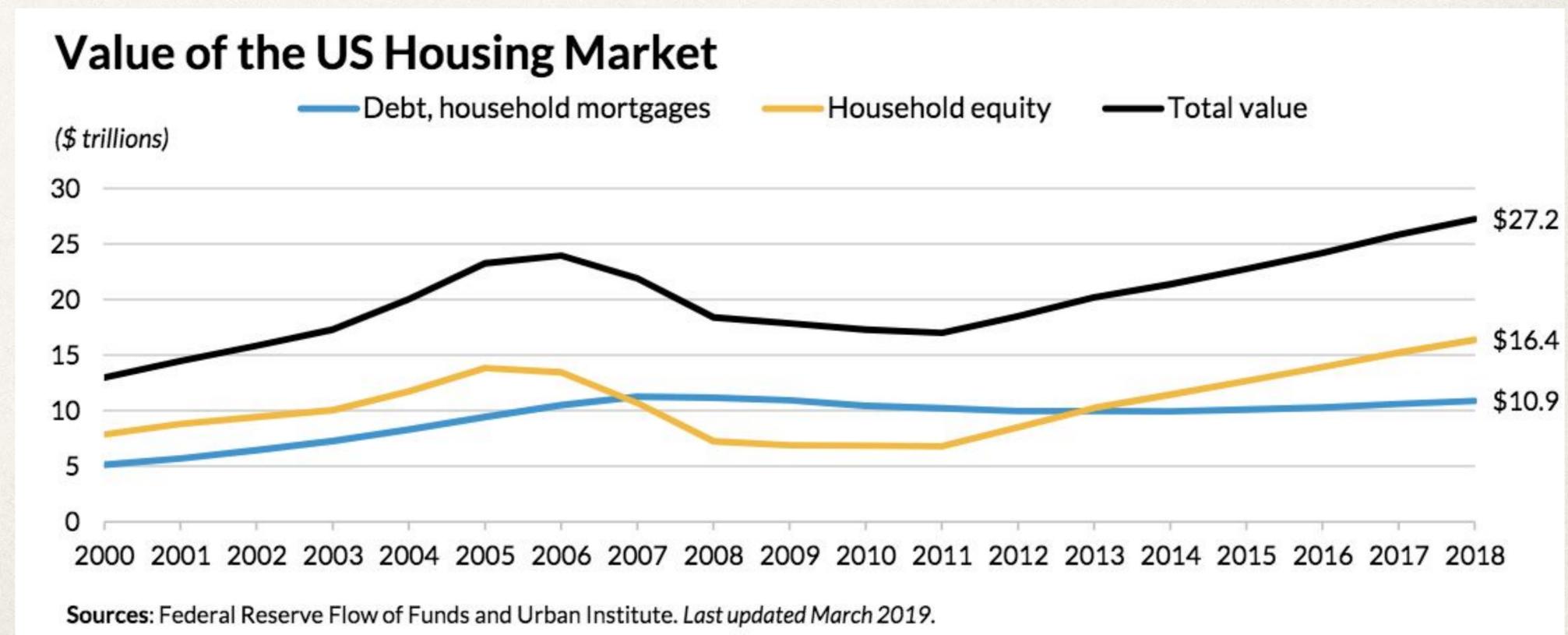
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- University Park
- Hyattsville
- Mt. Ranier
- Colmar Manor
- Cottage City
- Capitol Heights
- Blandensburg



# 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



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

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- 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

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(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
<b>Total</b>	127,176,307	46,597,820	74,231,680	5,951,393	395,414
<b>Age</b>					
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
<b>Sex</b>					
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
<b>Hispanic origin and Race</b>					
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

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

