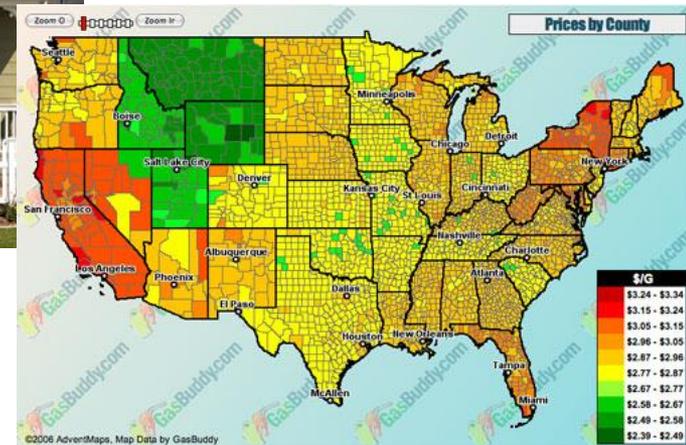
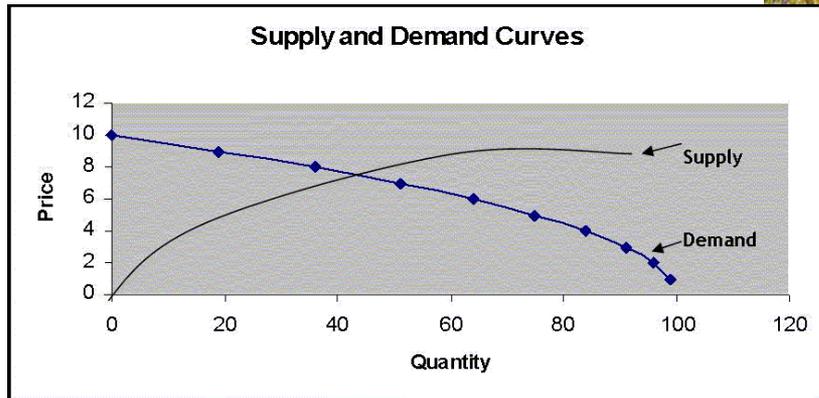
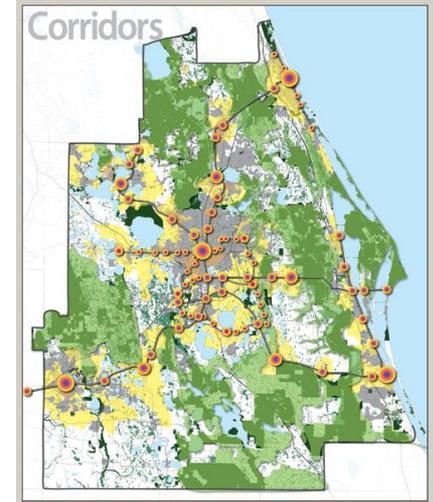


An Overview of Racism in U.S. Housing Policy, Land Use and how we see this played out in Pasadena



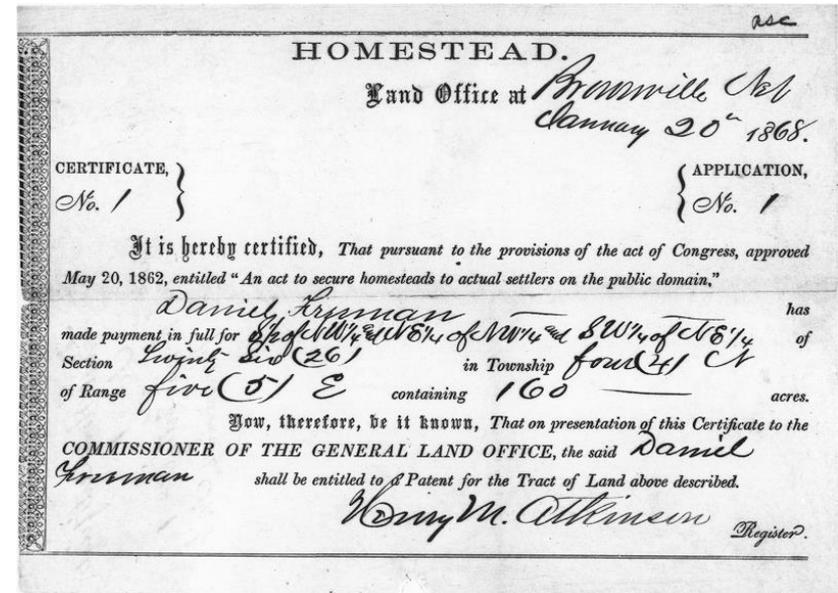


The 1848 Treaty of Guadalupe Hidalgo, Gold Rush, Free Soil

Massive land transfer from Mexicans to Whites primarily in southwestern states during the Gold Rush. **California's constitution had a Free-Soil provision, allowing whites to claim and own land while banning slaves, yet disallowing free Blacks to claim land.**

1862 Homestead Act, US citizens granted 160 acres free if farmed for five years

Blacks and Native Americans were not given citizenship status; therefore, were not allowed to participate. An estimated 46 million Americans living today are descendants of Homestead Act beneficiaries.



Late 19th and early 20th century: building codes introduced, thanks to reformers like **Jane Addams, the first “Social Worker” exposing conditions that changed policy. This improved housing, but also added to the cost. There are home in Pasadena built before any codes were required.**



1870 Tenement House Code in New York City. Hull House, Chicago, 1902, detailed maps and surveys, increased cost

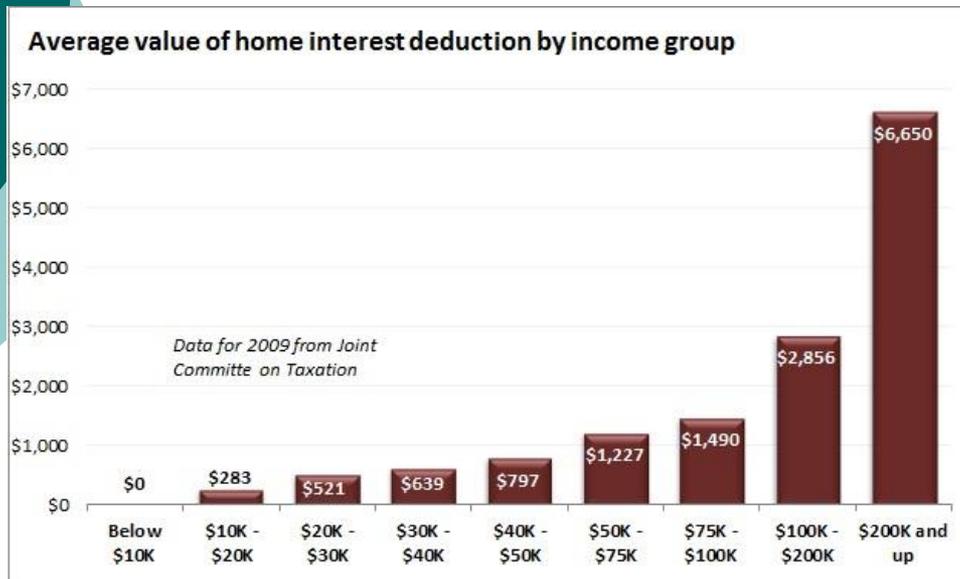
Ezra Seymour Gosney founded the Human Betterment Association, to improve the human race. (November 6, 1855 – September 14, 1942)



American philanthropist and eugenicist. In 1928 he founded the Human Betterment Foundation (HBF) in Pasadena, California, with the stated aim "to foster and aid constructive and educational forces for the protection and betterment of the human family in body, mind, character, and citizenship," primarily through the advocacy of compulsory sterilization of the mentally ill and mentally retarded.

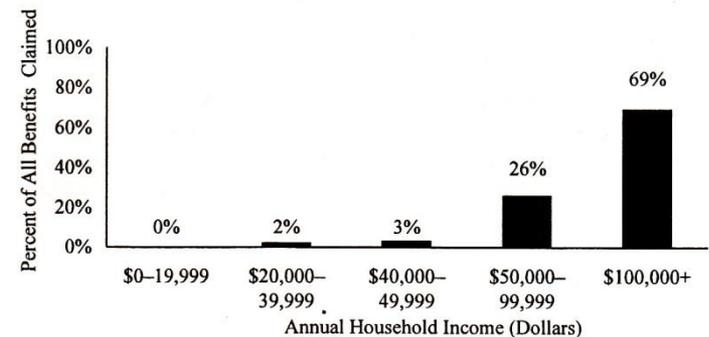
Sterilization for Human Betterment: A Summary of Results of 6,000 Operations in California, 1909–1929, referenced by officials in Nazi Germany

Mortgage Interest Deduction (MID) in 1913 to encourage homeownership. US spends over ten times more on housing subsidies to wealthy homeowners than on affordable housing.



The largest housing subsidy in the US, MID mostly benefits the wealthy-those with multiple homes

FIGURE 3.1. Who Benefits from the Home Mortgage Interest Deduction?



Source: Joint Committee on Taxation, "Estimates of Federal Tax Expenditures for Fiscal Years 2006-2010" (April 25, 2006), <http://www.jct.gov/publications.html?func=startdown&id=1199>.

1910-1920's: Zoning laws introduced. Pasadena was economically and racially mixed before this. Multi-family in one neighborhood and only single-family zoning in others began to divide the city economically.

In Pasadena you can still see wide and narrow streets, neighborhood stores, maids' quarters, back houses



Exclusionary Covenants in Pasadena.

Contractual agreements prohibited the purchase of a piece of property by members of particular racial or ethnic groups—played a major role in contributing to residential segregation in Pasadena **In 1892, federal courts ruled that state and municipal governments could not themselves discriminate. But allowed individual property owners to enter residential contracts that could discriminate or prohibit selling property to certain groups of people.** With this green light, racially restrictive covenants became common across the US . “Non-Caucasians” defined those who could not purchase property. By the 1920s few African Americans, Latinos, or Asian Americans resided in the restricted areas of Pasadena. In 1948, the U.S. Supreme Court declared restrictive covenants unconstitutional, yet efforts to exclude members of certain racial and ethnic groups persisted in Pasadena for decades after the ruling.

Restrictive covenants would have tax exemptions and tax deductibility and became a condition to FHA insured financing. 65% of the homes in Pasadena had racial covenants

Charlotte Township, Mecklenburg County, State of North Carolina, and more particularly described as follows:

Being within the corporate limits of the City of Charlotte as now extended, and being lot No. 7 as shown and designated on the map of the property of the Mutual Trust Company, which said map is recorded in the office of the Register of Deeds for Mecklenburg County aforesaid in Book 230, page 70; said lot fronting 50 feet on Folk Ave., and extending back with that width 120 feet and 2 inches to an alley, all of which will appear by reference to said map. Being a part of the lands conveyed to the Mutual Trust Company by the Suburban Realty Company by deed registered in the Register of Deeds Office for Mecklenburg County in Book 234, page 222, to which reference is hereby made.

This conveyance is made upon condition that said lot shall be used for residential purposes only; that no house shall be erected thereon at a cost of less than \$1500.00; and that same shall never be owned or occupied by any person of the negro race.

The right to use the alley above referred to and other alleys and streets shown on said map is hereby granted to the party of the second part, his heirs and assigns, in common with the owners of other lots shown on said map.

Being the same lot of land conveyed by E. Vance Veno and wife to Leroy Parker by deed recorded in Book 412, page 523, of the Mecklenburg County Registry.

AB Smith Sold Restrictive Covenants in Pasadena and bought property to prevent “encroachment”



In 1939 rumors that some blacks were “infiltrating” into areas outside of their boundaries,, the Pasadena Improvement Foundation was formed to assure that they were kept in Place. Smith sold restrictive covenants for \$5 and purchased property intentionally to assure that it would become restricted.

Planned Communities/Homogeneity enforced by violence/ Zoning Laws to “preserv[e] the more desirable residential neighborhoods” ~Bartholomew

Without explicitly mentioning race, such zoning was still practiced long after racial covenants were made illegal:

Black neighborhoods zoned as “industrial”, then industry or Freeway used as a buffer boundary between Blacks and Whites, or a new city was incorporated to separate Blacks and Whites, so as to prevent “threatening the security of property values”

- Liquor stores, taverns, prostitution allowed only in Black areas, consider Orange Grove Blvd from Los Robles to Fair Oaks.. 210 Fwy..
- Limited zoning for Black neighborhoods, forced rooming houses and subdivided lots, but mortgage insurance and other lending products applied only to larger lots in the suburbs—lots intentionally large to prevent “inharmonious” communities.
- **No multifamily zoning in white neighborhood, and if Blacks moved in and property values were lowered, zoning “corrections” were allowed, i.e. down-zoning. Today, \$100,000 less west of Los Robles**

Enforcing Segregation

Blacks internalized "Their only safety was to remain in the ghetto" it was often enforced with violence.



LOOK At These Homes NOW!

An entire block ruined by negro invasion. Every house marked "X" now occupied by negroes. ACTUAL PHOTOGRAPH OF 4300 WEST BELLE PLACE.

SAVE YOUR HOME! VOTE FOR SEGREGATION!



1924 Real estate code of ethics

National Association of Realtors that stated: "A realtor should never be instrumental in introducing into a neighborhood ... members of any race or nationality ... **whose presence will clearly be detrimental to property values in that neighborhood.**"

Non-adherence constituted professional misconduct that could result in loss of license.

By 1950, sales were prohibited that would be "detrimental to property values." (Unless three buildings with Black occupants already existed...).

Bob Lavelle, in Pittsburg, was the first Black to be part of the MLS. His \$500 fee was returned every year, saying there were not enough votes. So he sued the National MLS and made it possible for Black realtors to have access to MLS nationally.

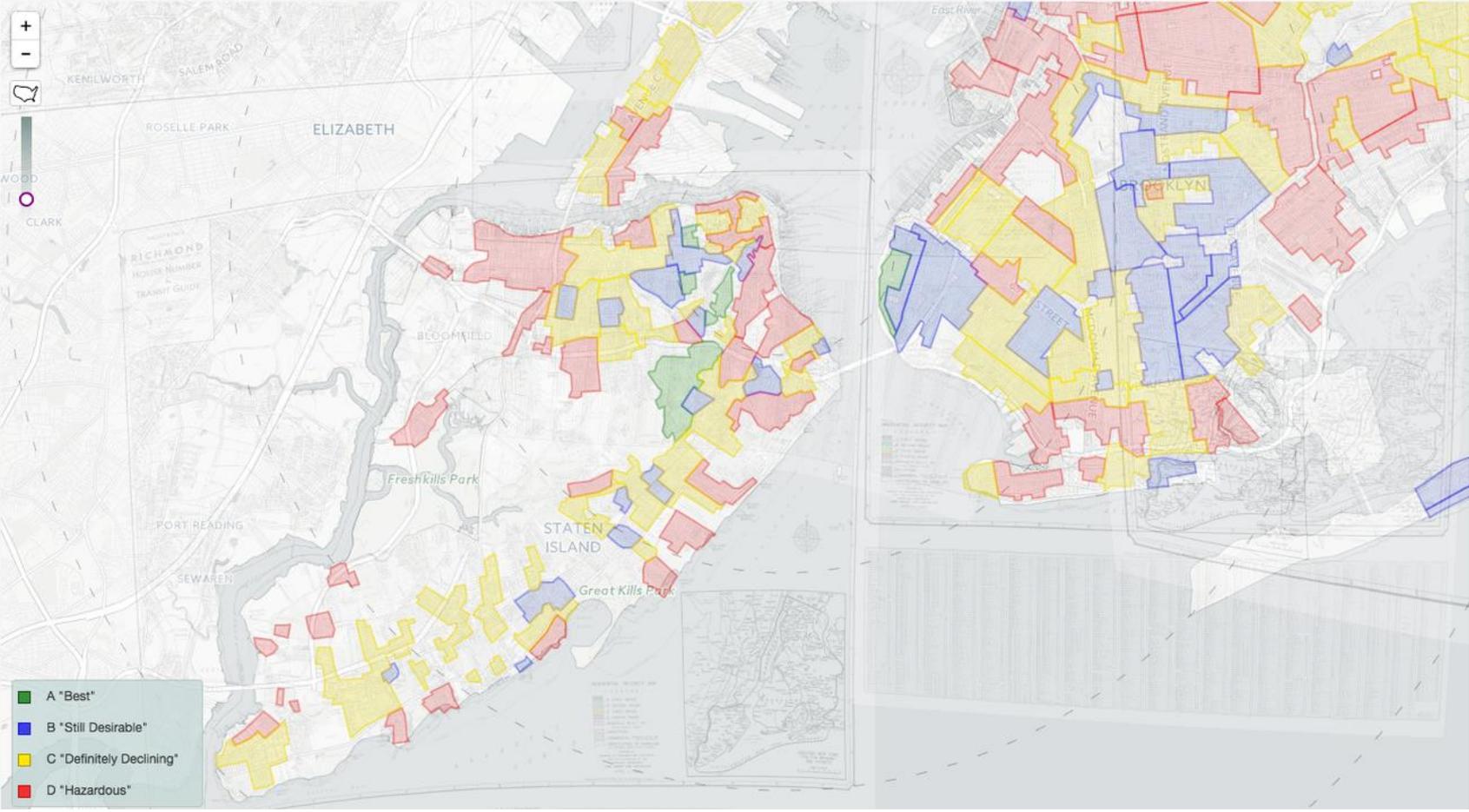
The 1933 Homeowners Loan Corporation



One of their practices, however, was what we now call "redlining," where residents in less-desirable neighborhoods were given less access to financial services to relieve their burden of debt.

- Created to help homeowners and to stabilize banks, yet none of its approximately one million loans went to black homeowners.
- This caused a disproportionate number of Black homeowners to lose their homes during the Depression.
- "Whites observed the black ghetto and concluded that slum conditions were characteristic of black families, not a result of housing discrimination. This conclusion reinforced whites' resistance to racial integration, lest black residents bring slum conditions to white communities."
Making of Ferguson

Redlining Maps



Depression era, Federal Housing Administration supported discrimination---

FHA , which was established in 1934, Mortgages could only be extended to those with the best prospects of repaying or possessing collateral that would maintain its value. So they collaborated with blockbusters, condoned restrictive covenants, and redlining practices which prevented loans in predominantly black neighborhoods.

FHA created preferential options for white planners, builders and lenders to promote homogeneous neighborhoods. These policies disproportionately concentrated blacks into substandard houses.

Today, Enterprise community Partners is seeking to Undesign the Redline: <https://www.enterprisecommunity.org/news-and-events/undesign-the-redline>



1930s: A push for Homeownership— for Whites, example: La Canada

Roosevelt started the Federal Housing Administration (FHA) to provide risk-free loans to middle class whites with 10% down. But the loans are only for new construction, not for improving older housing stock, like in N.W Pasadena or other lower income parts of the city. This created "White Ghettos" in the suburbs, cities like La Canada sprang up all over the US.

.... Between '46 and '59 less than 2% of all housing financed with federal mortgage insurance was made available to blacks." *Streets of Hope, Medoff and Sklar*

- With FHA mortgages mostly unavailable to blacks, families bought homes with mortgages having very short repayment periods, or with land contracts that permitted no accumulation of equity. Late installment payments could trigger repossession.
- With few places Blacks were allowed to live, overcrowding affected landlord's ability to get insurance, this affected the availability of municipal services like fire protection, pushing insurance rates higher.

Post-WW II Public Housing on Grand Scale, “warehousing” the poor



33 high-rise buildings built in 1954, destroyed in 1972

“By the 1960s, Pruitt-Igoe became a national symbol of dysfunctional public housing”, No money for Public Housing has been released for this model since the 1980s.

Pruitt-Igoe, in St. Louis (European architects) became completely segregated, distant from jobs, services and amenities. City Council members in Pasadena use this as a reason not to have affordable housing. Today public/private partnerships build high quality lower density affordable housing

1949: Federal Housing Act: “A Decent Home And Suitable Living Environment For Every American” (not one person of color was part of planning this ACT)

No longer one for one replacement of housing units cleared. Money provided for “slum clearance” and “urban renewal”

Some called this “Negro removal” because so many blacks were displaced from their homes

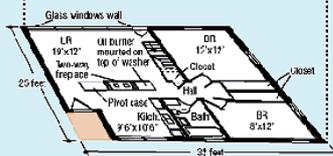
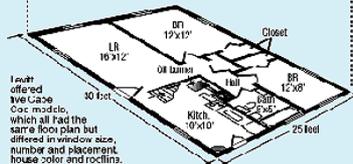
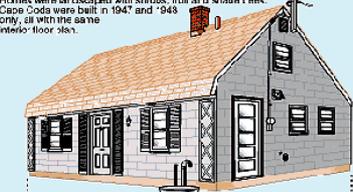
Levitt's Homes A look at the two types of homes Levitt built in the Levittown area.

The 1941 Cape Cod

The Levitt Cape Cod offered 4 1/2 rooms on a 25-by-30-foot slab, with an unfinished expandable attic, and a kitchen full of appliances that included a built-in washer. The kitchen was in the front – at the time a novel approach – and two bedrooms were in the rear. It rented for \$50-\$55 per month, depending on the lot, and was offered for sale a year later at \$7,500. Homes were landscaped with shrubs, fruit and shade trees. Cape Cods were built in 1947 and 1948 only, all with the same interior floor plan.

The 1946 Ranch

The Levitt Ranch, a so 4 1/2 rooms, was first offered in 1946. It was 56 square feet larger than the Cape Cod and rotated the open floor plan, keeping the kitchen in the front, but pushing the living room to the rear and bedrooms to the side. The attic was unfinished. There was a two-way health between the fully equipped kitchen and the living room. It sold for \$7,980, with a monthly mortgage payment of \$58. The 1953 and 1951 models had the same basic floor plan as the earlier model.



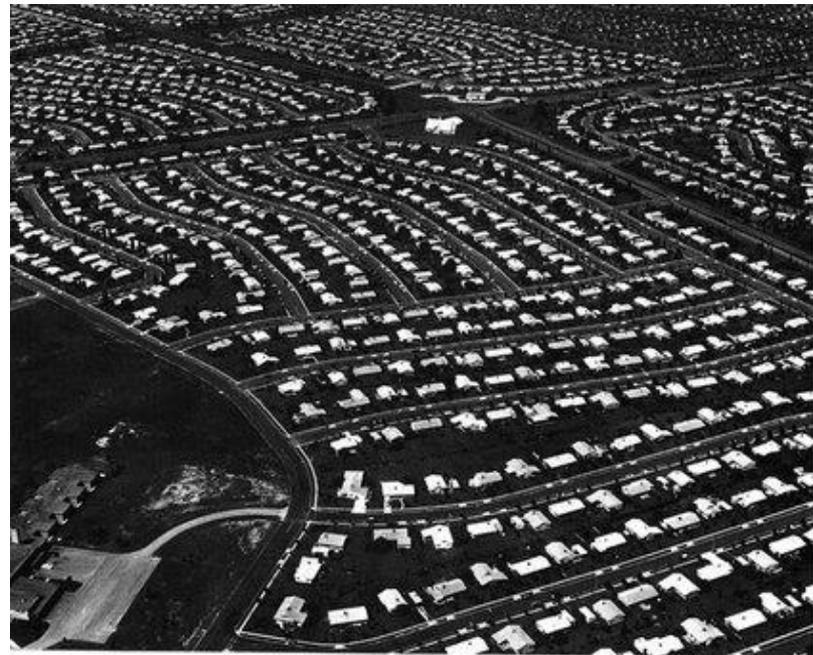
Levitt offered five Cape Cod models, which all had the same floor plan but differed in window size, number and placement, house color and roofline.



The five 10-0 ranch models, while differing in exterior features, all had the same floor plan and each came with a revolving storage cabinet and a 16-foot picture window in the rear of the house.



Nowitzki/Edward Everett



Ezekiel 45: 9-10

"For this is what the Sovereign LORD says: Enough, you princes of Israel! Stop your violence and oppression and do what is just and right. Quit robbing and cheating my people out of their land. Stop expelling them from their homes, says the Sovereign LORD. Use only honest weights and scales and honest measures, both dry and liquid.

Housing Act of 1949 and of 1954 kick-started the "urban renewal" program, reshaping American cities

This ACT help to move America's housing and plumbing indoors and more than tripled the size of homes—but larger homes has added huge costs to housing.

These Acts provided federal funding for "slum" clearance using eminent domain, whereby private developers constructed new housing. In 1954 they became FHA-backed mortgages.

In St. Louis, neighborhoods were razed for the famous Gateway Arch, museums, stadiums, highways to bring suburban commuters into white-collar city jobs, industry and hotels, universities and middle-class housing (Pasadena, 210 Fwy). Over 20,000 residents, 95 percent of whom were black were displaced. Some 40 churches were razed as their parishioners scattered to developing ghettos in inner-ring suburbs. "Kosciusko Urban Renewal Project, demolished an African American neighborhood of 70 blocks and 221 acres in the early 1960s, with plans for attracting new industry. Much of it still remained vacant or with paved-over lots, 50 years later"

Prime real estate taken from Blacks and next to the City Center in St. Lewis, this also happened a the Chavez Revine where the Dogers Statium sits and in Pasadena.



Parson's Pasadena replaced a thriving Black and Brown neighborhood, some say up to 20,000 people. Scott UMC was moved to Orange Grove due to Urban Renewal





Friendship Baptist 80 W Dayton, is still in the area. Pastor Smith calls this “The Jewel of Old Town”

Founded on
September 1, 1893



**MLK spoke at
this church**

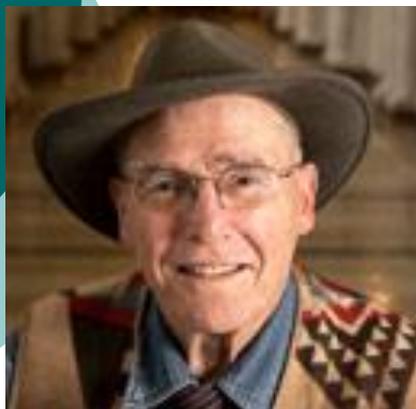
1956 Interstate Highway Act

With the accumulated wealth of whites, and their 10% down payment for FHA loans allowed only for new construction, there was now an easy exit to build in the suburbs (for those who could afford cars).

Today this is a nightmare for many (Lincoln Avenue's thriving Black Business District was destroyed). Highways sliced through thriving Black communities across the US leaving wealthier white neighborhoods intact (so Pasadena avoided the 710 after years of organizing)



Century Freeway Housing Program, one of the most expensive Freeways build, because no one displaced, we could do this with the 710 Fwy.



Beloved Judge Harry Pregerson, who ruled in this case: a Freeway exchange was named after him.

In 1972, when planning began on the Century Freeway (I-105), residents in areas affected by the proposed development fought the construction. Lawsuits were filed to halt construction until the environmental and housing impacts of the freeway could be evaluated and minimized. The case tied up construction for several years until in 1979 a solution was reached: the creation of the Century Freeway Housing Program (CFHP).

- See more at:

<http://www.centuryhousing.org/about/#sthash.UAWRFwXa.dpuf>

Unsuccessful Attempts to purchase in White neighborhoods, 1950-60s, Lloyd Watson seeking to buy outside of N.W Pasadena was plainly told: “We can’t sell to you because you are Black.”



“FHI financed” or “pre-approved” signals whites only subdivisions up to 1960s to create “neighborhood stability” and “neighborhood character”

- By making advance commitments to builders of subdivisions who met FHA construction standards, including “racially harmonious” standards, banks would provide low-interest loans. **These advanced commitments to builders resulted in whites-only sale policy across the US, a lower costs.**
- This capital gain advantaged Whites to save and increase their cumulative wealth. “The median household wealth of African Americans is only about 5 percent of whites’ wealth”
- In part this advantage was secured by FHA’s discriminatory practices toward Negroes seeking to be on real estate boards.
- **Until the 1960s, insurance companies openly practiced “redlining” – refusing casualty or title insurance in black neighborhoods, or making it available only at premium rates.**

Biggest Black owned Bank in the US, had a branch in Pasadena, that started with a hog farmer in El Monte, he as also a trash collector and feed the edible trash to the pigs.

He couldn't get a loan so started the bank, at that time called Family Thrift.



1964 Civil Rights Act-banned discrimination, but hard to enforce. MLK

○ “We are here today because we are tired,” [Dr. King said](#).

“We are tired of paying more for less. We are tired of living in rat-infested slums... We are tired of having to pay a median rent of \$97 a month in Lawndale for four rooms while whites living in South Deering pay \$73 a month for five rooms.”

“Now is the time to make real the promises of democracy,” he added. “Now is the time to open the doors of opportunity to all of God’s children.”



African Americans protest discriminatory housing policies



**Late 1960's Dorothy Gautreaux sues
Chicago Housing Authority—say she wanted more for her
family than to be in all Black lower income community..
and she wins!**



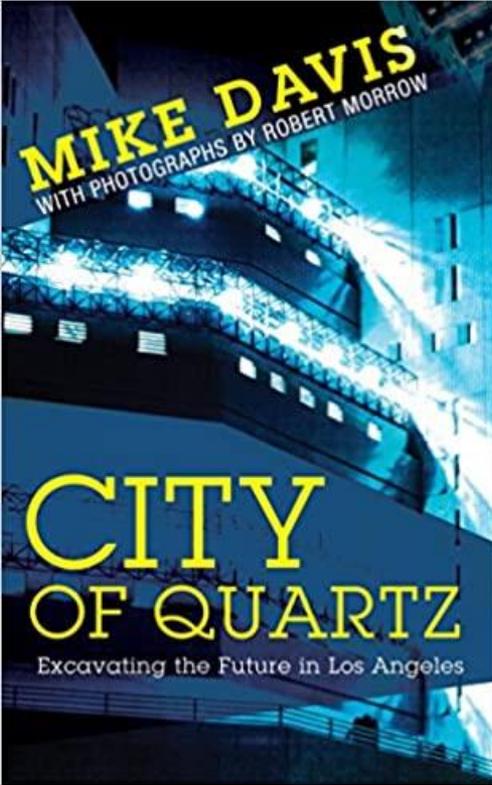
Settlement led to studies on mixed income neighborhoods that changed housing policy forever—ended funding for Public Housing and building the groundwork for Section 8

Section 8 (housing choice vouches are the biggest affordable housing program in the US. The govt pays 2/3rd of the rent. in Pasadena 23,000 are on the wafting list that opens only every few years. Once you obtain a voucher, too many have to return them because landlords were un-willing to rent to them—and only too often after they learn they are Black. This is illegal but still happens. **But Section 8 does not create any new housing, only uses what we now have.**

1970's - Present: Car dependence, Extremely segregated schools, Federal Court Order for Pasadena to desegregate

Private Schools pop up throughout Pasadena, 1/3 of children attend Private schools, sadly too often to prevent racially mixed schools. James Dobson said, and today realtors too often still say, "School are bad" PEN-the Pasadena Educational Foundation and others are seeking to change this.





Zoning Revolts 1990s, Cities incorporate to prevent encroachment of low-income residents

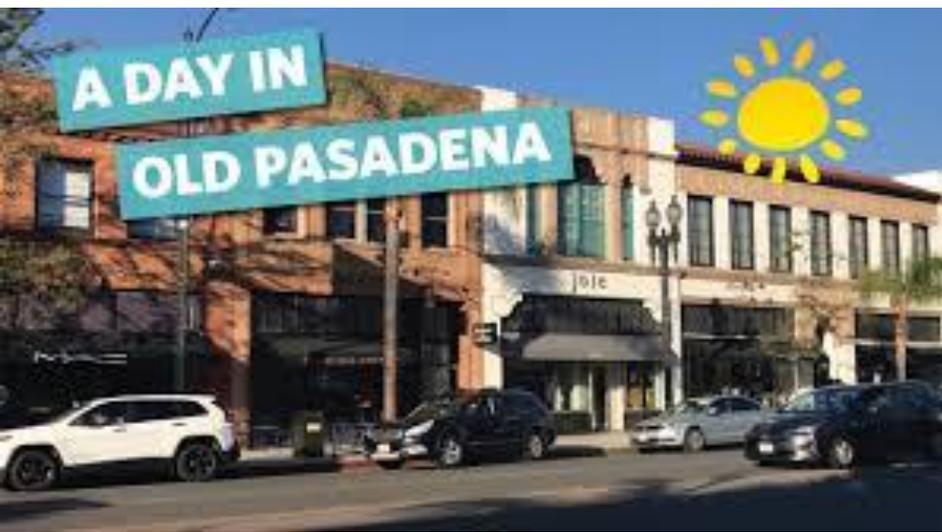
City of Quartz, Mike Davis.

“They love their children, but love their property values more”

Community = homogeneity of race, class and especially home values

“The most powerful ‘social movement’ in contemporary Southern CA is that of affluent homeowners, organized by notional community designation or track names, engaged in the defense of home values and neighborhood exclusivity”

Birth of the slow Growth movement. Neighborhood associations seek to down zone



Redevelopment Funds Solen from Affordable Housing Dollars

- Old Pasadena was restored with redevelopment funds beginning in the 1980s. Redevelopment used tax increment financing to reinvest in the community. Because redevelopment typically displaces many low-income people, including people of color, 20% of funds from redevelopment projects is required to go to build low- and moderate-income housing. But because Pasadena was in dire financial trouble due to its inability to pay pensions for fire fighters and police, the City decided to divert this money from low-income housing to these pensions. In 1987 the City sent a lobbyist to Sacramento to convince the state to pass a special law, SB 481, enabling them to do this. According to Council member John Kennedy, as much as \$40 million was “stolen” from low-income housing for these pensions. <https://www.latimes.com/archives/la-xpm-1987-07-16-ga-4501-story.html>

Wealthier White folks move into historical Black neighborhoods, push out lower income—Gentrification, Gang Violence

Smart Growth, New Urbanism, Gentrification



Repeal of Glass-Steagall Act in 1999 gave banks the right to sell and “bundle” mortgages which led to housing market collapse and the selling of subprime mortgages.

1999: Repeal

1989: "Glass-Steagall
loophole"

1987: Commercial banks can
underwrite commercial paper

1986: Commercial banks can have
up to 5% revenue from investment
banking activities

1970s: Brokerage firms
start acting like commercial
banks (eg: offer checking
accounts)

1960s: Senate allows
commercial banks to
enter municipal
bonds market

1933: GSA is
created



An Act to provide for the safer and more effective use of the assets of banks, to regulate interbank control, to prevent the undue diversion of funds into speculative operations, and for other purposes.

December 2011 the US Department of Justice, announced a \$335 million settlement with Bank of America/ Countrywide for targeting Blacks and Latinos subprime or predatory mortgage loans.

Black households were three times more likely than similarly qualified white households to be steered to a subprime loan. With higher interest rates, higher fees, it cost the average borrower thousands more dollars more and is therefore more likely to result in foreclosure.

Over a thirty-year mortgage a typical subprime borrower would pay over \$35,000 more for their loan, meaning the loss of billions of dollars of wealth. (Ernst, Bocian, and Li 2008.)

Between 2005 and 2009 Black Median Household Wealth fell a devastatingly 53%!

- Because Black households who own homes have a higher proportion of their wealth invested in their homes, they were more affected by the mortgage meltdown. White decline in median household wealth was 16% decline for white households compared to a 53% fall for Blacks.
- In the period preceding the housing crisis, white owned homes appreciated \$85,000 as compared to \$45,000 for black-owned homes. (Data from 2001, 2004 and 2007 Survey of Consumer Finances.)
- **In 2011, only 6% of Pasadena's middle-income population could afford to purchase a Pasadena home.**



One West Bank and Steve Mnuchin

Pasadena based banks like IndyMac, that later became One West under the leadership of Steve Mnuchin, later sold to [CIT Group](#) in 2015. Mnuchin joined [Trump's presidential campaign](#) in 2016, and today is Secretary of the Treasury. Mnuchin is often dubbed "Foreclosure King" having foreclosed on 16,220 federally insured reverse mortgages from April 2009 to April 2016, twice the national average.



Racial and Religious Steering Today

Almost 40 years after the passage of the Fair Housing Act, many real estate agencies across the country still engage in blatant racial, ethnic and religious discrimination at "egregiously high rates," according to a study released by the National Fair Housing Alliance.

The study found that real estate agents "racially steered" 87 percent of testers who inquired about purchasing a home. Racial steering, a practice outlawed by the Fair Housing Act, consists of attempting to limit potential homebuyers to neighborhoods where current residents are predominantly of their race.

Nearly 20 percent of African-American and Latino testers were refused appointments or offered very limited service. At one agency in Marietta, Ga., for example, white testers were shown 26 houses while African-American testers were shown none. **civilrights.org staff - 4/7/2006**

"The schools are bad" realtors say to whites, but not blacks, or they don't show or return calls of minority home seekers.



Statistics of Blacks in Pasadena today.

Black population dropped 24% in Pasadena from 2000-2010. Nearly one-quarter of Pasadena's African American residents left the city during that period, replaced mostly by Asians and Pacific Islanders, according to 2010 Census figures. As of 2020, only 9.7% of Pasadena residents are Black.

The black and white homeownership gap remains as wide today as it was at the dawn of the 20th century. Nearly 75% of white households own their homes, compared with just 44% of black households.



Think Land Policy Is Unrelated to Racial Injustice? Think Again. *By George McCarthy, June 24, 2020*

“We cannot settle for narrowly delimited responses to current events and forget that the roots of unacceptably disparate life circumstances and future prospects are deeply embedded in land policy. We cannot make the same mistakes we made in the 1930s—allowing the urgency of the moment to give cover to policies that maintain racial discrimination—nor can we take actions like we did in the Great Recession, prioritizing the wealth and survival of corporations over some communities.”

<https://www.lincolninst.edu/publications/articles/presidents-message-6>

Further study and possible solutions

THE MAKING OF FERGUSON
Public Policies at the Root of its
Troubles
BY RICHARD ROTHSTEIN

<https://www.epi.org/publication/making-ferguson/>

<https://makinghousinghappen.net/2020/06/23/pasadenas-racialized-history/>

<https://makinghousinghappen.net/2020/06/22/racism-and-housing-some-solutions-proposed-by-mhch/>

