

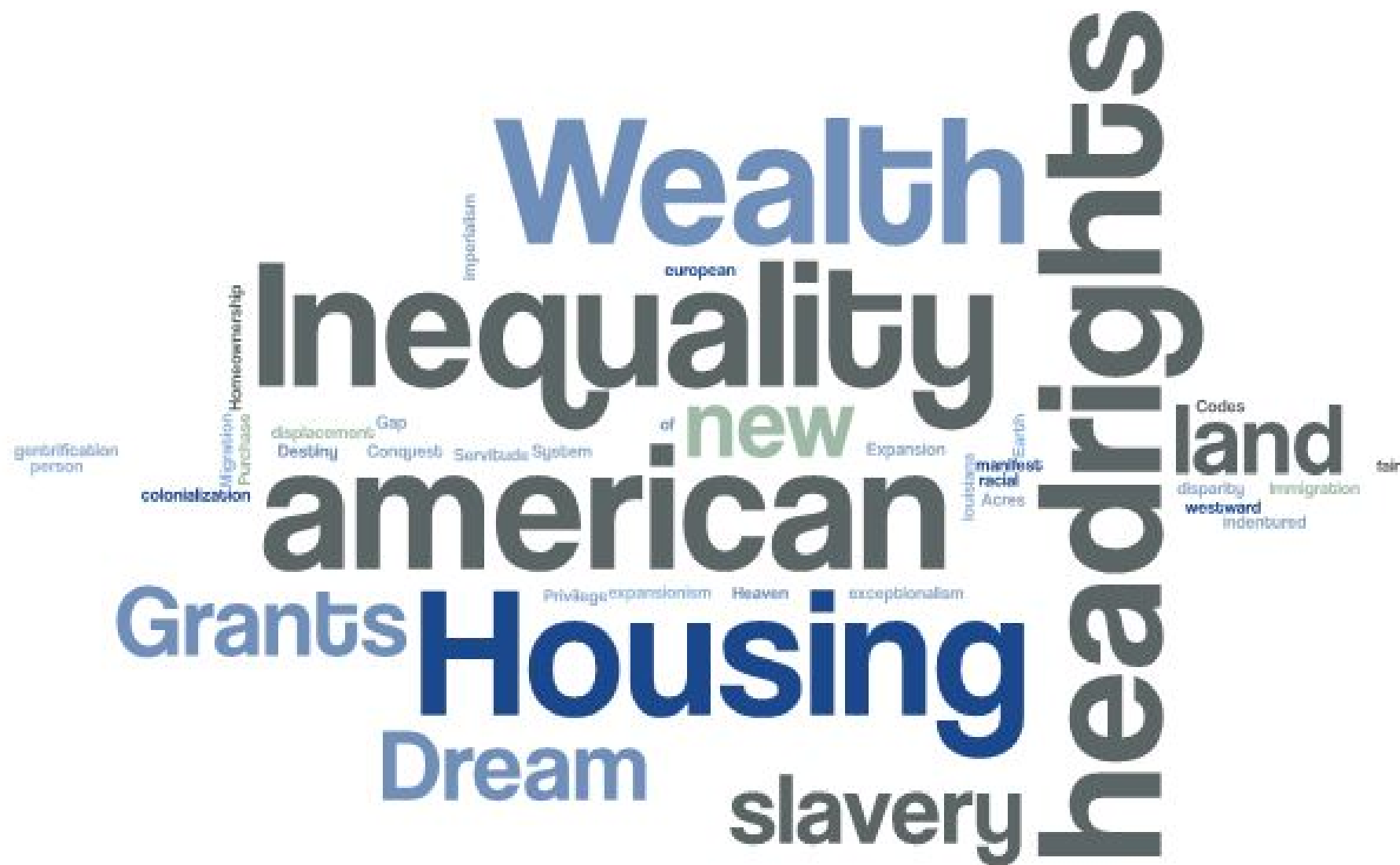
Fair Housing: A Look Back and Forward

@ItsLisaRice

@NatFairHouse

www.nationalfairhousing.org



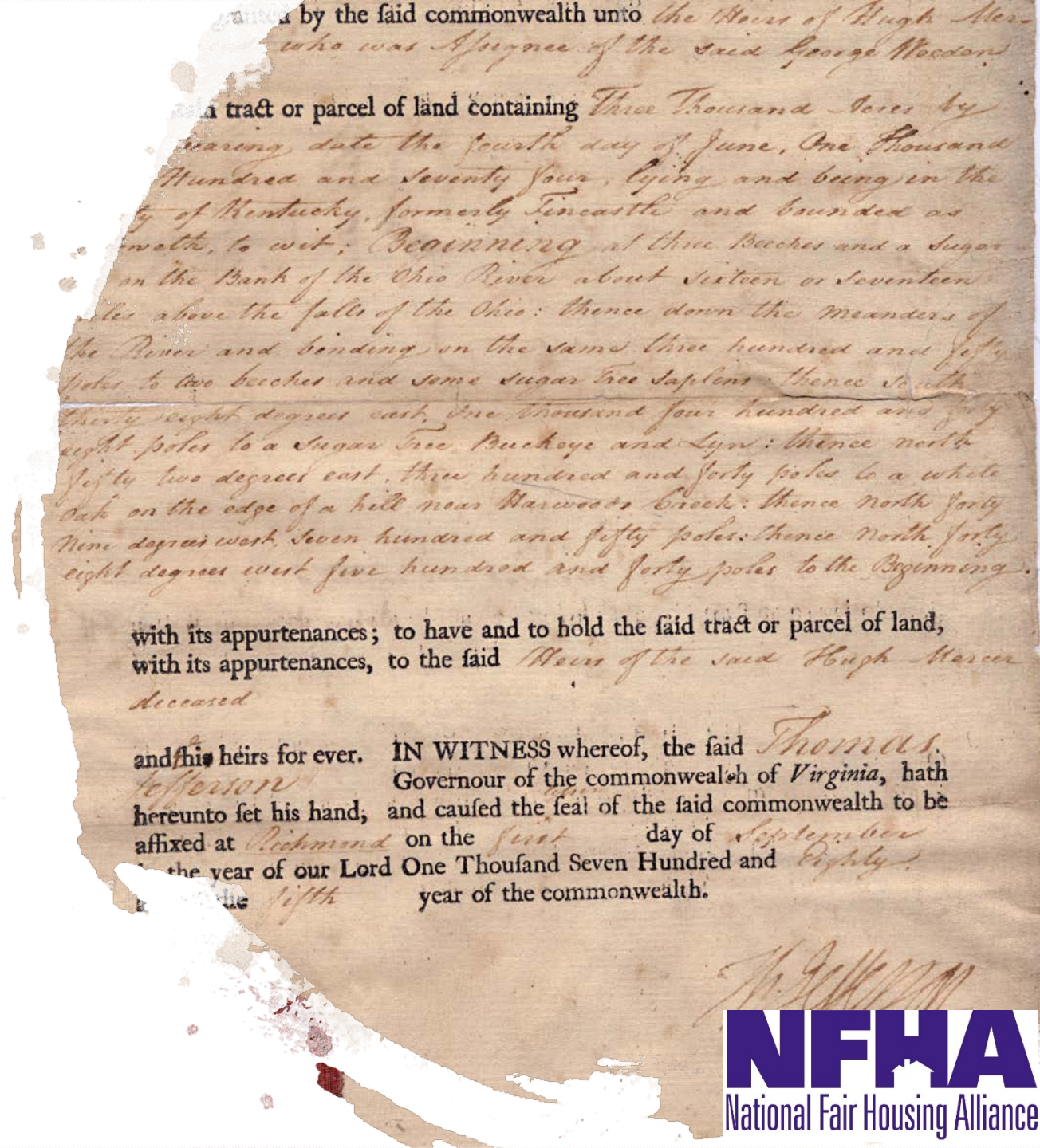


Support of Land/Homeownership

Headrights

50 Acres per person

- Family members
- Indentured Servants
- Slaves



Land Grants and Homesteads

270 Million Acres (10%)
of US lands granted
through this system.



1.6 Million Grants
Awarded.



Also required military to
support the system.



In 1872 the law was
amended to prevent
discrimination based on
color in the issuance of
homesteads.

Freedman's Savings and Trust 1863 - 1874

- Promoted by Union Generals and Northern Philanthropists
- Savings Institution
- Trustees = Wall Street Investors, Real Estate Moguls
- Trustees could access loans from the savings institution but depositors could not
- Closed due to fraud and malfeasance
- Federal government refused to make depositors whole or hold Trustees accountable



Home Owners Loan Corporation

- Established in 1933
- Created to prevent foreclosures in the wake of The Great Depression
- Developed fully amortizing loan product
- HOLC hired real estate professionals to complete surveys
- Neighborhoods graded based on characteristics including race

Residential Security Surveys & Maps

NS FORM 8
10-1-37

AREA DESCRIPTION - SECURITY MAP OF Denver, Colorado

1. AREA CHARACTERISTICS:

- a. Description of Terrain. Level.
- b. Favorable Influences. Adequate transportation - schools, utilities.
- c. Detrimental Influences. Unpaved streets + stench from stockyards and packing plants west of the area.
- d. Percentage of land improved 60%; e. Trend of desirability next 10-15 yrs. Static

2. INHABITANTS:

- a. Occupation Wage earners; b. Estimated annual family income \$ Up to \$1500
- c. Foreign-born families 20%; Southern European predominating; d. Negro Few; %
- e. Infiltration of Wage earners; f. Relief families About 70
- g. Population is increasing ; decreasing ; static Yes

3. BUILDINGS:

- | | <u>PREDOMINATING</u> <u>100%</u> | <u>OTHER TYPE</u> <u> </u> % | <u>OTHER TYPE</u> <u> </u> % |
|-------------------|----------------------------------|-----------------------------------|-----------------------------------|
| a. Type | <u>Singles</u> | <u>(Few doubles)</u> | <u> </u> |
| b. Construction | <u>Frames, few brick</u> | <u> </u> | <u> </u> |
| c. Average Age | <u>36</u> Years | <u> </u> Years | <u> </u> Years |
| d. Repair | <u>Fair to poor</u> | <u> </u> | <u> </u> |
| e. Occupancy | <u>98</u> % | <u> </u> % | <u> </u> % |
| f. Home ownership | <u>52</u> % | <u> </u> % | <u> </u> % |

Los Angeles HOLC Survey

Terrain: Level with favorable grades. No construction hazards or flood threats. Land improved 85%. Zoned single family residential. All conveniences. This area is favorably located but is detrimentally affected by 10 owner occupant Negro families located in center of area north and south of Bell St. between Marvista and Catalina Aves. Although the Negroes are said to be of the better class their presence has caused a wave of selling in the area and it seems inevitable that ownership and property values will drift to lower levels. Construction, maintenance and architectural designs while not of the highest type are generally of good quality. The area is accorded a "high red" solely on account of racial hazards. Otherwise a medial yellow grade would have been assigned.

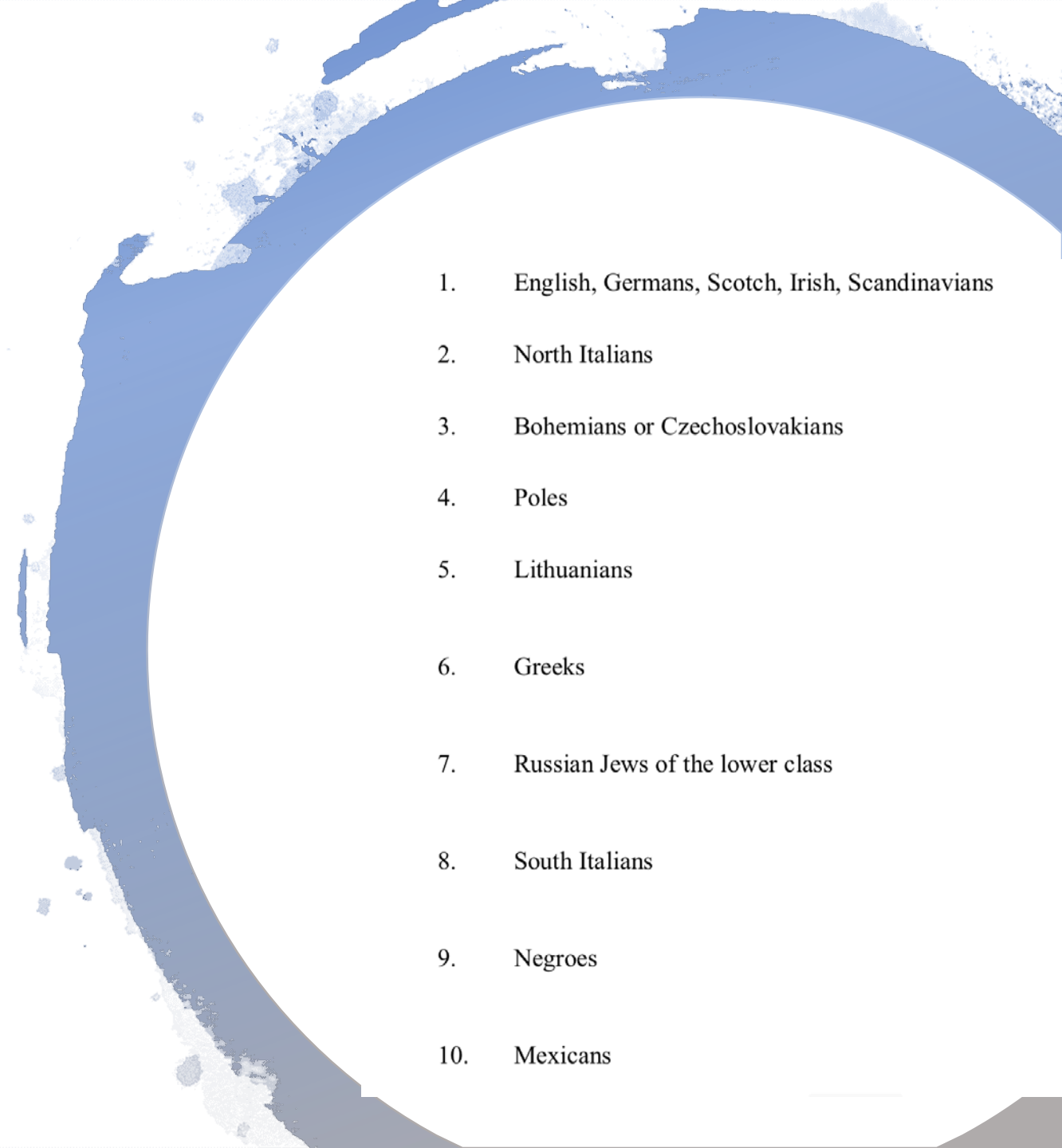
9. LOCATION Pasadena SECURITY GRADE 4th + AREA NO. D-7 DATE 4/6/39
355

Figure 8-6 HOLC appraisal of a mixed-race section of Pasadena, 1939. The presence of racial diversity—regardless of class—automatically downgraded a neighborhood's ranking. This neighborhood received a "D" rating, the lowest score. Los Angeles City Survey files, Area Descriptions, Home Owners Loan Corporation, Record Group 195, National Archives, Washington, DC, 1939. Doc # D-7.

...detrimentally affected by 10 owner occupant Negro families located in the center of the area....Although the Negroes are said to be of the better class their presence has caused a wave of selling in the area.... The area is accorded a "high red" solely on account of racial hazards.

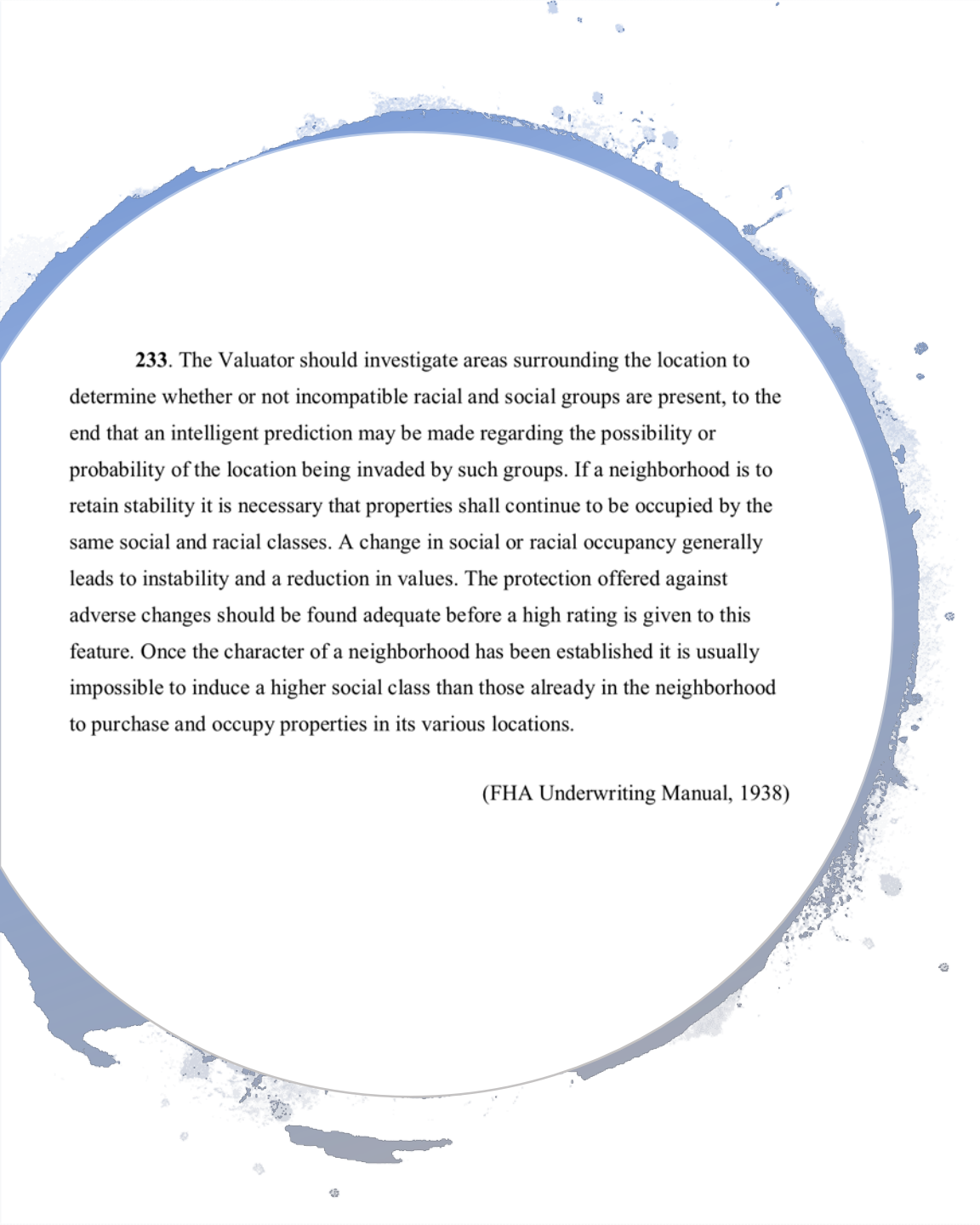
Hoyt's Hierarchy

1st Chief Economist of FHA

- 
1. English, Germans, Scotch, Irish, Scandinavians
 2. North Italians
 3. Bohemians or Czechoslovakians
 4. Poles
 5. Lithuanians
 6. Greeks
 7. Russian Jews of the lower class
 8. South Italians
 9. Negroes
 10. Mexicans

FHA

- Established in 1934
- Contributed to the expansion of the middle class.
- Facilitated suburbanization of America.
- Less than 2% of loans went to POC.
- Government demanded residential segregation as a core tenant of the program.



233. The Valuator should investigate areas surrounding the location to determine whether or not incompatible racial and 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 protection offered against adverse changes should be found adequate before a high rating is given to this feature. Once the character of a neighborhood has been established it is usually impossible to induce a higher social class than those already in the neighborhood to purchase and occupy properties in its various locations.

(FHA Underwriting Manual, 1938)

FHA Underwriting Manual

- Written by Homer Hoyt, et al.
- First Chief Underwriter for the FHA
- Believed strongly in creating and perpetuating segregation
- Worked with real estate professionals to circumvent SCOTUS decision blocking racially restrictive covenants
- Perfected racial hierarchy for real estate

How Legacy Issues Impact Us Today

WHERE YOU LIVE MATTERS

WEALTH

In 2016, the **median wealth** of White families was 10 times that of Black families and 8 times that of Latino families. According to Prosperity Now, if White wealth were to remain constant, it would take Latinos 84 years and Blacks 228 years to reach parity. This **wealth gap** is tied to disparities in H/O rates – 72% for Whites, 47% for Latinos and 42% for Blacks.

HEALTHY ENVIRONMENTS

People of Color are more likely to be impacted by **environmental injustice** and are twice as likely to live in areas without potable water or proper sanitation. Race is the most significant predictor of whether a person will live in a neighborhood with contaminated air, land or water. More than half of the people who live within 2 miles of a waste facility are People of Color.

LIVING WAGE JOBS

There are large **income disparities** based on race. Higher paying jobs are not located in Communities of Color. These jobs are located either in core downtown areas or suburban hubs. In addition, People of Color face direct discrimination when trying to get a job. One study found that people with “White” sounding names are contacted 20% more than those with “Black” sounding names.

EDUCATION

Where you live impacts your child’s ability to attend a **good school** with adequate resources. Across the nation, schools spend \$334 more on White students than students of Color. Schools in predominately White communities have greater instances of experienced teachers, with degrees who are teaching in their field of study.

TRANSPORTATION

Transportation points, like highways, toll roads, and train lines have been used to isolate communities of color cutting them off from access to job centers and important amenities and services. Since People of Color are less likely than their White counterparts to own a car, access to reliable public transportation is imperative. Moreover, NFHA’s investigative work shows even when People of Color have better credit, they are often charged more for auto loans than their White counterparts.

HEALTHY FOOD

People of Color are more likely to live in a **food desert**. Latinos are a third less likely and Blacks half less likely to have access to a grocery store than their White counterparts. 8% of Blacks live in a census tract with a grocery store compared to 31% of Whites.

HEALTHCARE

Blacks and Latinos are more likely to live in **health deserts** with fewer healthcare facilities and primary care physicians. As Melody Goodman, Assistant Professor of Washington University put it, when it comes to your well-being, “Your zip code is a better predictor of your health than your genetic code.”

ACCESS TO CREDIT

People of Color are more likely to be affected by America’s **dual credit market**. 46% of Blacks, 40% of Latinos, and 38% of American Indian/Alaska Natives use non-traditional credit compared to 18% of Whites. Subprime and fringe lenders are hyper-concentrated in Communities of Color. Alternatively, White communities have an average of 41 bank branches while Communities of Color have an average of 27 bank branches for every 100,000 people.



Bifurcated U.S. Financial System

Capital Markets

Banks, Credit Unions, Savings and Loan Companies, CDFIs, GSEs, Federal Home Loan Bank Boards, Mutual Funds, Pensions, 401(k)s, Stocks, Bonds, AAA Rated Mortgage-Backed Securities

Mainstream Financial Services

Prime Mortgages, Savings and Checking Accounts, Home Equity Loans, Lines of Credit, Certificates of Deposit, Prime Auto Loans

Prime Market

Jumbo Market

Fringe Financial Services

Pawnshops, Check Cashers,
Payday Lenders,
Rent-to-Own Shops,
Title Lenders
Finance Lenders
Sub-Prime Lenders
Buy Here Pay Here Auto Lenders

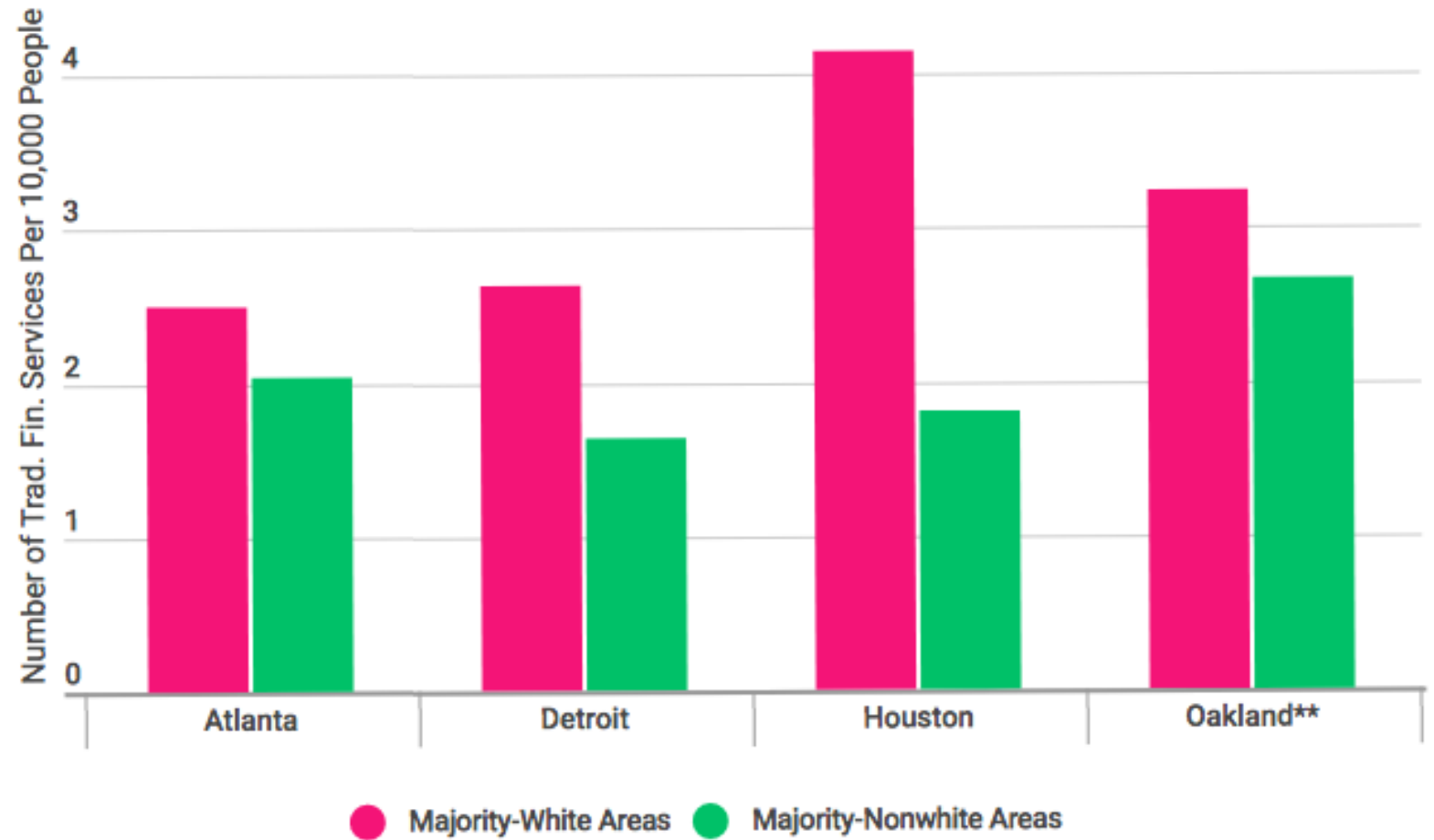
Lower-Income Communities
and Communities of Color

Middle / Upper- Income and
Predominately White
Communities

Source: Carr, Jim, Lisa Rice and Shanti Abedin

Traditional Financial Services, Findings by Metro

Houston has the largest disparity in traditional financial services, where majority white neighborhoods have nearly 2.3 times the number of establishments as majority non-white neighborhoods.

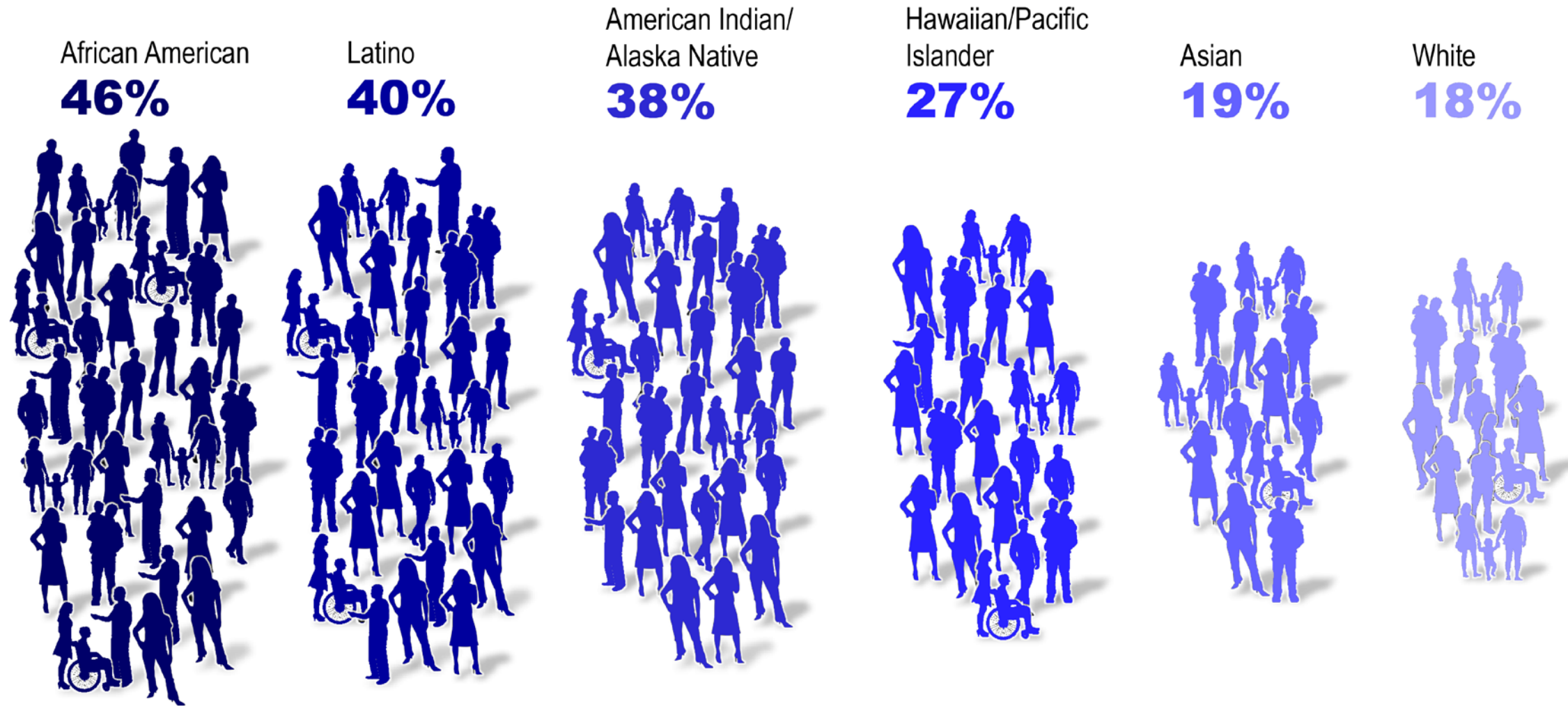


Alternative Financial Services, Findings by Metro

The largest disparity is in Oakland, where there are 2.3 times as many alternative financial service providers in majority non-white neighborhoods than majority white neighborhoods.



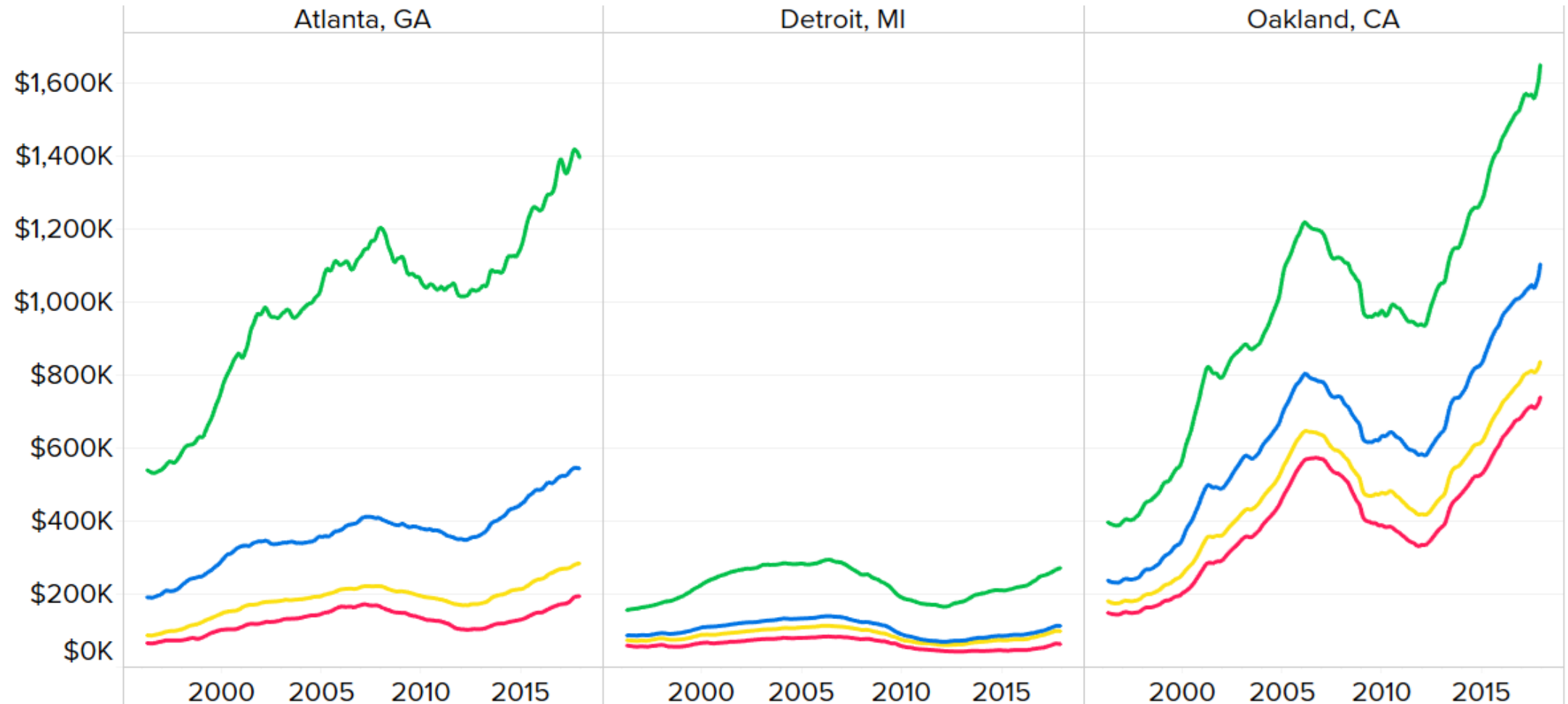
Who is Using Alternative Financial Services?



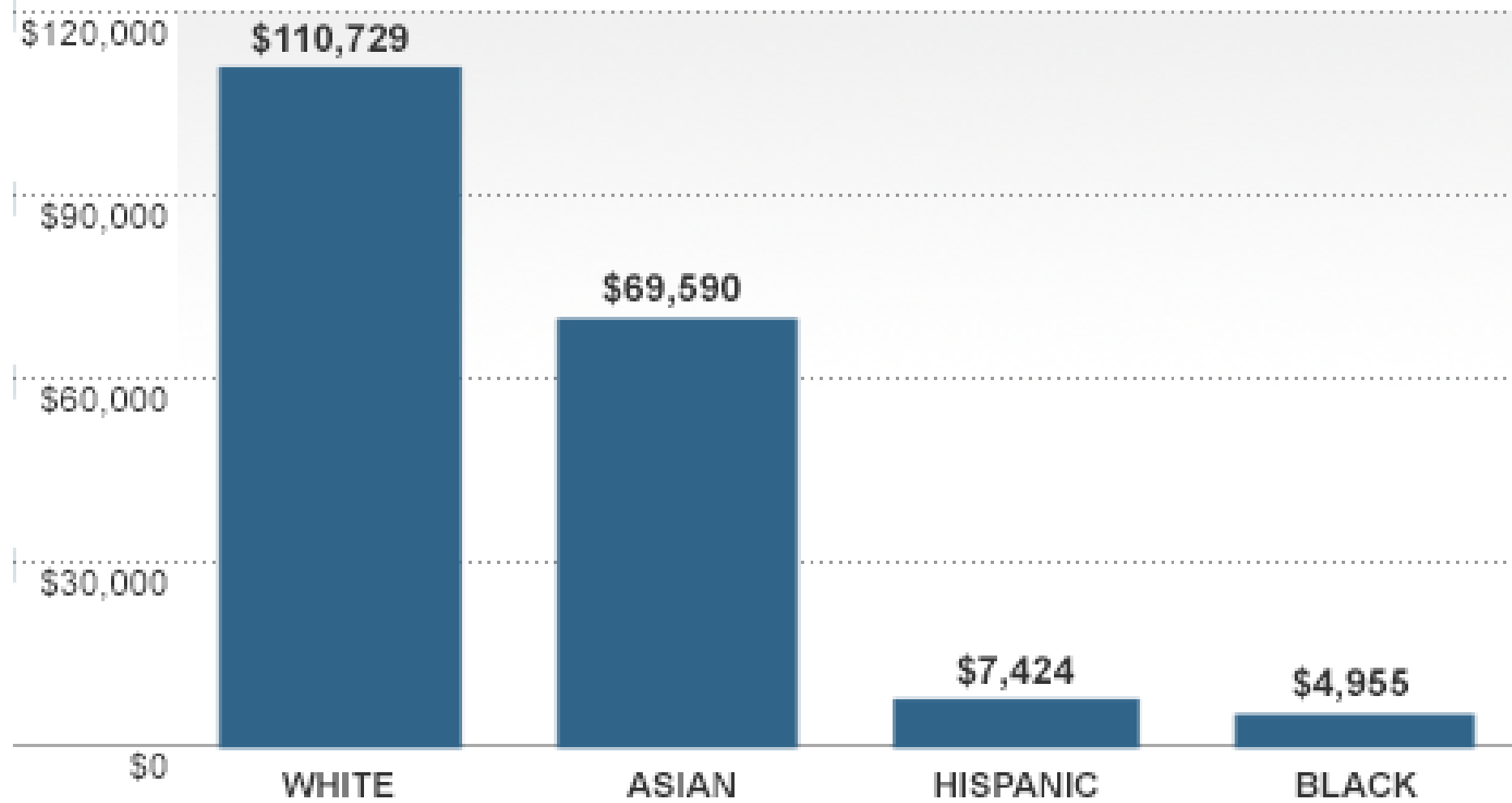
Rice, Lisa and Shanti Abedin from data provided in 2013 FDIC National Survey of Unbanked and Underbanked Households

Home Value Trends in Redlined Areas

Median home values by areas designated **best**, **still desirable**, **definitely declining** and **hazardous**

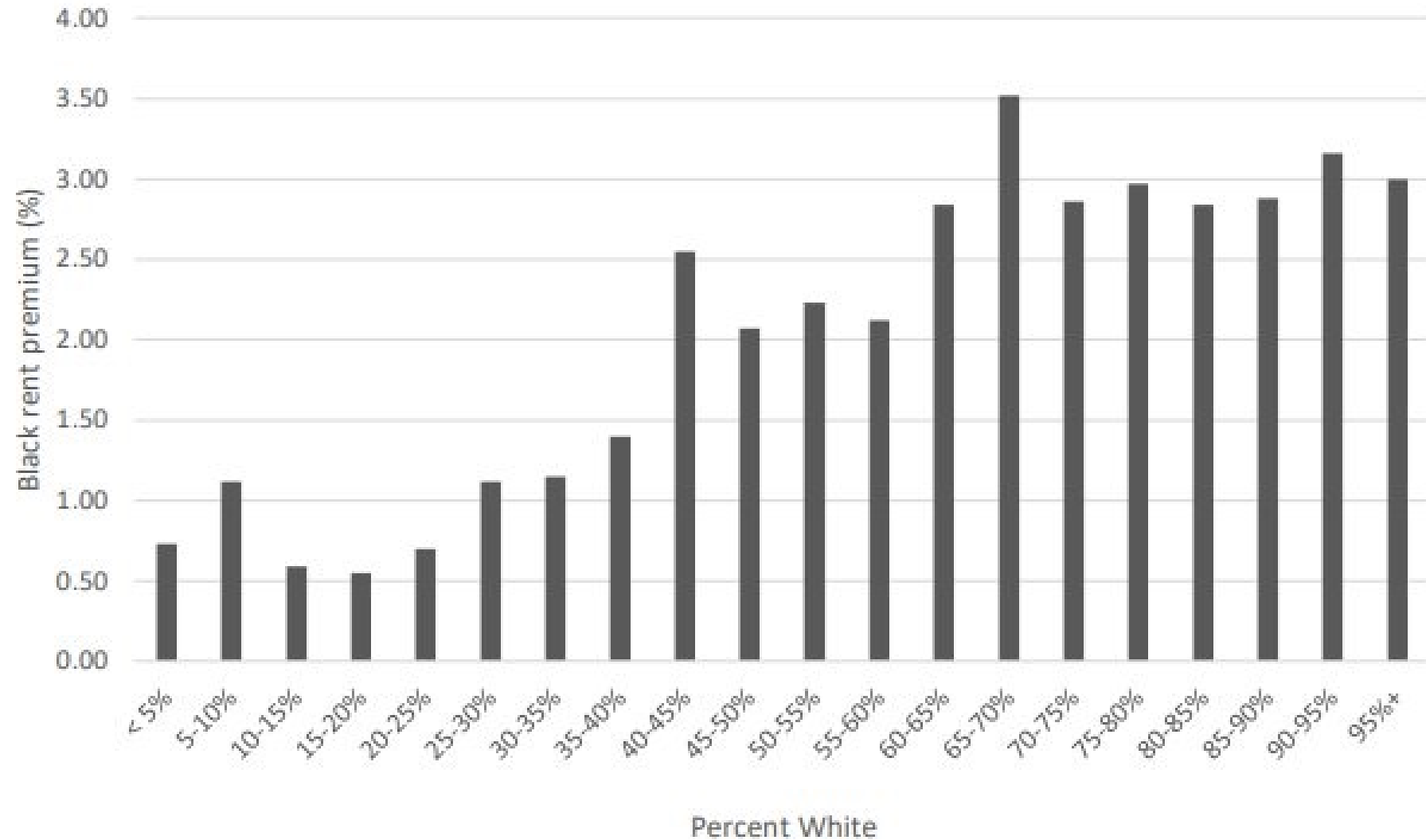


RACIAL WEALTH GAP



SOURCE: CENSUS BUREAU

Fig. 1: Black rent premium in areas with different racial mix



Discrimination in REO Maintenance & Marketing



NFHA & its members conducted investigations involving this bank in 37 metropolitan areas.

REO Properties in COCs



REO Properties in White Communities



METROPOLITAN CLEVELAND

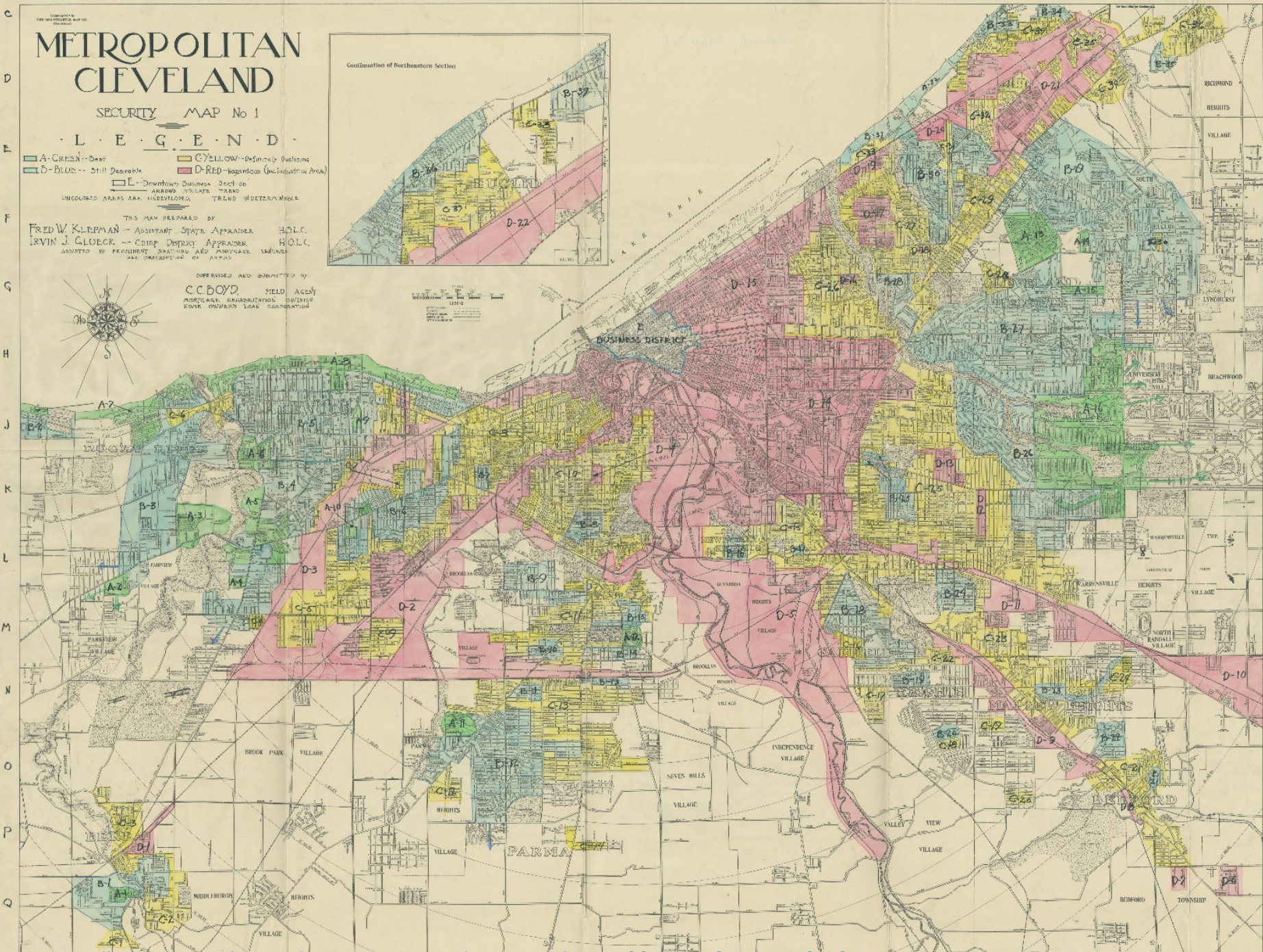
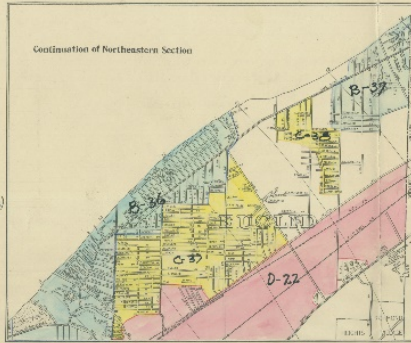
SECURITY MAP No 1

L E G E N D

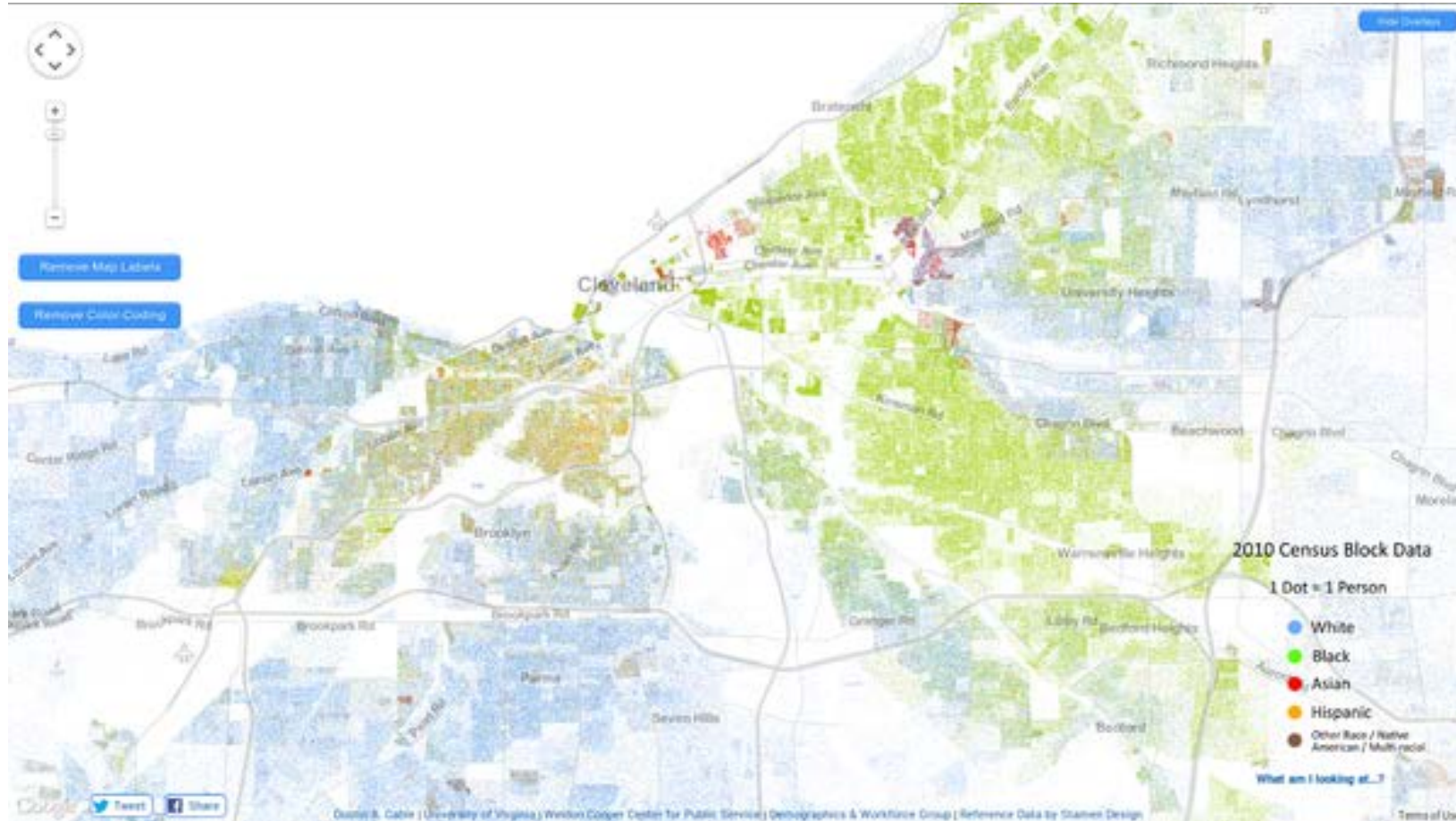
- A-GREEN--Best
- B-BLUE--Still Desirable
- C-YELLOW--Definitely Deteriorating
- D-RED--Hazardous (Including Industrial Area)
- E--Downtown District, East of
- UNCOLORED AREAS ARE UNDEVELOPED, TRAIL, RUSTY, WOOD

THIS MAP PREPARED BY
FRED W. KLEPMAN -- ASSISTANT STATE APPRAISER H.O.C.
IRVIN J. GLUECK -- CHIEF DISTRICT APPRAISER H.O.C.
ADMITTED BY FREIGHT BROKERS AND ADVISORY BOARD
ALL INFORMATION OF AGENCIES

SUPERVISED AND SUBMITTED BY
C.C. BOYD, FIELD AGENT
PORTLAND, OREGON, DIVISION
HOME OWNERS LEAD COOPERATION

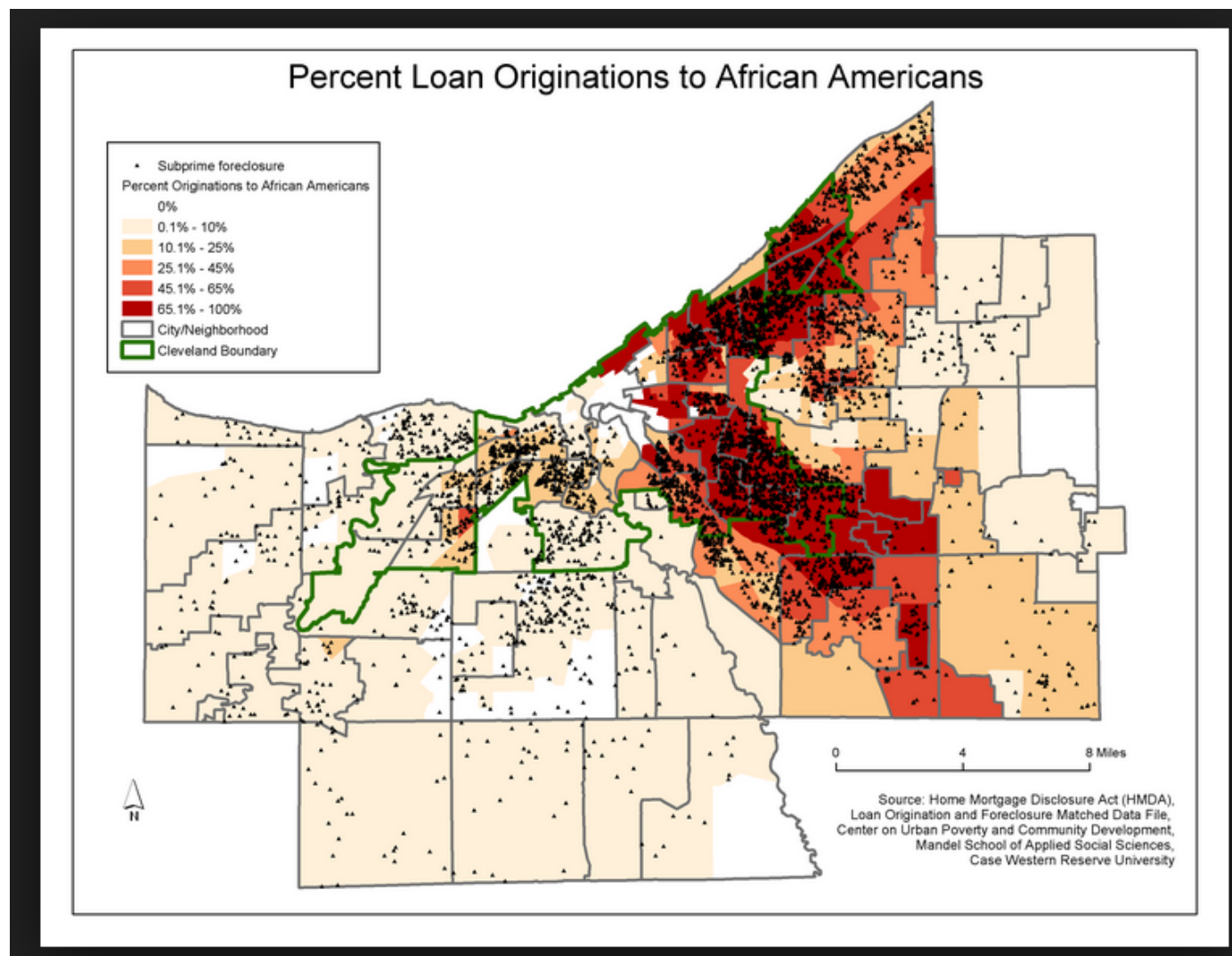


Redlined areas in the HOLC maps, which were based on 1939 racial demographics, track closely with today's heavily segregated communities of color.

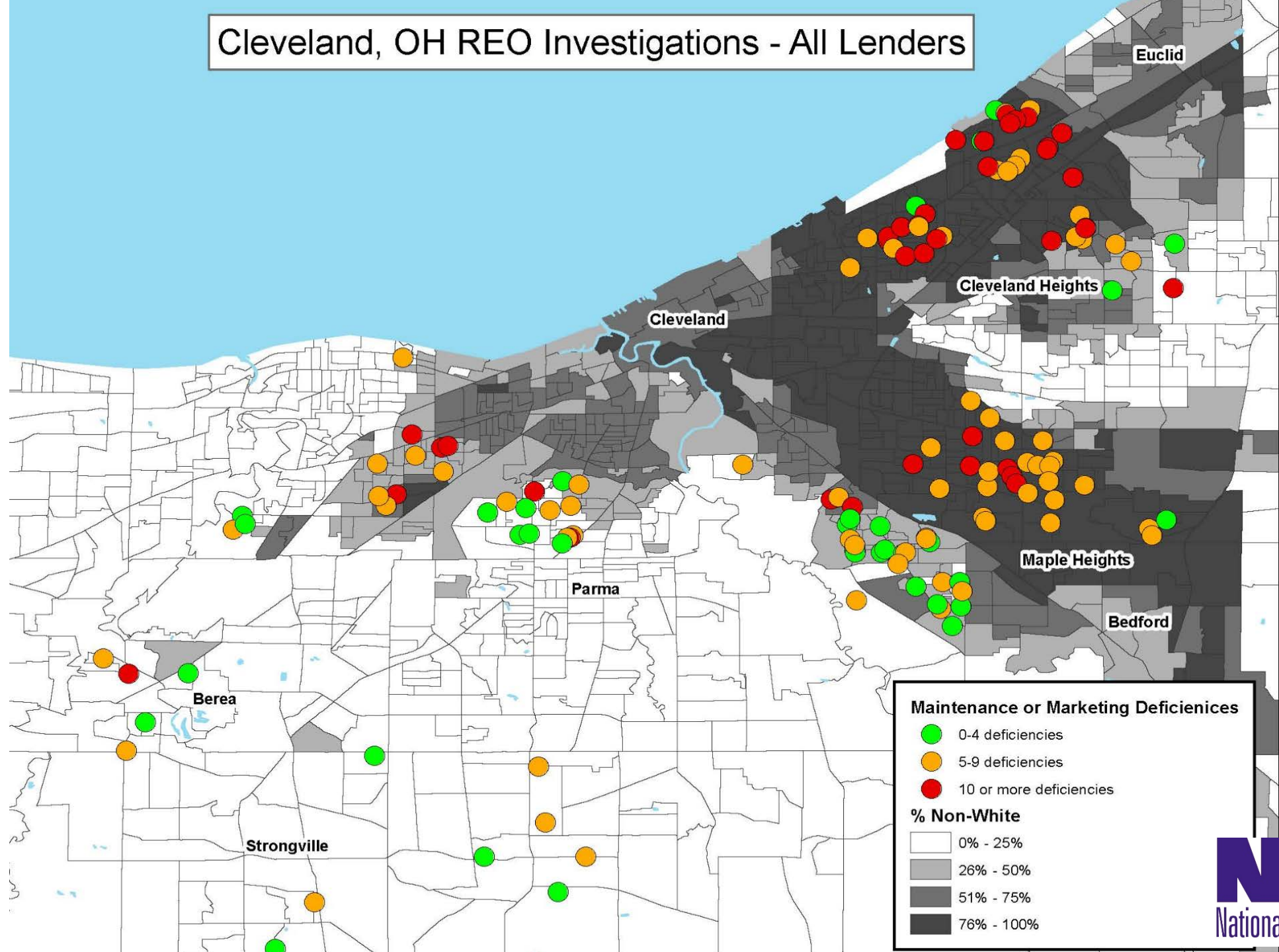


2005 – 2006 Subprime Loan Originations

2005 – Early 2008 Loan Foreclosures Cleveland



Cleveland, OH REO Investigations - All Lenders



Ads Manager

https://www.facebook.com/ads/manager/creation/creation/?act=1026450850719804&pid=p1

Search

Cathy

Help

Cathy Cloud (1026450850719...)

AD SET: Define your audience, budget and schedule

Create New Use a Saved Audience

Custom Audiences

Target Ads to People Who Know Your Business
You can create a Custom Audience to show ads to your contacts, website visitors or app users. Create a Custom Audience.

Locations Everyone in this location

United States

United States

Include Add locations

Add Bulk Locations...

Age 18 - 24

Gender All Men Women

Languages Enter a language...

Detailed Targeting Narrow Audience

EXCLUDE people who match at least ONE of the following

Demographics > Ethnic Affinity

African American (US)

Hispanic (US - All)

Add demographics, interests or behaviors Browse

Connections

African American (US)	<input checked="" type="checkbox"/>
Asian American (US)	<input type="checkbox"/>
Hispanic (US - All)	<input checked="" type="checkbox"/>
Hispanic (US - Bilingual)	<input type="checkbox"/>
Hispanic (US - English dominant)	<input type="checkbox"/>
Hispanic (US - Spanish dominant)	<input type="checkbox"/>

Audience Definition

Your audience selection is fairly broad.

Audience Details:

- Location:
 - United States
- Age:
 - 18 - 24
- Gender:
 - Female
- Exclude:
 - Ethnic Affinity: African American (US) or Hispanic (US - All)
- Placements:
 - Facebook Feeds and Facebook Right Column

Potential Reach: 13,000,000 people

Estimated Daily Reach

2,100 - 5,500 people on Facebook

0 of 11,000,000

This is only an estimate. Numbers shown are based on the average performance of ads targeted to your selected audience.

Close

Report a Problem

12:49 PM 11/3/2016



Your next customer looks like your current customer

When growing your business and finding new customers is your goal, lookalike audiences is the right tool for the job. Connecting with your key audience is as easy as a few clicks.

Current customers are the best source

You can create Facebook lookalike audiences from your customer and prospect lists, people who have visited your website or app or people who have interacted with your Facebook Page or ads. You can also use a custom audience to build a lookalike audience.

[Learn more about custom audiences](#)