
Red Lining and the White Flight

Week 10



Layers of Structural Inequality

Racial Zoning

Race-Restrictive
Covenants

“Redlining”

Racial Steering

Block Busting

Expulsive Zoning

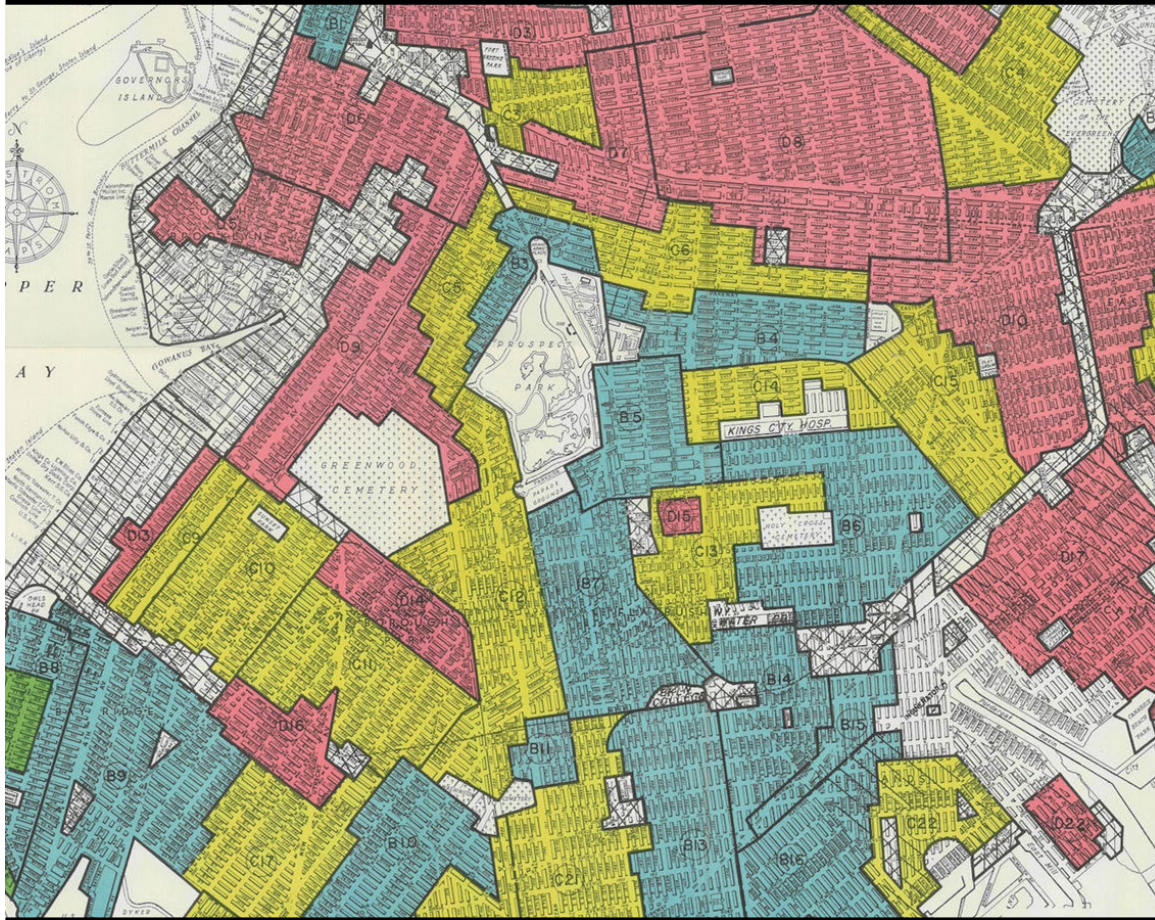
Exclusionary
Zoning

Highway
Construction

Slum Clearance
& Public Housing
Administration

School
Segregation

“Redlining”



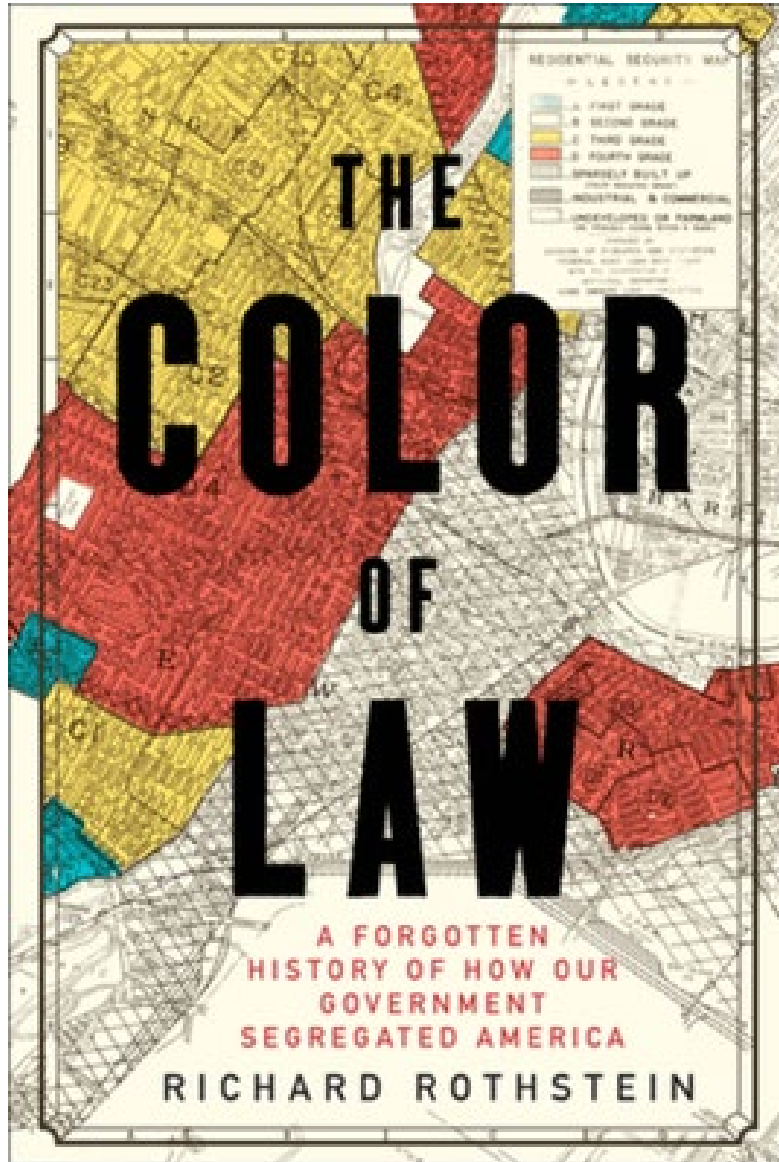
During the 1930s, the Federal Housing Authority's Home Owners' Loan Corporation (HOLC), a New Deal agency formed to refinance mortgages during the Great Depression, explicitly practiced a policy of “redlining” when determining which neighborhoods to approve mortgages in.

Redlining is the practice of denying or limiting financial services to certain neighborhoods based on racial or ethnic composition without regard to the residents' qualifications or creditworthiness.

The term “redlining” refers to the practice of using a red line on a map to delineate the area where financial institutions would not invest.

The federal government set the standard for redlining, and the practice spread throughout the mortgage industry and beyond, preventing investment in black neighborhoods and reinforcing a segregated, unequal society.

Redlining was made illegal by the 1968 Fair Housing Act



The Role of the Federal Government

Federal Housing Administration (est 1934):

- Refused to insure mortgages in and near African-American neighborhoods — a policy known as "redlining."
- At the same time, it subsidized builders who were mass-producing entire subdivisions for whites — with the requirement that none of the homes be sold to African-Americans.

Why did we redline?

infiltration

They are homogeneous;

detrimental
influences

The purpose of the Residential Security Map is to graphically reflect the trend of desirability in neighborhoods from a residential view-point. Four classifications are used as indicated by the legend, namely: First, Second, Third and Fourth grades. The code letters and colors are A, B, C and D, and Green, Blue, Yellow and Red respectively. In establishing the grade of an area, such factors as these are considered: intensity of the sale and rental demand; percentage of home ownership; age and type of building; economic stability of area; social status of the population; sufficiency of public utilities, accessibility of schools, churches, and business centers; transportation methods; topography of the area; and the restrictions set up to protect the neighborhood. The price level of the homes is not the guiding factor.



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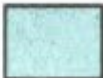
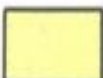



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How did the HOLC policy work?

LEGEND

Exclusively White		A FIRST GRADE	Eligible for 80% of mortgage value
Mostly White		B SECOND GRADE	Eligible for 60-80% of mortgage value
Mixed, Poor		C THIRD GRADE	Eligible for only 15% of mortgage value
Mostly Black		D FOURTH GRADE	Ineligible for mortgage insurance

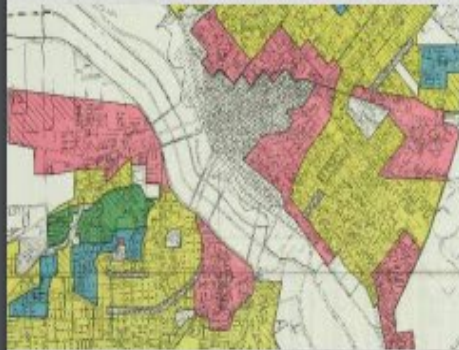
How were neighborhoods assessed?

FAVORABLE INFLUENCES.

Good schools and transportation

DETRIMENTAL INFLUENCES.

Mixture negro and poor white.

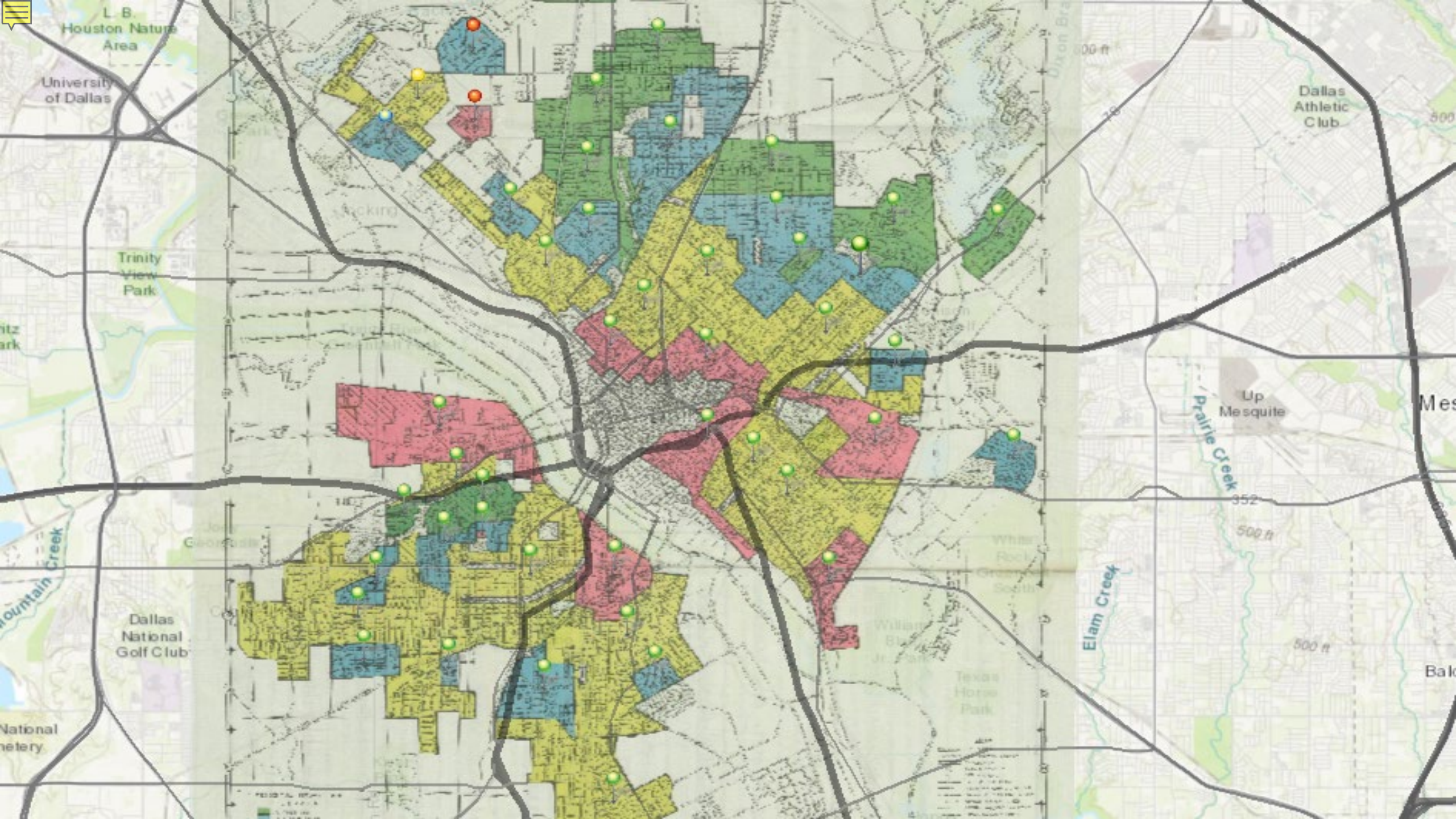


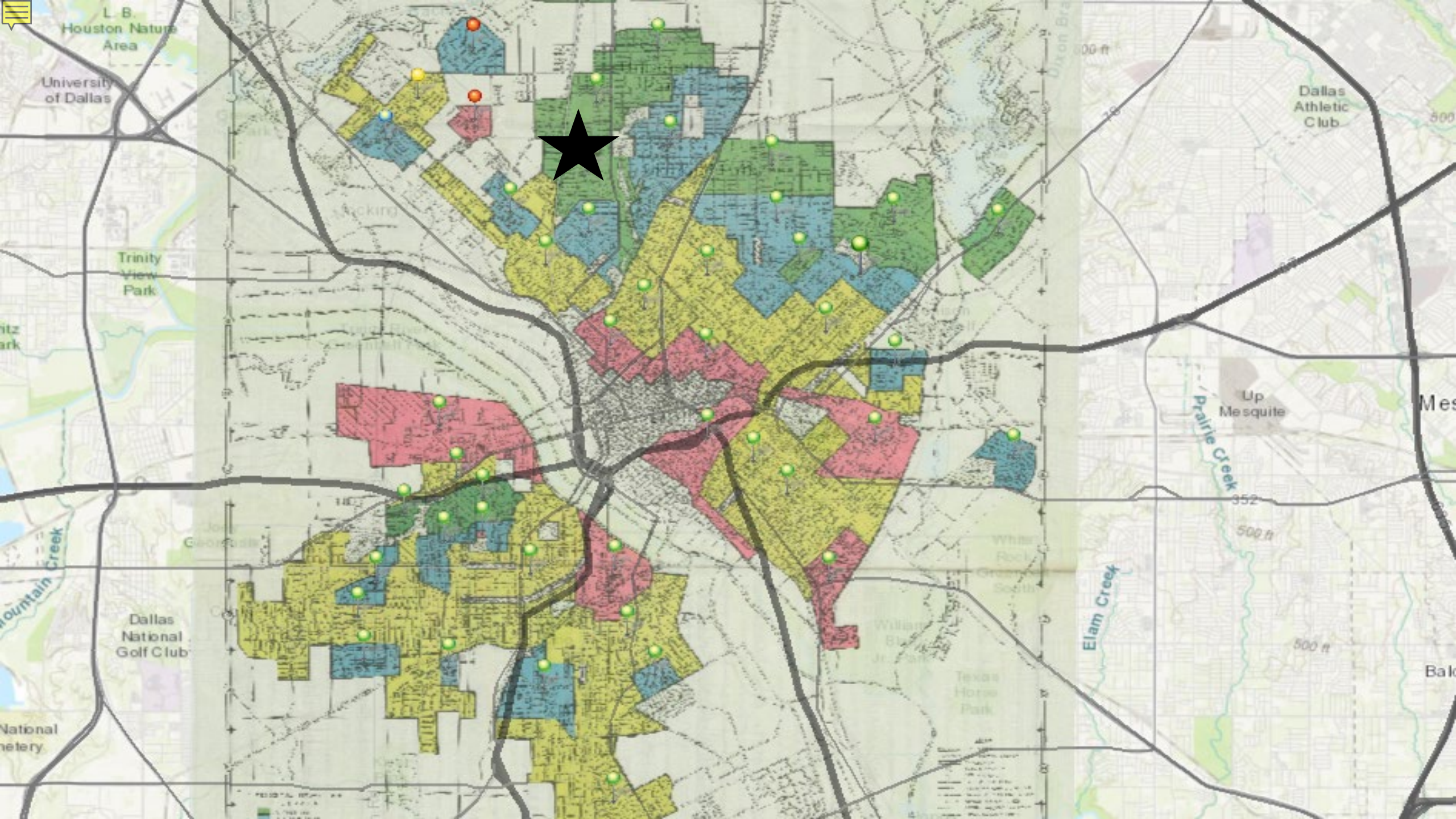
INHABITANTS:

- a. Type Laborers ; b. Estimated annual family income \$ 700 ;
c. Foreign-born None ; % ; d. Negro Yes ; 80 % ;
(Nationality) (Yes or No)
e. Infiltration of Negro ; f. Relief families 80% ;
g. Population is increasing ; decreasing ; static.

TREND OF DESIRABILITY NEXT 10-15 YEARS Downward

CLARIFYING REMARKS: Low Red.





NS FORM 8
10-1-37

AREA DESCRIPTION - SECURITY MAP OF Dallas, Texas

1. AREA CHARACTERISTICS:
a. Description of Terrain. Level.

b. Favorable Influences. All city conveniences. Adequate transportation. Well planned and highly restricted area. Modern business center in area. Close to schools. Dallas Country Club joins.

c. Detrimental Influences. None

d. Percentage of land improved 80 %; e. Trend of desirability next 10-15 yrs. Static to up.

2. INHABITANTS: Executives, business, and
a. Occupation professional men, capitalists; b. Estimated annual family income \$5000-30,000
c. Foreign-born families None %; - predominating; d. Negro None %;
e. Infiltration of None; f. Relief families None
g. Population is increasing Rapidly; decreasing _____; static _____

3. BUILDINGS:

	PREDOMINATING	OTHER TYPE	OTHER TYPE
a. Type	<u>2 story singles 8/14 rooms</u>	<u>1 story singles 6/8 rooms</u>	<u>_____</u>
b. Construction	<u>Brick & stone</u>	<u>Brick & stone, & hollow tile</u>	<u>_____</u>
c. Average Age	<u>10</u> Years	<u>10</u> Years	<u>_____</u> Years
d. Repair	<u>Good</u>	<u>Good</u>	<u>_____</u>
e. Occupancy	<u>100</u> %	<u>100</u> %	<u>_____</u> %
f. Home ownership	<u>95</u> %	<u>95</u> %	<u>_____</u> %
g. Constructed past yr.	<u>40 to 25,000</u>	<u>60 to 12,500</u>	<u>_____</u>
h. 1929 Price range	<u>\$12,000-50,000 100%</u>	<u>\$7000-15,000 100%</u>	<u>\$ _____ 100%</u>
i. 1936 Price range	<u>\$15,000-50,000 86 %</u>	<u>\$6500-13,500 91 %</u>	<u>\$ _____ %</u>
j. 1938 Price range	<u>\$15,000-50,000 86 %</u>	<u>\$6500-13,500 91 %</u>	<u>\$ _____ %</u>
k. Sales demand to	<u>\$ 25,000 - Fair to</u>	<u>\$10,000 Fair</u>	<u>\$ _____</u>
l. Activity	<u>Fair</u>	<u>Fair</u>	<u>_____</u>
m. 1929 Rent range	<u>\$Not sufficient 100%</u>	<u>\$Not sufficient 100%</u>	<u>\$ _____ 100%</u>
n. 1936 Rent range	<u>\$rental property %</u>	<u>\$rental property %</u>	<u>\$ _____ %</u>
o. 1938 Rent range	<u>\$to estimate %</u>	<u>\$to estimate %</u>	<u>\$ _____ %</u>
p. Rental demand	<u>\$ -</u>	<u>\$ -</u>	<u>\$ _____</u>
q. Activity	<u>-</u>	<u>-</u>	<u>_____</u>

4. AVAILABILITY OF MORTGAGE FUNDS: a. Home purchase Ample; b. Home building Ample

5. CLARIFYING REMARKS: Major portion of this area contains beautiful parkways, ideally landscaped and maintained by promoters of the addition. It has

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AREA DESCRIPTION - SECURITY MAP OF Dallas, Texas

1. AREA CHARACTERISTICS:

a. Description of Terrain. Level.

b. Favorable Influences. Schools, churches, and stores in area - has city conveniences. Adequate transportation.

c. Detrimental Influences. Cheap construction - type of population - unpaved streets. Railroad tracks through area - with some industrial plants located along the tracks.

d. Percentage of land improved 60 %; e. Trend of desirability next 10-15 yrs. Static

2. INHABITANTS:

a. Occupation Negro laborers; b. Estimated annual family income \$ 600-750

c. Foreign-born families None%; _____ predominating; d. Negro Yes; _____%
100%

e. Infiltration of None; f. Relief families Many

g. Population is increasing _____; decreasing _____; static Yes

3. BUILDINGS:

	<u>PREDOMINATING</u>	<u>65 %</u>	<u>OTHER TYPE</u>	<u>35 %</u>	<u>OTHER TYPE</u>	<u>_____ %</u>
a. Type	<u>Singles 4/5 rs.</u>		<u>Singles 3/4 rs.</u>			
b. Construction	<u>Frame</u>		<u>Frame</u>			
c. Average Age	<u>25</u> Years		<u>25</u> Years			
d. Repair	<u>Poor</u>		<u>Poor</u>			
e. Occupancy	<u>95</u> %		<u>95</u> %			
f. Home ownership	<u>65</u> %		<u>20</u> %			
g. Constructed past yr.	<u>6 to 1200</u>		<u>None</u>			
h. 1929 Price range	<u>\$ 1000-2500</u>	<u>100%</u>	<u>\$ 600-1250</u>	<u>100%</u>	<u>\$ _____</u>	<u>100%</u>
i. 1936 Price range	<u>\$ 800-2000</u>	<u>80 %</u>	<u>\$ 400-1000</u>	<u>73 %</u>	<u>\$ _____</u>	<u>_____ %</u>
j. 1938 Price range	<u>\$ 800-2000</u>	<u>80 %</u>	<u>\$ 400-1000</u>	<u>73 %</u>	<u>\$ _____</u>	<u>_____ %</u>
k. Sales demand	<u>\$ None</u>		<u>\$ None</u>		<u>\$ _____</u>	
l. Activity	<u>Poor</u>		<u>Poor</u>			
m. 1929 Rent range	<u>\$ 8 - 25</u>	<u>100%</u>	<u>\$ 5- 12</u>	<u>100%</u>	<u>\$ _____</u>	<u>100%</u>
n. 1936 Rent range	<u>\$ 6 - 20</u>	<u>88 %</u>	<u>\$ 4- 10</u>	<u>83 %</u>	<u>\$ _____</u>	<u>_____ %</u>
o. 1938 Rent range	<u>\$ 6 - 29</u>	<u>88 %</u>	<u>\$ 4- 10</u>	<u>83 %</u>	<u>\$ _____</u>	<u>_____ %</u>

The Impact of “Redlining”

Bias

- Low SES and Black population viewed as detrimental influence that posed risk to public health and property value

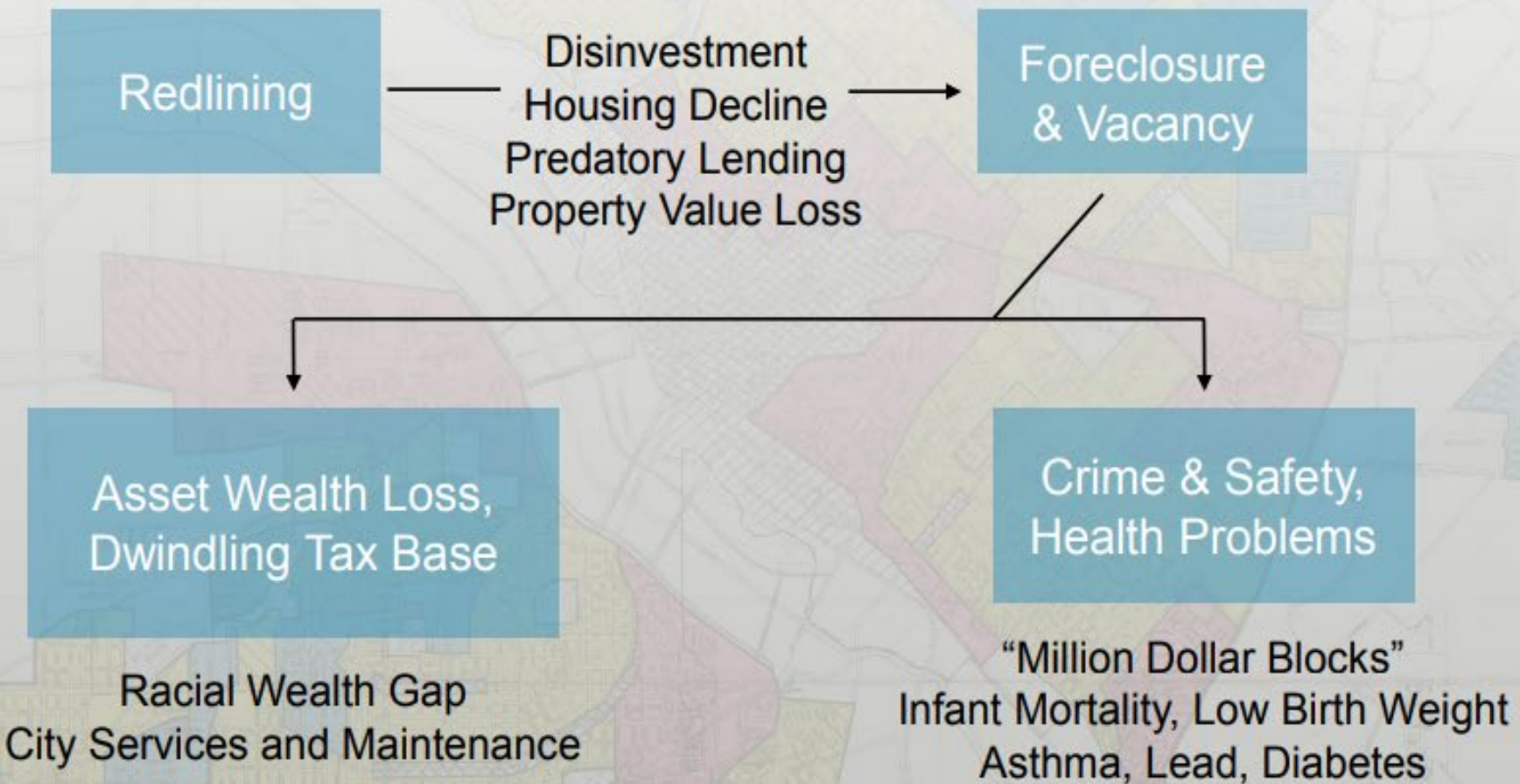
Disinvestment

- Structural disinvestment in people & place
- Denied access to capital

Decline

- Inability to maintain property
- Abandonment & blight
- Future investment is even more discouraged

Theory of How Redlining Impacts Cities & Neighborhoods



The effects of redlining were compounded by other discriminatory de jure and de facto practices...

Exclusionary Zoning

Prescribed separate residential areas for blacks and whites

Dallas passed its segregatory zoning ordinance in 1917

The Supreme Court ruled this form of zoning unconstitutional twice

- Buchanan v. Warely (1917)
- Harmon v Tyler (1927)

Elements persisted

Race-Restrictive Covenants

Racial covenants became common after the Civil War.

The Supreme Court overturned laws that forbade blacks to live in particular neighborhoods, covenants in deeds became the only way to maintain legally enforceable racial segregation.

The Federal Housing Administration, established in 1934 to spur home-ownership by providing mortgage-loan guarantees, actually required real estate developers to include racial covenants in their deeds as a condition of FHA financing.
