

Federal Housing and Segregation

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Main points

1. The New Deal supported housing for middle class people (that is racially discriminatory)
2. The New Deal also generated a “public housing” program, but problems emerged, and additional affordable housing programs have not provided sufficient housing
3. Racial segregation continues
4. Imperative for today

U. S. New Deal era

Recovery from the Great Depression, PWA



SUPPORT FOR AFFORDABLE HOUSING (FOR WHITES, WORKING, MIDDLE CLASSES, WEALTHY)

New Deal and HOLC

University of Richmond Digital Scholarship Lab

University of Richmond Digital Scholarship Lab

Secure | <https://dsl.richmond.edu/panorama/redlining/#loc=10/42.3475/-83.1365&opacity=0.8&city=detroit-mi>

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MAPPING INEQUALITY Redlining in New Deal America

Introduction | Bibliographic Note & Bibliography | About | Contact Us

Search by city or state

HEARNE BROTHERS
GREATER DETROIT

Legend:

- A "Best"
- B "Still Desirable"
- C "Definitely Declining"
- D "Hazardous"

Detroit, MI

click on neighborhoods to read their area descriptions

	1930	1940
Population	1,568,662	1,623,452

Grading in Terms of Area

6%	14%	51%	28%
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Grading & Density Outward from City Center

Other Visible Cities

HOLC Offspring

- FHA—National Housing Act of 1934
- VA (1944)
- Examples: Levittown, NY; metro Detroit
- Redlining practices
- Few minority beneficiaries up to 1959
- U. S. Civil Rights Act 1968



Levittown NY

Tax, Mortgage Policies

The biggest federal tax breaks

Estimates for fiscal 2016, in billions of dollars

Employer-paid health care, health insurance and long-term care insurance	\$143.8
Lower tax rates on dividends and long-term capital gains	134.6
Deferral of active income of controlled foreign corporations	108.9
Contributions to and earnings of defined-contribution retirement plans	82.7
Mortgage interest deduction for owner-occupied residences	77.0
Earned-income tax credit	73.3
Deductibility of (nonbusiness) state and local income, sales, and personal property taxes	65.1
Contributions to and earnings of defined-benefit pension plans	57.4
Credit for children under age 17	56.0
Subsidies for insurance purchased through health benefit exchanges	53.5

Source: "Estimates of Federal Tax Expenditures for Fiscal Years 2015-2019," Joint Committee on Taxation, staff report JCX-141R-15.

PEW RESEARCH CENTER



Mortgage interest deduction:
\$77 billion, 2016

Zoning as protective strategy



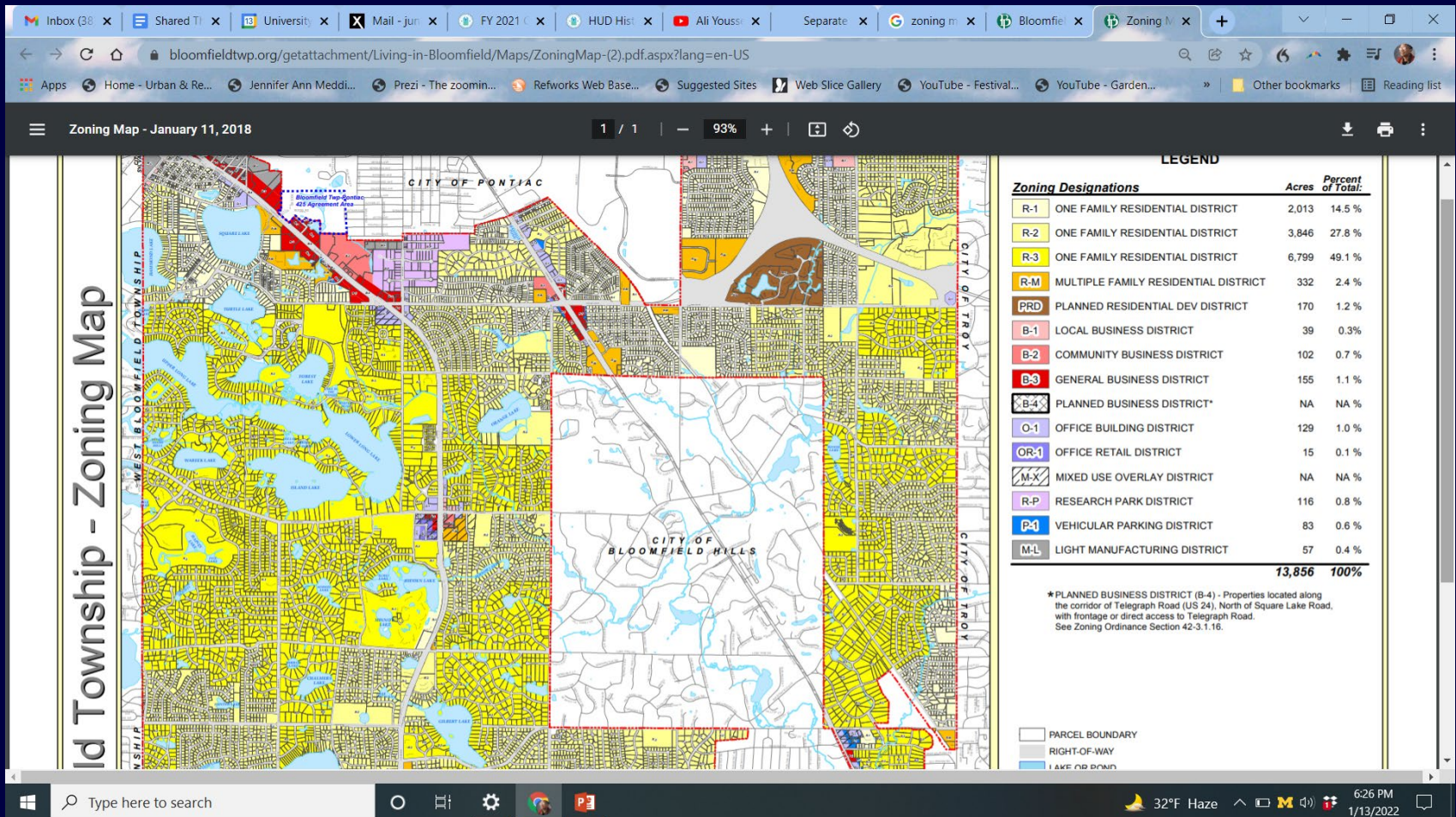
New York City, 1916 code



Aerial A2

Zoning:

Single-family preoccupation

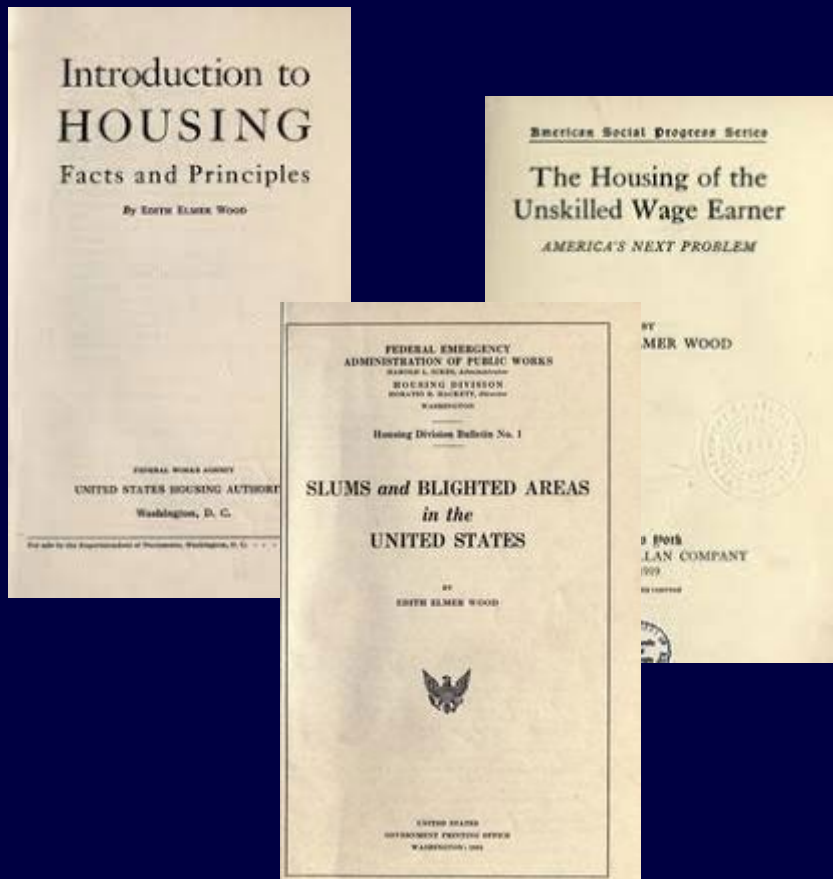


Bloomfield Township

SUPPORT FOR AFFORDABLE HOUSING (FOR LOW-INCOME PEOPLE, WORKING-CLASS WHITES, MINORITIES)

Key U. S. Thinkers about housing:

Edith Elmer Wood,
1871-1945

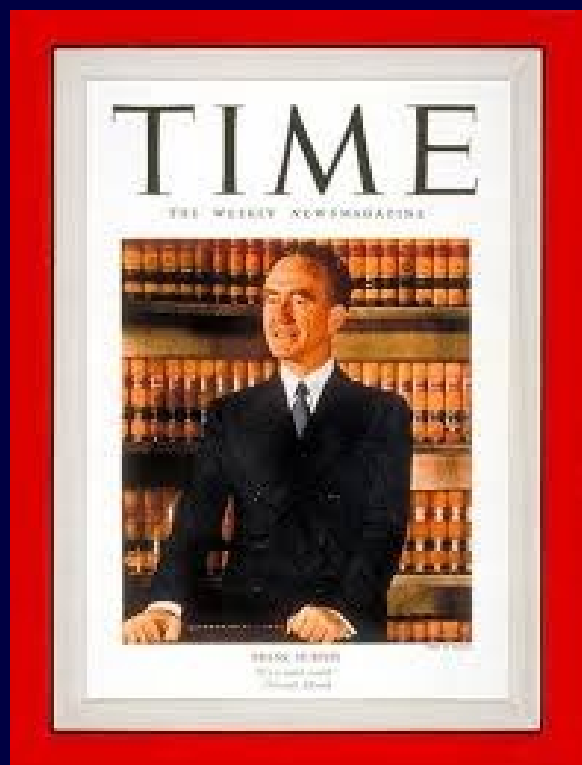


Catherine Bauer Wurster,
1905-1964



Detroit and the New Deal

Mayor Frank Murphy



Josephine Gomon



Harry Bennett and Josephine Gomon,
Bentley Historical Library

Eleanor Roosevelt and Josephine Gomon

- Personal friend of First Lady Eleanor Roosevelt
- Fight for Black housing



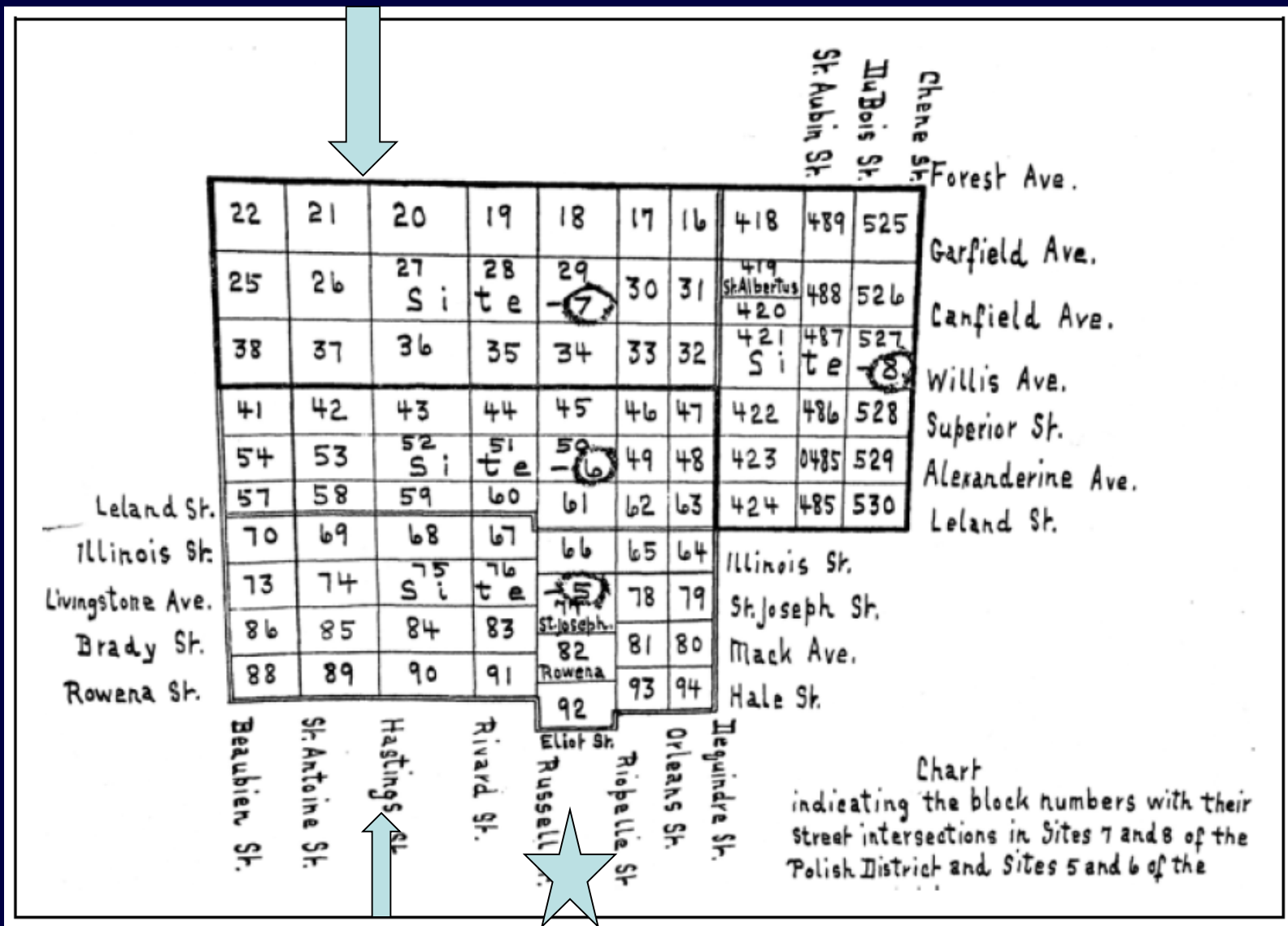


Figure 2 1935, from June Thomas, "Josephine Gomon Plans Detroit's Rehabilitation," *Journal of Planning History*, 2017

Communitarian vision



Early Brewster Homes
Detroit, MI, opened 1938

EB02e681

Digital collection, Detroit Public Library

next slide also: <https://digitalcollections.detroitpubliclibrary.org/islandora/object/islandora%3A142133>



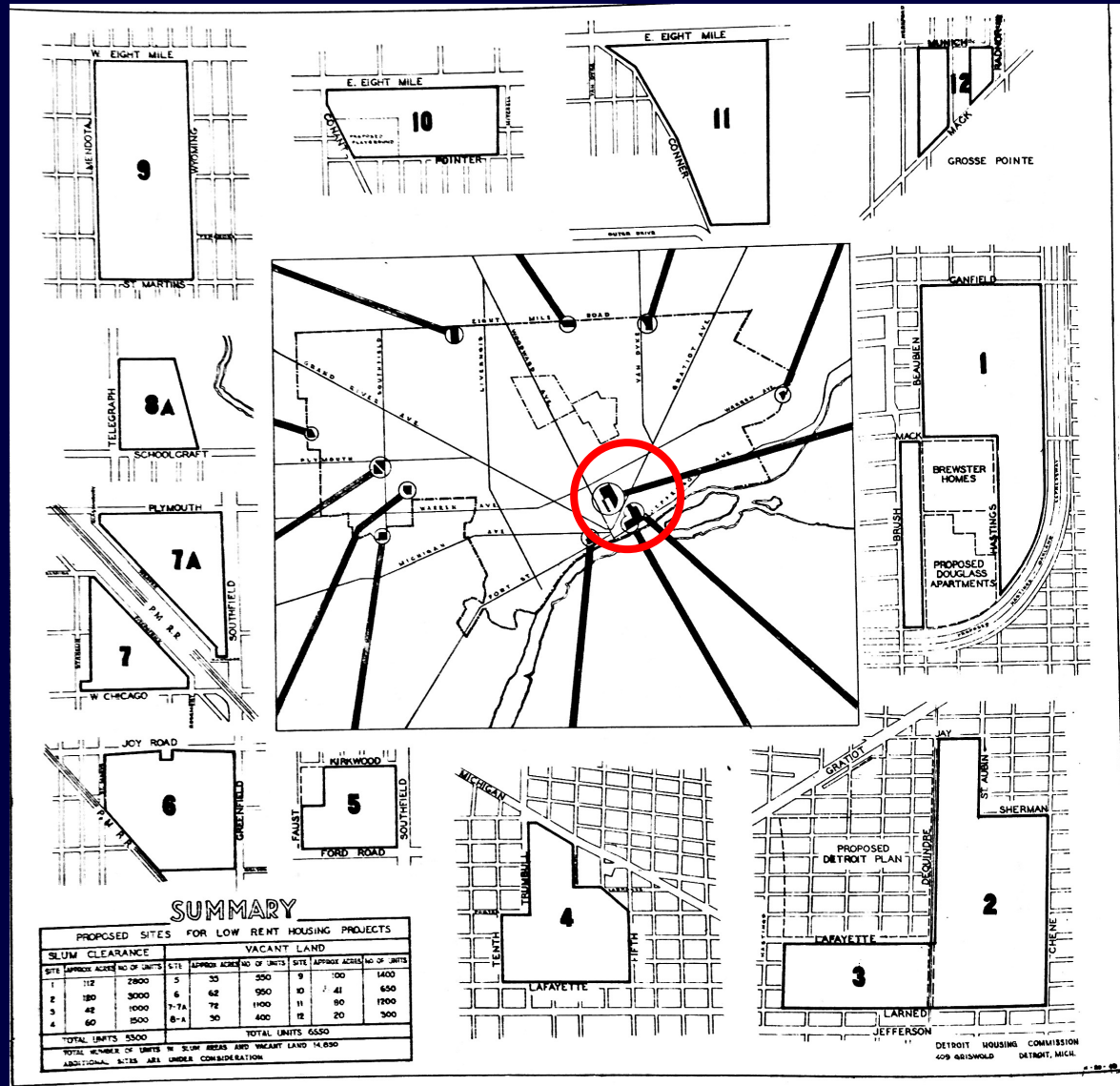
Brewster Homes, 1946



Bentley Historical Library, reproduced in June Thomas, *Redevelopment and Race*, chapter 1



Planned Public Housing Sites 1948



Mayor Albert Cobo's intervention



Library of Congress



Results in Detroit



2013



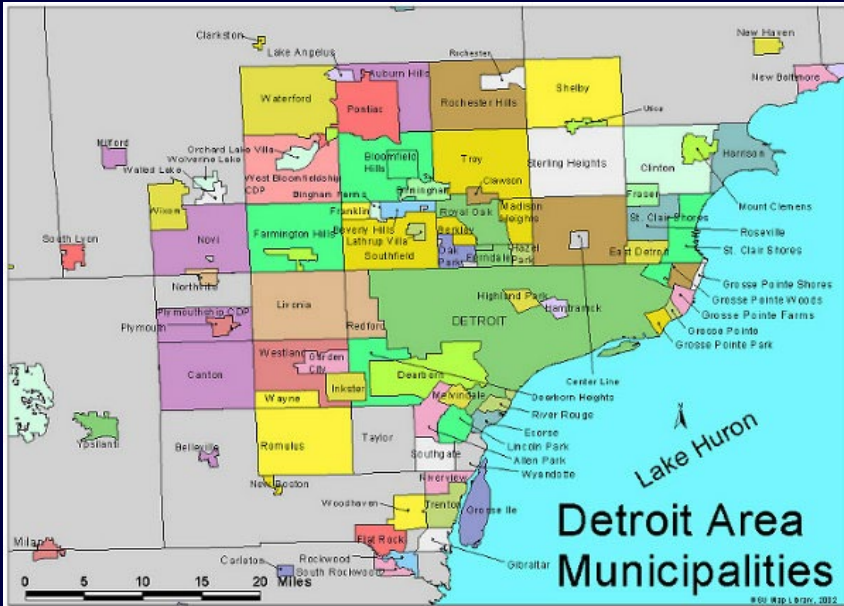
Brewster-Douglass Homes before demolition
Source: June Thomas, photographer

A Few Housing Programs

- Housing and Community Development Act 1974
 - CDBG—Community Development Block Grants
 - Section 8 tenant-based certificates
- HOPE VI (1993)
- 1994 National Affordable Housing Act
 - HOME block grants
- LIHTC—Low Income Housing Tax Credits (1986)
- Gautreaux/ Moving to Opportunity (1992)

RACIAL SEGREGATION

MI Law and Thresholds

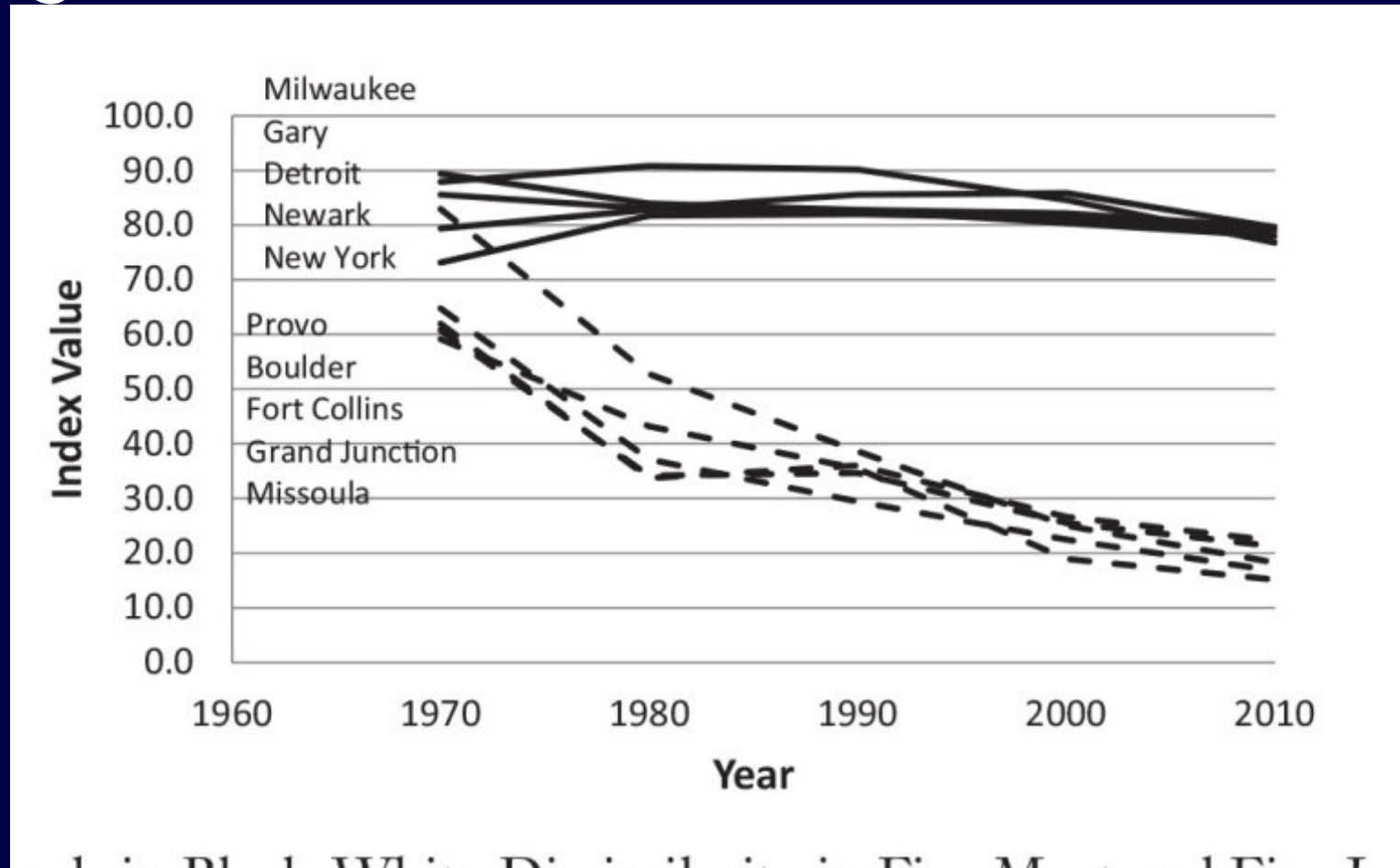


- Until 1970, new cities allowed with 750 people, home-rule villages with 150
- 1970, city threshold raised but only to 2000
- 1978 Charter Township Act; for suburban townships with as few as 2000 residents . . .
- boundary protection, municipal status, broad powers

<https://faculty.newpaltz.edu/johnsharp/files/DetroitMap1.jpg>

Metro areas differ

High and low metro areas B-W dissimilarity



Source: Jacob Rugh and Douglas Massey, "Segregation in Post-Civil Rights America," DuBois Review, 11:2 p. 221.



REPORT

Neighborhood segregation persists for Black, Latino or Hispanic, and Asian Americans

William H. Frey · Tuesday, April 6, 2021



For media inquiries, contact:

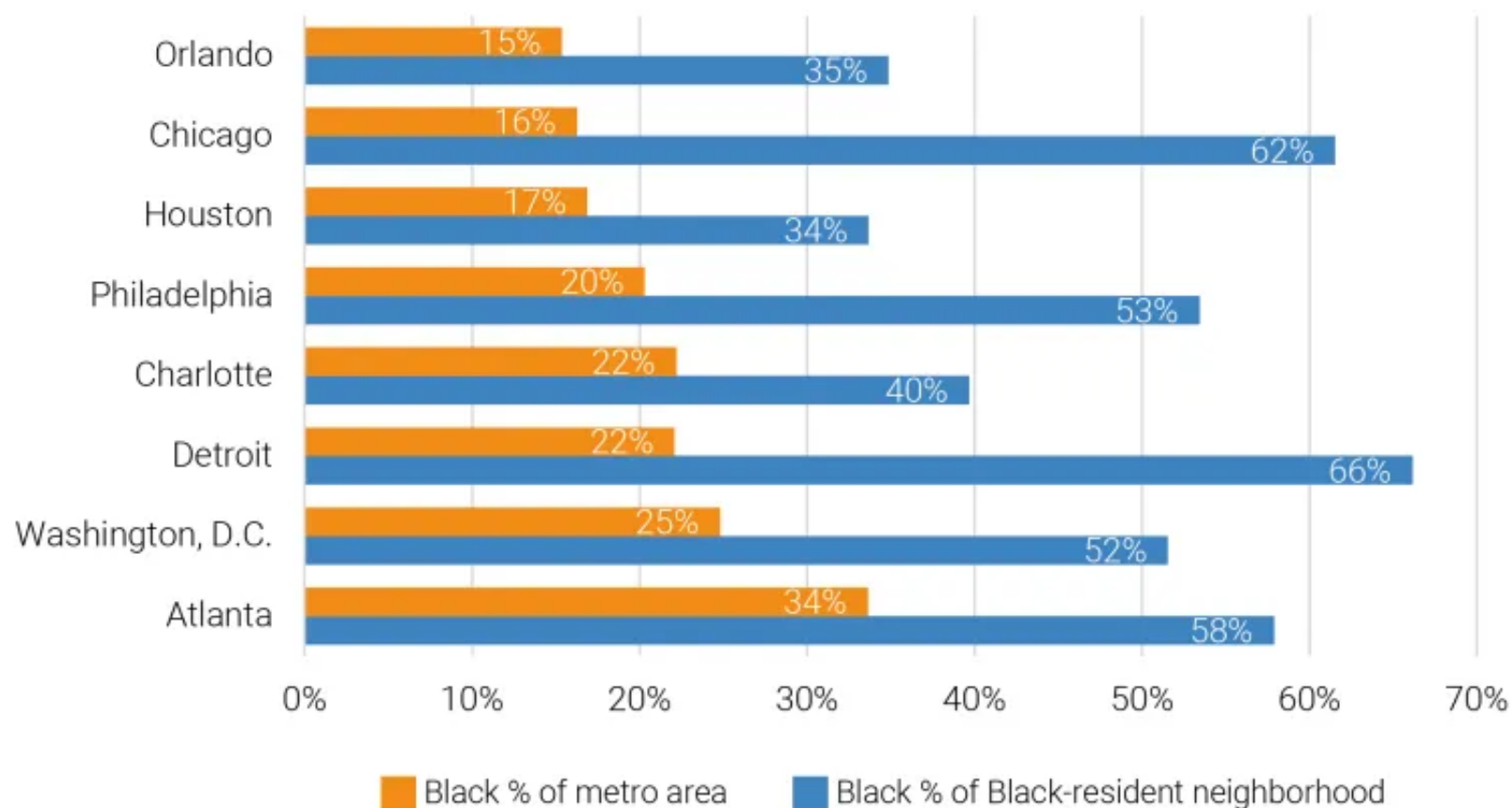
The systemic racism spotlighted over the past year in the wake of the death



William H. Frey
Senior Fellow - Brookings Metro



Figure 3. Black percentages of metropolitan areas and neighborhoods of average Black residents
2015-2019



Source: William H. Frey analysis of 2015-2019 multiyear American Community Survey.

Introduction

Separate and unequal

Modernizing family

Risky (housing) business

The office, reimagined

Retail revolution

The Great Real Estate Reset

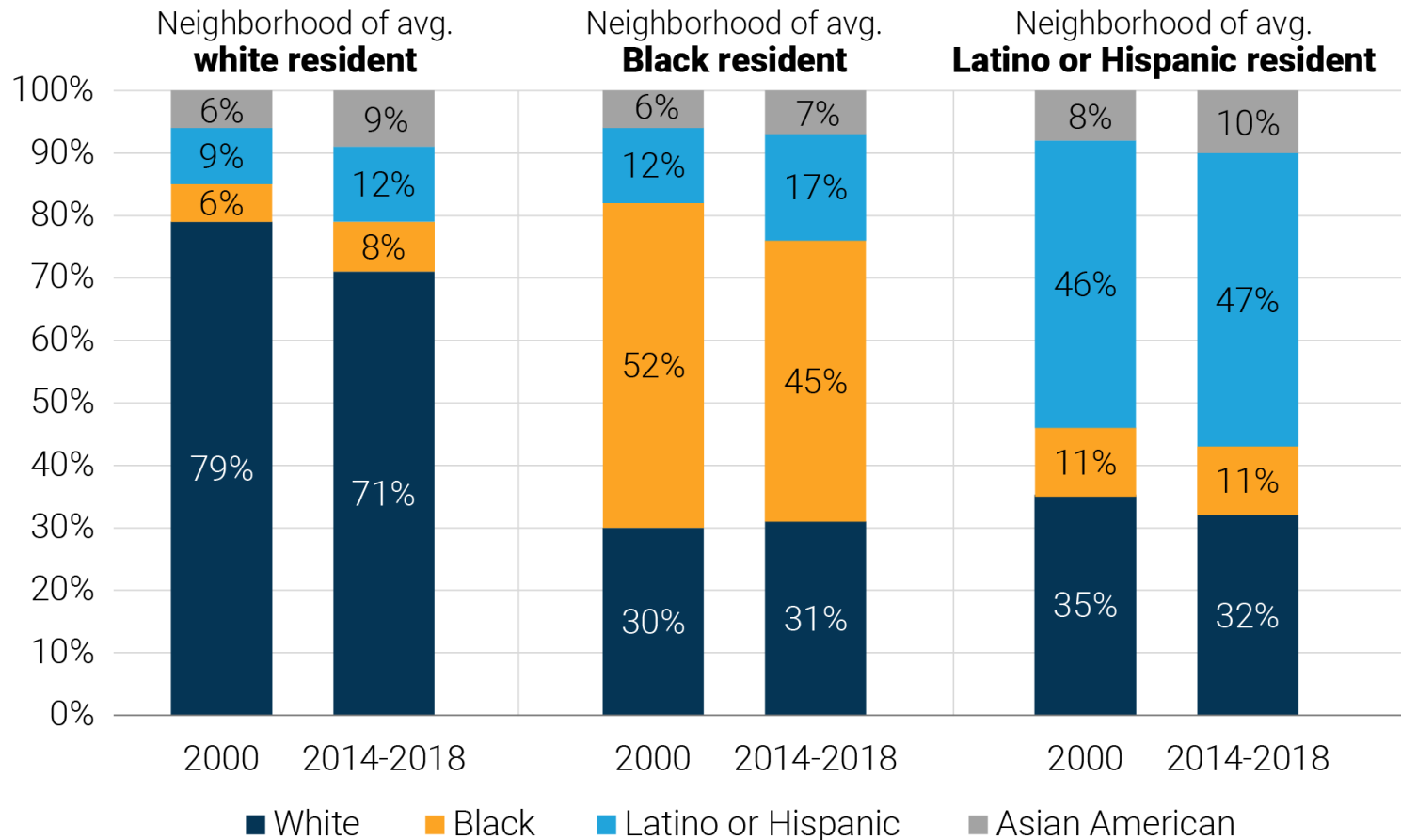
Separate and unequal: Persistent residential segregation is sustaining racial and economic injustice in the U.S

Tracy Hadden Loh, Christopher Coes, and Becca Buthe

DECEMBER 16, 2020

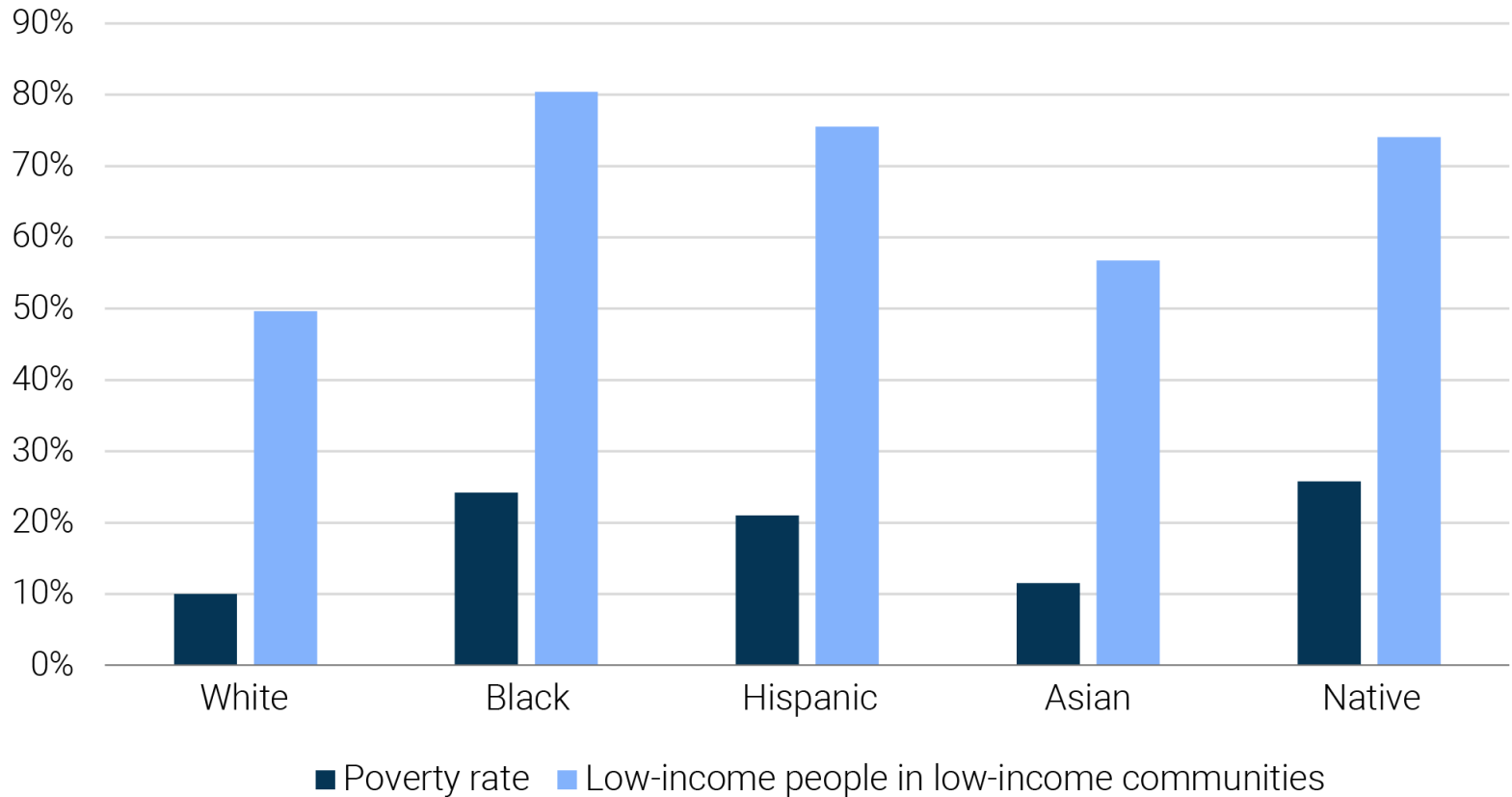
Very few Americans live in neighborhoods that are affordable, green, close to jobs, and racially and economically integrated—to the point where it is a relatively common view that such

Figure 2. Race-ethnic makeups of average neighborhoods of different groups in metro areas
2000 and 2014-2018



Source: William H. Frey analysis of 2000 Census and 2014-2018 multiyear American Community Survey.

Figure 3. Not all low-income people live in low-income communities—the rate varies by race



Source: Kim and Loh, 2020. Data from the 2018 American Community Survey, 5-year estimates.

Main points

1. The U. S. has supported housing for middle class and wealthy (that is racially discriminatory)
2. Efforts to create housing for low-income people have had fits and starts, but left major needs
3. Racial segregation continues

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- Questions?
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